



KOSIAN INDUSTRIES LIMITED

19th Annual Report 2008-2009

BOARD OF DIRECTORS

Shri Inderjeet Arya	:	Chairman, Promoter & Non – Executive Director
Shri Kishorkumar Arya	:	Promoter & Non – Executive Director
Col R. S. Malik	:	Independent Director
Major S. P. S. Rathore	:	Independent Director (w. e. f. 29th April, 2008)
Shri O. P. Agrawal	:	Promoter & Managing Director (up to 29th April, 2008)
Smt Hemani Agrawal	:	Promoter & Executive Director of the Company. (up to 29th April, 2008)
Shri P. N. Vijay	:	Independent Director (up to 29th April, 2008)
Smt Nayana P. Savala	:	Independent Director (up to 29th April, 2008)

REGISTERED & CORPORATE OFFICE

13 – Onlooker Building, Sir P. M. Road, Fort,
Mumbai - 400001. (up to 31st January, 2009)

B / 202, Gayatri Darshan, Thakur Complex, Kandivali (E),
Mumbai – 400101. (w.e.f. 31st January, 2009)

AUDITORS

Jayesh Sanghrajka & Co.
Chartered Accountants.
Mumbai.

REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic (India) Private limited
Unit – 1, Luthra Ind. Premises, Andheri Kurla Road,
Safed Pool, Andheri (East), Mumbai – 400 072.

Contents	Page No.
Notice	2
Directors' Report	4
Annexure 1 to the Director's Report : Management Discussion & Analysis	7
Annexure 2: Compliance Certificate	7
Annexure 3: Corporate Governance Report	11
Auditors' Report	19
Balance-Sheet	22
Profit & Loss A/c.	23
Schedule forming part of Accounts	24
Accounting policies & Notes to Accounts	27
Cash Flow Certificate	30
Cash Flow Statement	31
Balance Sheet Abstract	32
Entrance Pass, Proxy Form & ECS Mandates	34

CERTIFIED TRUE COPY

For KOSIAN INDUSTRIES LTD

Indu

DIRECTOR

DIRECTOR

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **19th Annual General Meeting** of the members of **Kosian Industries Limited** will be held on Thursday, the **17th day of September, 2009** at 11.00 a.m. at Shivam Sundaram Hall, 1st Floor, Maruti Towers, Thakur Complex, Kandivali (East), Mumbai – 400 101 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2009 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 Col R. S. Malik, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
3. To appoint a Director in place of Major S. P. S. Rathore, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
4. 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.

FOR AND ON BEHALF OF THE BOARD,

DATE : 30th July, 2009

PLACE : MUMBAI.

Sd/-
INDERJEET ARYA
DIRECTOR

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective should be deposited with the 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 – 1, 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 31st March, 2009 are enclosed.
5. The Register of Members and Share Transfer Register shall remain closed from 10th September, 2009 to 17th September, 2009 (both days inclusive).
6. Members are requested to bring copies of Annual Report duly filled Attendance slip for attending the meeting.
7. Only bonafide members of the Company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non – members from the meeting.

8. DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING ARE AS UNDER:

Name of the Director	Col R. S. Malik	Major S. P. S. Rathore
Age	61 yrs	64 yrs
Qualification	B. E (Civil engineering)	B. E (electrical)
Experience	25 yrs	31 yrs
Nature of his expertise in specific functional areas	Civil Engineering Work	Engineering Work
Number of Directorship in other companies	2*	Nil*
Committee position held in other companies	Nil	Nil

*Excludes alternate directorship, directorship in Indian Pvt Ltd Companies, foreign companies, Proprietorship and Partnership firm

FOR AND ON BEHALF OF THE BOARD,

DATE : - 30th July, 2009

PLACE : MUMBAI.

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

Sd/-

INDERJEET ARYA
DIRECTOR

DIRECTORS' REPORT**To The Members,**

The Directors are pleased to present their 19th Annual Report on the business and the operations of the Company and the statement of accounts for the year ended on March 31, 2009.

FINANCIAL RESULTS:

	Year Ended 31.03.09 (Rs. in Lacs)	Year Ended 31.03.08 (Rs. in Lacs)
Income	807.53	867.12
Profit Before Tax	2.44	93.15
Provision for Taxation		
- Current Tax	(0.43)	(24.77)
- Deferred Tax	0.65	(0.92)
- Prior Period Income Tax	-	-
Net Profit After Tax	2.66	67.46
Dividend	NIL	NIL
Transfer to reserves	NIL	NIL

OPERATIONS:

During the year, the Company has done the business of Trading in Shares & Diamonds and rendered financial services. During the period under review, the company could earn Rs 20.00 lacs towards financial services as against Rs 84.81 lacs during last FY 2007-08 because of slowdown and adverse market condition. Thus though the income level is same the company could not earn the substantial profit during the year under review.

DIVIDEND:

Though the operations of the company continue to generate profit, but due to accumulated losses, your Directors are unable to declare any dividend during the year under consideration.

FOREIGN EXCHANGE EARNINGS / OUTGO:

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

DEPOSITS:

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

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.

INTERNAL AUDIT AND CONTROL:

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

POSTAL BALLOT:

During the year, the Postal Ballot was conducted pursuant to section 192A of the Companies Act, 1956 and (Passing of Resolutions by Postal Ballot) Rules 2001. The results of the same were declared on 29th April, 2008.

SHARE CAPITAL:

During the period under review the Authorised share capital was increased from Rs. 6,00,00,000/- to Rs. 30,00,00,000/-

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Col R. S. Malik and Major S.P.S Rathore are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, has offered themselves for re- appointment.

The Board recommends their reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement 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 accounts for the financial year ended 31st March 2009 the applicable accounting standards have been followed, along with proper explanation relating to any material departures;
- (ii) that they have, in the selection of the accounting policies, consulted the statutory auditors and have 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 financial year and of the profit of the Company for that period.
- (iii) that they have taken proper and sufficient care to the best of their knowledge and ability 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.
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March 2009 on a 'going concern' basis.

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.

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.

LISTING OF SHARES:

Equity shares of your Company are currently listed on with Bombay Stock Exchange and the Delhi Stock Exchange Association Ltd. The Company was also listed on Saurashtra Kutch Stock Exchange Limited, which has been since closed. The Company has been paying the necessary listing fees to Bombay Stock Exchange regularly.

DEMATERIALISATION OF SHARES:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis of Financial Condition and Results of the 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 1)

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 at Annexure 2.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of the 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). In reply to the qualification made by the Auditors regarding non compliance of 49(IV)(G)(ii), the Company is in the process of construction of website and posting all the necessary information on the same.

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.

ACKNOWLEDGMENT:

The Board of Directors wishes to express sincere thanks to all stakeholders, bankers, auditors, employees, consultants and clients for lending their support in various activities of the company.

FOR AND ON BEHALF OF THE BOARD,

PLACE : MUMBAI.
DATE : 30th July, 2009

Sd/-
INDERJEET ARYA
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE AND DEVELOPMENTS**

Like most of the world, India is also facing testing economic times in 2008-09. The Reserve Bank of India had set an inflation target of 4%, but by the middle of the year it was running at 11%, the highest level seen for a decade. The rising costs of oil, food and the resources needed for India's construction boom are all playing a part.

As part of the fight against inflation a tighter monetary policy is expected, but this will help slow the growth of the Indian economy still further, as domestic demand will be dampened. External demand is also slowing, further adding to the downside risks.

The Indian stock market has fallen more than 40% in six months from its January 2008 high. \$6b of foreign funds have flowed out of the country in that period, reacting both to slowing economic growth and perceptions that the market was over-valued.

It is not all doom and gloom, however a growing number of investors feel that the market may now be undervalued and are seeing this as a buying opportunity. If their optimism about the long term health of the Indian economy is correct, then this will be a needed correction rather than a downtrend.

Further hope comes from the second time elected Government in India that the Indian economy will boom again and there will be various expansion and consolidation activities happening in the industries. In view of this the Company has also set upon the task of repositioning itself to translate the new challenges into business opportunities through knowledge driven initiatives.

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.

PERFORMANCE

During the year, the Company has done the business of Trading in Shares & Diamonds and rendered financial services. Due to bad market conditions the company could not make substantial profit.

PROSPECTS

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

COMPLIANCE CERTIFICATE

Regn. No. of the Company: L67190MH1990PLC055497.

Nominal Capital: 30,00,00,000/-

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 **31st MARCH, 2009** (“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 (6) Six times on 29th April, 2008, 30th June, 2008, 31st July, 2008, 31st October, 2008, 5th January, 2009 and 31st January, 2009 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 Saturday, September 27, 2008 to, Tuesday, September, 30, 2008 (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 31st March, 2008 was held on 30th September, 2008 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year. But during the year, 10 resolutions were passed through postal ballot, results of which were declared on 29th April, 2008 pursuant to section 192A of the Companies Act, 1956 and rules made there under.
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 Company has not issued any duplicate certificates during the Financial Year.
13. The Company has:
 - (i) The Company approved transfer of 7,400 Equity Shares in physical form and 18,400 equity shares in Demat form of Rs.10/- each as on 31st March, 2009. 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 paid dividends to any members within a period of 30 (thirty) days from the date of declaration as no dividend was declared.
 - (iv) Not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, during the financial year under review.
 - (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Mr. O. P. Agrawal. Mrs. Hemani Agrawal, Mr. P. N. Vijay and Mrs. Nayana P. Savala resigned as Directors w.e.f. 29th April, 2008. Major S. P. S. Rathore was appointed as Additional Director w.e.f. 29th April, 2008. There were no appointment of alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company has not appointed any managing Director/whole-time Director during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Regional Director, Registrar of Companies and/ or such authorities prescribed under the various provisions of the Act except the approval of Company Law Board under section 18(4) of the Companies Act, 1956, for seeking condonation of delay and extension of time for filing form 23 along with special resolution passed by way of postal ballot, result of which were declared on 29th April, 2008.

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no preference share capital or debentures and as such there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The Company has not borrowed any amount from Directors, Members, Public Financial Institutions, Banks and others during the financial year ending on 31st March, 2009.
25. The Company has not made loans or investments or given guarantees or provided securities to other bodies corporate under section 372A of the Act and therefore there were no entries to be made in the register kept for the purpose.
26. The Company has not altered the Provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has altered the provisions of the memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under scrutiny.
29. The Company has altered the provisions of the memorandum with respect to the share capital of the Company during the financial year under scrutiny.
30. The Company has altered its articles of association with respect to share capital during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provisions of Section 418 of the Act are not applicable to the Company during the financial year.

PLACE : MUMBAI.
DATE : 30th July, 2009

SIGNATURE:
NAME OF COMPANY SECRETARY:
HEMANT SHETYE
PARTNER,
HS ASSOCIATES
C.P. No.: 1483.

ANNEXURE "A"**REGISTERS AND RECORDS MAINTAINED BY THE COMPANY**

- a) Register of members under Section 150 and Index of members under section 151.
- b) Register of Transfers.
- c) Registers and Returns under Section 163.
- d) Register of Contracts under Section 301.
- e) Register of Directors, Managing Director, manager and secretary under Section 303.
- f) Register of Director's shareholdings under Section 307.
- g) Register of Inter Company investments under Section 372A.
- h) Register of Charges under Section 143.
- i) Register of Share application and allotment.
- j) Minutes Book under Section 193.
- k) Books of Account under Section 209.

ANNEXURE "B"**FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES DURING THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2009.**

Sr. No.	Forms	Sections	Date of filing	Particulars
1	Form 5	Sec 94	28-05-2008	Increase in authorised capital.
2	Form 32	Sec.266	26-08-2008	Appointment of Additional Director
3	Form61	Sec 18 (4)	18-09-2008	For filing form 23 for the special Resolutions passed.
4	Form 23B	Sec 225	01-10-2008	Appointment of Auditors
5	Form 23	Sec 192	18-10-2008	Registering of special resolutions
6	Forms 23AC, 23ACA	Sec 220	18-10-2008	Balance Sheet and Profit/Loss Account for Financial Year ended 31st March, 2008.
7	Form 32	Sec 266	18-10-2008	Reappointment of Directors.
8	Form 21	Sec 621A	22-10-2008	Filing of order of CLB
9	Form 20B	Sec.159	26-11-2008	Annual Return for year ended 30th September, 2008.
10	Form 18	17A	03-02-2009	Shifting of registered office.

PLACE : MUMBAI.
DATE : 30th July, 2009

SIGNATURE:
NAME OF COMPANY SECRETARY:
HEMANT SHETYE
PARTNER,
HS ASSOCIATES
C.P. No.: 1483.

CORPORATE GOVERNANCE DISCLOSURE

In compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practice followed by the Company:

1. Company's philosophy on Corporate Governance:

The philosophy of Corporate Governance is implemented in the Company with the objective of attaining the highest standards of Corporate Governance and to respect its fiduciary responsibilities to the shareholders. The policies and guidelines of Corporate Governance have been implemented in all facets of its operations to build up an environment of trust and confidence amongst the stakeholders of the Company.

2. Board of Directors:

Composition

The Board composition is in conformity with the provisions of the Companies Act, 1956 and the Listing Agreement. The strength of the Board as on 31st March, 2009 is 4 Directors comprising 2 Promoter Directors and 2 Independent Non Executive Directors. Since the Chairman of the Board is Non Executive Promoter at least half of the board should be Independent Non Executive Director, the Board of the Company is properly constituted.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of Listing Agreement), across all the companies in which he is a Director. The Directors have made the necessary disclosures regarding Committee positions.

The composition of the Board as on 31st March, 2009 was as follows:

Name of Directors	Category of Directorship
Shri Inderjeet Arya	Chairman, Promoter & Director
Shri Kishorkumar Arya	Promoter & Director
Col. R. S. Malik	Independent Non Executive Director
Col S. P. S. Rathore	Independent Non Executive Director

Attendance of each Director at the Board Meeting, last Annual General Meeting and Number of other Directorship and Chairmanship / membership of Committee of each Director in various companies for the year ended 31st March, 2009:

Name	Attendance particulars		No. of other membership/ chairmanship	Chairmanship and committee ship in other Company	
	Board meetings	Last AGM		Committee Membership	Committee Chairmanship
*Shri O. P. Agrawal (upto 29th April, 2008)	1	NA	3	2	NIL
*Smt Hemani Agrawal	1	NA	3	1	NIL
*Smt Nayana P. Savala	1	NA	1	3	2
*Shri P. N. Vijay	NIL	NA	3	3	1
Shri Inderjeet Arya	6	YES	1	NIL	1
Shri Kishor Kumar Arya	5	YES	1	1	NIL
Col. R. S. Malik	5	YES	2	NIL	NIL
**Major S. P. S. Rathore	4	YES	NIL	NIL	NIL

* Resigned w.e.f. 29th April, 2008.

** Appointed w.e.f. 29th April, 2008.

*** excludes alternate directorship, directorship in Indian Pvt. Ltd. Companies, foreign companies, Proprietorship and Partnership firm.

Number and dates of Board Meetings held:

Six Board Meetings were held during the year 2008-09, (on 29/04/2008, 30/6/2008, 31/7/2008, 31/10/2008, 05/01/2009, 31/01/2009.) Details of Directors Seeking reappointment at the Forthcoming Annual general meeting (pursuant to clause 49IV (G) (i) of the Listing Agreement) are given in the notes to the Notice convening the Annual General Meeting, note number 8.

3. Audit Committee:

The Board of the Company has re-constituted an Audit Committee, comprising of the following:

1	Col. R. S. Malik	Chairman & Independent Non Executive Director
2	Mr. Inderjeet Arya	Member & Non Executive Promoter
3	Major. S.P.S. Rathore	Member & Independent Non Executive Director

The terms of reference stipulated by the Board to the Audit Committee are, as contained under clause 49 of the Listing Agreement, as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d. Reviewing with management the annual financial statements before the submission to the Board, focusing primarily on:
 - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (ii) Any changes in accounting policies and practices,
 - (iii) Major accounting entries based on exercise of judgment by management,
 - (iv) Significant adjustments arising out of audit,
 - (v) Compliance with listing and other legal requirements relating to financial statements.
 - (vi) Disclosure of any related party transaction
 - (vii) Qualifications in the draft audit report.
- e. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- f. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- g. Reviewing the adequacy of internal audit function, if any, 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.
- h. Discussion with internal auditors any significant findings and follow up thereon.
- i. Reviewing the findings of any internal investigations by the internal auditors in to matters where there are suspected frauds or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post – audit discussion to ascertain any area of concern.
- k. Reviewing the Company's financial and risk management policies.
- l. To look in to reasons for substantial defaults in the payment to the Debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- m. The Audit Committee shall mandatorily review the following information:
 - i. Management discussion and analysis of financial condition and results of operation.
 - ii. Statement of significant related party transactions (as defined by the audit committee). Submitted by management.
 - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors.
 - iv. Internal audit reports relating to internal control weaknesses; and
 - v. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

During the year, the committee met 5 times during the year, viz;

29th April, 2008, 30th June, 2008, 31st July, 2008, 31st October, 2008 and 31st January, 2009

4. Remuneration Committee

The Board of the Company has constituted a remuneration committee, comprising of 3 Directors, viz.

1	Col. R. S. Malik	Chairman & Independent Non Executive Director
2	Mr. Inderjeet Arya	Member & Non Executive Promoter Chairman
3	Major. S. P. S. Rathore	Member & Independent Non Executive Director

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing / Whole time Directors based on performance and defined criteria.

The Committee did not meet during the year as it was not required

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

Details of remuneration paid to all the Directors for the year.

During the year no remuneration was paid.

During the year the company has paid sitting fees to the following Directors

Col. R. S. Malik	Rs 25000
Major S. P. S. Rathore	Rs 20000
Mr. Inderjeet Arya	Rs 30000
Mr. Kishorkumar Arya	Rs 25000
Mr. O.P.Agrawal	Rs 5000
Mrs Hemani Agrawal	Rs 5000
Ms Nayana P.Savala	Rs 5000

5. Shareholders/Investors Grievance Committee

The Committee is constituted with three Directors namely

1	Mr. Inderjeet Arya	Non Executive Director & Chairman
2	Col. R. S. Malik	Independent Non Executive Director & Member
3	Major. S. P. S. Rathore	Independent Non Executive Director & Member

Mr. Inderjeet Arya is also designated as Compliance Officer of the Company.

The committee functions with the objective of looking in to redressal of Shareholder's and Investor's grievances relating to non-receipt of dividend, refund orders, shares sent for registration of transfer, Annual Report, etc.

There were no unresolved complaints and no pending share transfer as on 31st March, 2009.

The Committee met 3 times during the year under report on 31st March, 2009 viz; 31st July, 2008, 31st October, 2008 and 31st January, 2009.

19th Annual Report 2008 - 2009

6. General Body Meetings:

Location and place of last three Annual General Meeting

Financial Year	Venue	Date	Time	Special Resolutions
2005-06	Registered office	07-09-2006	10 A.M.	Nil
2006-07	Registered office	13-09-2007	10 A.M.	Nil
2007-08	Shivam Sundaram Hall, 1st Floor, Maruti Towers, Thakur Complex, Kandivali (East), Mumbai – 400 101.	30-09-2008	10.30 A. M.	1. Pursuant to Section 31 of the Companies Act, 1956, amendment of Article no. 90 of the Articles of Association regarding payment of sitting fees. 2. Pursuant to Section 31 of the Companies Act, 1956, deletion of Article no. 83a of the Articles of Association.

Company passed the following resolutions through postal ballot for which results were declared on 29th April, 2008:

1. Amendment to sub clause A of Clause III of the Memorandum of Association of the Company – Special Resolution
2. Amendment to sub clause C (Other Objects) of Clause III of the Memorandum of Association of the Company (Item No. 65) - Special Resolution.
3. Amendment to sub clause C (Other Objects) of Clause III of the Memorandum of Association of the Company - Introduction of Item No. 66A - Special Resolution.
4. Amendment to sub clause C (Other Objects) of Clause III of the Memorandum of Association of the Company - Introduction of Item No. 66B - Special Resolution.
5. Carrying on of the business under item nos. 64, 65, 66A & 66B in the 'other objects' clause of the Memorandum of Association under Section 149(2A) – Special Resolution.
6. Increase in Authorized Capital and alteration of Memorandum of Association - Ordinary Resolution.
7. Alteration to the Articles of Association- Special Resolution
8. Increase in Borrowing Limits - Ordinary Resolution
9. Creation of Charge on the assets of the company - Ordinary Resolution
10. Change in control under Regulation 12 of the SEBI (SAST) Regulations, 1997 - Special Resolution

7. Disclosures

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the company at large. – There were no related party transactions during the year.
- b) Details of non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. None

8. Means of Communications

The annual, half – yearly and quarterly results are regularly submitted to the Stock Exchange in accordance with the listing Agreement.

9. General Shareholders Information:

9.1 Annual General Meeting Day, Date, Time and Venue : On Thursday, 17th September, 2009 at Shivam Sundaram Hall, 1st Floor, Maruti Tower, Thakur Complex, Kandivali (E), at 11.00 a.m.

- 9.2 Date of Book Closure : From Thursday, 10th September, 2009 to Thursday, 17th, September, 2009.
- 9.3 Dividend payment date : Not Applicable
- 9.4 Financial Year/Calendar 2009-10 (Tentative)**
- Results for first quarter ending June 30, 2009 : On or before 31st July 2009.
- Results for second quarter ending September 30, 2009 : On or before 31st October 2009.
- Results for third quarter ending December 31, 2009 : On or before 31st January 2010.
- Results for financial year ending March 31, 2010 : On or before 30th June 2010.
- 9.5 Registered Office : B/ 202, Gayatri Darshan, Thakur Complex, Kandivali (E), Mumbai – 400101.
- 9.6 (a) Listing on Stock Exchanges : Bombay Stock Exchange Limited and The Delhi Stock Exchange Association Limited
- 9.7 (a) BSE Stock Code : 511760
- (b) Demat ISIN Number in NSDL and CDSL : INE 518D01017
- 9.8 Stock Market Data at BSE

Period	High (Rupees)	Low (Rupees)	Volume
April-08	40.55	27.00	522995
May-08	32.30	18.10	301098
June-08	20.30	17.20	88434
July-08	19.90	15.55	10589
August-08	20.50	15.55	4943
September-08	20.00	15.65	1618
October-08	19.10	15.40	4951
November-08	16.00	10.80	2152
December-08	13.00	8.37	3061
January-09	18.00	12.00	1765
February-09	18.00	14.45	1684
March-09	19.00	13.80	7787

- Registrar and Transfer Agents:** : Sharex Dynamic (India) Private limited. Unit – 1, Luthra Ind, Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072.
- (Share transfer and communication regarding share certificates, dividends and change of address.
- 9.9 Share Transfer System : Followed as per listing agreement and Companies Act 1956 requirements.

9.10 Distribution of shareholding as on 31st March, 2009.

	Number of Shares	% of Total Shares
A) PROMOTERS		
Indian Promoters	4,19,000	13.95%
Foreign Promoters	Nil	Nil
Persons Acting in Concert	Nil	Nil
Sub Total (A)	4,19,000	13.95%
B) NON PROMOTERS		
Bodies Corporate	4,86,147	16.19%
Foreign Institutional Investors	475	0.03%
Indian Public	2,087,728	69.5%
NRI	9,500	0.32%
Clearing Member	350	0.01%
Sub Total (B)	25,84,200	86.05%
Total (A + B)	30,03,200	100.00%

Distribution of Shares (Slab-Wise)	No. of Shareholders	Percentage to total No. of shareholders	No. of Shares held	Percentage to total share Capital
Up to 100	940	45.63	86648	2.89
101 - 200	342	16.60	67116	2.23
201 - 500	421	20.44	160920	5.36
501 - 1000	133	6.46	111695	3.72
1001 - 5000	158	7.67	371920	12.38
5001 - 10000	25	1.21	173096	5.76
10001 - 100000	37	1.80	1391693	46.34
Above 100000	4	0.19	640112	21.31
Total	2060	100.00	3003200	100.00

9.11 Dematerialization of shares and liquidity.

Trading in Equity Shares of the Company is permitted only in dematerialized form. 26,63,190 Equity shares (88.68 %) have been dematerialized as on 31.03.2009.

9.12 Outstanding GDRs/ ADRs/ Warrants or any convertible instrument, conversion date and likely impact on equity : There are no outstanding instruments.

9.13 Plant Locations :

The Company does not have any plant therefore location of plant has not been given.

9.14 (I) Investor Correspondence

For transfer/dematerialization of shares Payment of dividend on shares, interest, and redemption of debentures, and any other query relating to the share and debentures of the Company.	Sharex Dynamic (India) Pvt. Ltd. Unit - 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai - 400 072
(ii) Any other query	KOSIAN INDUSTRIES LIMITED B-202, Gayatri Darshan, Thakur Complex, Kandivali (East). Mumbai- 400 101.

CEO/CFO CERTIFICATION

To,
The Board of Directors,
KOSIAN INDUSTRIES LIMITED.
B/202, Gayatri Darshan,
Thakur Complex,
Kandivali (E), Mumbai – 400101.

We hereby certify that for the financial year, ending 31st March, 2009 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. 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.
3. 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 violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - a. There have been no significant changes in internal control during the year;
 - b. There have been no significant changes in accounting policies during the year.
 - c. There have been no instances of significant fraud of which we are 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.

FOR KOSIAN INDUSTRIES LIMITED

Sd/-
Inderjeet Arya
(CEO)

FOR KOSIAN INDUSTRIES LIMITED

Sd/-
Kishorkumar Arya
(CFO)

Date : 30th July, 2009.
Place : Mumbai.

Certificate from Auditors regarding compliance of conditions of Corporate Governance

CERTIFICATE

To,

The Members of Kosian Industries Limited

We have examined the compliance of corporate governance by Kosian Industries Limited for the year ended on 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the company with stock exchange.

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 except clause 49 (IV)(G)(ii) as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shares and Investors Grievance Committee.

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 and on behalf of
JAYESH SANGHRAJKA & CO.
CHARTERED ACCOUNTANTS

Place: Mumbai

Date :29/06/2009

JAYESH SANGHRAJKA
(PARTNER)
(M.No.37430)

Auditors' Report

To the Members,
Kosian Industries Ltd.

We have audited the attached Balance Sheet of Kosian Industries Ltd. as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, 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 purposes 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, Profit Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2009 from being appointed as directors in terms of clause (g) of subsection (1) of section 274 of the Companies Act 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India;
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
 - (iii) In so far it relates to the Cash Flow statements of the cash flows for the year ended on that date.

For JAYESH SANGHRAJKA & CO
(CHARTERED ACCOUNTANTS)

Place: Mumbai

JAYESH SANGHRAJKA
(PARTNER)
(M.No.37430)

Date :29/06/2009

Annexure to Auditors' Report

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of any part of fixed assets during the year and the going concern status of the Company is not affected.
2. The inventory of the company consists of shares, securities, which is lying in the dematerialized and physical format & the diamond. It has been informed by the management that the same has been physically verified by the management during the year and the same has been properly dealt within the books of account
3. The company had not taken any loan secured or unsecured from any other companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has not granted any loan secured or unsecured to any other companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of securities. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. Transactions aggregating during the year to Rs. 5,00,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials available with the Company or prices at which transactions for similar goods have been made with other parties at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted the deposits u/s 58A and 58AA of the Companies Act 1956, and the rules framed there under.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. Cost records and accounts as prescribed by the Central Government under Section 209 (1)(d) of the Companies Act 1956 are not applicable to Company.
9. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
 - b. There are no disputed statutory dues, hence the question of same been deposited does not arise.

10. The company has accumulated losses of Rs. 2, 89,023/-. The Company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion, the company has maintained adequate and proper records showing the transactions executed by it in trading of share & securities. The Company has also made timely entries in its records of the transactions entered by it
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. On the basis of the review of utilization of funds pertaining to loans on overall basis and related information as made available to us, we report that no term loans are taken by the company.
17. On the basis of an overall examination of the Balance Sheet of the company, as no term loans are taken by the company in our opinion, there are no funds raised on a short-term basis which have been used for long term investment, and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For JAYESH SANGHRAJKA & CO
(CHARTERED ACCOUNTANTS)

Place: Mumbai

Date :29/06/2009

JAYESH SANGHRAJKA
(PARTNER)
(M.No.37430)

19th Annual Report 2008 - 2009**BALANCE SHEET AS AT 31st MARCH, 2009**

PARTICULARS	SCH.	31st MARCH, 2009 (Rs.)	31st MARCH 2008 (Rs.)
I. SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
SHARE CAPITAL	A	30,032,000	30,032,000
RESERVES & SURPLUS	B	10,012,800	10,012,800
TOTAL		40,044,800	40,044,800
II. APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	C	3,112,370	3,112,370
LESS : - DEPRECIATION		2,345,174	2,101,840
NET BLOCK		767,196	1,010,530
INVESTMENTS	D	-	-
DEFERRED TAX ASSETS		1,172,946	1,107,752
CURRENT ASSETS, LOANS & ADVANCES	E	39,281,850	98,028,464
LESS : - CURRENT LIABILITIES AND PROVISIONS	F	3,017,463	60,726,992
NET CURRENT ASSETS		36,264,387	37,301,472
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		1,551,248	70,000
PROFIT & LOSS ACCOUNT		289,023	555,045
TOTAL		40,044,800	40,044,800

NOTES TO ACCOUNTS AND SIGNIFICANT POLICIES I

As Per Our Report Of Even Date Attached

For Jayesh Sanghrajka & Co.
Chartered Accountants

FOR KOSIAN INDUSTRIES LTD.

Jayesh Sanghrajka
Partner
M.no. 37430

Sd/-
(Inderjeet Arya)
Director

Sd/-
(Kishorkumar Arya)
Director

Place : Mumbai
Date : 29/06/2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2009

PARTICULARS	SCH.	31st MARCH. 2009 (Rs.)	31st MARCH 2008 (Rs.)
I. INCOME			
Sales	G	57,164,619	15,207,899
Financial Services		2,000,000	8,481,000
Interest on Loans & Others		65,651	586,360
Dividend		234,000	75,300
Long Term Capital Gain		-	353,050
Provision for Doubtful Debt Not Required		-	140,000
Other Income		22,248	80,902
Stock in Trade		21,266,490	61,787,437
Total (A)		80,753,008	86,711,947
II. EXPENDITURE			
Opening Stock		61,787,437	1,196,765
Purchases		17,060,784	75,192,270
Administration & Other Expenses	H	1,214,153	724,547
Preliminary Expenses Written Off		35,000	-
Miscellaneous Expenses Written off		168,472	35,000
Total (B)		80,265,846	77,148,582
PROFIT BEFORE DEPRECIATION...(A)-(B)		487,162	9,563,366
Less :- Depreciation		243,334	247,671
PROFIT BEFORE INCOME TAX		243,828	9,315,695
Less :- Provision for Taxation		39,000	2,474,283
Less : Provision for Fringe Benefit Tax		4,000	3,235
PROFIT AFTER DEPRECIATION AND TAX		200,828	6,838,177
Add / Less :- Deferred Tax Asset / (Liabilities)		65,194	(91,891)
Net Profit After Tax		266,022	6,746,286
ADD :- BALANCE OF PREVIOUS YEAR		(555,045)	(7,301,331)
BALANCE C/F TO BALANCE SHEET		(289,023)	(555,045)
Net Profit After Tax		266,022	6,746,286
No. of Equity Shares		3,003,200	3,003,200
EPS		0.09	2.25

NOTES TO ACCOUNTS AND SIGNIFICANT POLICIES I

As Per Our Report Of Even Date Attached

For Jayesh Sanghrajka & Co.
Chartered Accountants

For Kosian Industries Ltd.

Jayesh Sanghrajka
Partner
M.no. 37430

Sd/-
(Inderjeet Arya)
Director

Sd/-
(Kishorkumar Arya)
Director

Place : Mumbai
Date : 29/06/2009

19th Annual Report 2008 - 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31.03.2009

PARTICULARS	31st MARCH. 2009 (Rs.)	31st MARCH 2008 (Rs.)
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SCHEDULE A : - SHARE CAPITAL

AUTHORISED

3,00,00,000 Equity Shares of Rs. 10/- each	300,000,000	60,000,000
(Previous Year - 6000000 Equity Shares of Rs. 10/- each)		

ISSUED SUBSCRIBED AND PAID UP

30,03,200 Equity Shares of Rs 10/- each		
Fully Paid up (Previous Year - 3003200 Equity Shares of Rs. 10/- each)	30,032,000	30,032,000

SCHEDULE B : - RESERVES & SURPLUS

SHARE PREMIUM

Opening Balance	10,012,800	10,012,800
Add : Addition during the year	-	
Less : Deduction during the year	-	
	10,012,800	10,012,800

SCHEDULE C : - FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON 01.04.2008	ADDITION	AS AT 31.03.2009	UP TO 31.03.2008	FOR THE YEAR	UP TO 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
COMPUTER & SOFTWARES	2,157,155	-	2,157,155	1,435,830	186,709	1,622,539	534,616	721,325
FURNITURE & FIXTURE	536,964	-	536,964	364,935	33,990	398,925	138,039	172,029
OFFICE EQUIPMENT	418,251	-	418,251	301,075	22,635	323,710	94,541	117,176
TOTAL	3,112,370	-	3,112,370	2,101,840	243,334	2,345,174	767,196	1,010,530
PREVIOUS YEAR	3,112,370	-	3,112,370	1,854,169	247,671	2,101,840	1,010,530	1,258,201

SCHEDULE "D" INVESTMENTS

TOTAL	-	-
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SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31.03.2009

PARTICULARS	31st MARCH. 2009 (Rs.)	31st MARCH 2008 (Rs.)
SCHEDULE E : - CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS :		
Stock-in-trade (At cost or market value whichever is lower) (As Certified by Management)	21,266,490	61,787,437
Sundry Debtors (Unsecured but considered good)		
Outstanding for a period exceeding 6 months	4,487,985	4,950,925
Other Debts	-	8,310,680
Cash in Hand	89,297	144,304
Balance with bank With Schedule Bank in Current Account	124,910	9,296,191
Total (A)	25,968,682	84,489,537
(B) LOANS & ADVANCES :		
(Unsecured but considered good)		
Loans & Advances recoverable in cash or in kind or for value to be received	10,253,657	12,342,782
Security Deposit	25,000	55,000
Income Tax & TDS	3,034,510	1,141,144
Total (B)	13,313,167	13,538,926
Total (A) + (B)	39,281,849	98,028,463
SCHEDULE F : - CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES :		
Sundry Creditors	286,631	57,173,525
Other Liabilities	4,546	4,546
Total ... (a)	291,177	57,178,071
(B) PROVISIONS :		
Prov. For Outstanding Expenses	49,470	56,180
TDS Payable	62,480	-
Service Tax Payable	93,818	1,015,223
Provision for FBT	7,235	3,235
Provision for Taxation	2,513,283	2,474,283
Total ... (b)	2,726,286	3,548,921
Total ... (a) + (b)	3,017,463	60,726,992

19th Annual Report 2008 - 2009**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31st MAR., 2009**

PARTICULARS	31st MARCH. 2009 (Rs.)	31st MARCH 2008 (Rs.)
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SCHEDULE G : - SALES

Sale of Securities	57,164,619	15,207,899
	<u>57,164,619</u>	<u>15,207,899</u>

SCHEDULE H : - ADMINISTRATIVE AND OTHER EXPENSES

Annual Listing Fees & Membership	18,990	10,000
Sitting Fees	115,000	1,500
Audit Fees	55,150	56,180
Advertisement	48,972	27,430
Electricity Expenses	7,227	13,274
Legal & Professional Charges	243,596	40,472
Miscellaneous Expenses	90,993	114,076
Share Transfer & Connectivity Expenses	39,654	28,982
Postage & Telephone Expenses	36,576	32,151
Printing, Stationery & Xerox	33,306	46,091
Repairs & Maintenance	5,325	10,725
Rent, Rates & Taxes	167,401	116,510
Salaries	71,000	157,444
Directors Remuneration	-	45,000
Staff Welfare Expenses	4,950	10,557
Travelling & Conveyance	86,386	11,863
Bank Charges	15,919	2,293
Security Transaction Tax	71,564	-
Security Transaction Tax W/off	87,144	-
Prior period expenses	15,000	-
TOTAL	<u>1,214,153</u>	<u>724,547</u>

SCHEDULE- "I" SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2009.

A. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared and presented in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, to the extent applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) USE OF ESTIMATES

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets. Actual results could differ from those estimates. Any revision to accounting estimates are recognized in the period in which the results are known / materialized.

c) REVENUE RECOGNITION

The company generally follows the mercantile system of accounting and recognizes income on an accrual basis except those with significant uncertainties. At the same time expenses are also accounted and recognized on accrual basis.

d) FIXED ASSETS, INTANGIBLE ASSETS

Fixed Assets are carried at the cost of acquisition less accumulated depreciation. The cost of fixed assets includes taxes & duties and freight & other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost directly attributable to acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

e) DEPRECIATION AND AMORTIZATION

Depreciation on tangible assets is provided for on the Straight Line Method as per the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is calculated on a pro-rata basis from the date of installation/acquisition till the date the assets are sold or disposed. Individual low cost assets (acquired for less than Rs. 5,000/-) are depreciated within a year of acquisition.

Intangible assets are amortized on Straight Line Method from the date they are available for use, over the useful lives of the assets, as estimated by the Management.

f) VALUATION OF INVENTORIES

Traded Goods are valued at cost. Cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Stock of Securities are valued at cost or market Value whichever is lower as on 31st March 2009.

g) TAXES ON INCOME

- i) Provision for Income Tax is made on the basis of the estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.
- ii) The deferred tax for timing differences between the book profits and tax profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the extent there is virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.
- iii) The Fringe Benefit Tax has been calculated and accounted for in accordance with the provisions of the Income Tax Act, 1961 and as per the guidance note on accounting for fringe benefits tax issued by the ICAI.

h) **CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating / operating; investing and financing activities are segregated.

i) **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

B. NOTES ON ACCOUNTS

1. There are no outstanding dues exceeding Rs. 1 Lakh payable to the Small & Medium Enterprises (SME).

2. Payment to Auditors :	31-03-2009	31-03-2008
	Rs.	Rs.
Statutory Audit Fees	<u>55,150</u>	<u>56,180</u>

3. **TAXATION & DEFERRED TAX ASSETS AND LIABILITIES**

(Rs. in Lacs)

Particulars	Amount	Amount
Deferred Tax Assets :	(2008-09)	(2007-08)
(1) Provision for Doubtful Debts	10.61	10.61
(2) Carried Forward Losses	(1.77)	(1.77)
(3) On WDV of Fixed Assets	1.74	2.24
(4) On Disallowances U/s 40(a)(ia)	1.16	-
TOTAL	11.73	11.08

4. **Loans & Advances :**

Loans & Advances are subject to confirmation, reconciliation and adjustments, if any. In the opinion of the Directors, the Current Assets, Loans and Advances will realise the value stated in the Balance Sheet if realised in the ordinary course of the Business.

	31st MARCH 2009	31st MARCH 2008
Loans & Advances	1,36,87,229	15,776,354
Less: Provision for Doubtful Debts	34,33,573	3,433,573
TOTAL	1,02,53,656	12,342,782

Provision for doubtful debts has been created on the basis of Provisioning norms issue under the guidelines of RBI. No interest provision has been made on doubtful debts.

5. Remuneration paid to the Directors during the year & last year.	31.03.09	31.03.08
	Rs.	Rs.
O.P. Agarwal	-	45,000

6. **QUANTITATIVE DETAILS IN PURSUANCE TO PART II, SCHEDULE VI OF THE COMPANIES ACT, 1956.**

Particulars	Opening Stock		Purchases		Sales / Return		Closing Stocks	
	Qty. (No.)	Value Rs. (Rs. In Lacs)	Qty. (No.)	Value Rs. (Rs. In Lacs)	Qty. (No.)	Value Rs. (Rs. In Lacs)	Qty. (No.)	Value Rs. (Rs. In Lacs)
SHARES								
Current Year	6,08,650	617.87	-	-	1,88,050	571.69	420600	42.06
Prev. Year	1,40,022	11.97	8,04,782	751.92	3,36,154	152.08	6,08,650	617.87
DIAMOND								
Current Year	0	0	1793.26	205.17	41.44	34.56	1751.82	170.61
Prev. Year	0	0	0	0	0	0	0	0

7. **SEGMENT REPORTING:**

In accordance with Accounting Standard 17, there are three basic reportable segment details of these segments are given below.

	Securities		Diamond		Software		Others		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Segment Revenue	571.65	152.07	-	-	-	-	20.88	96.40	592.53	248.47
Segment Expenditure	576.53	146.01	-	-	-	-	13.55	9.26	590.09	155.27
Segment Result	(4.89)	6.06	-	-	-	-	7.33	87.09	2.44	93.15
Less : Unallocated Exp.	-	-	-	-	-	-	-	-	-	-
Less : Exceptional Items	-	-	-	-	-	-	-	-	-	-
Net Profit before Tax	-	-	-	-	-	-	-	-	-	-
Segment Liabilities	-	570.87	-	-	-	1.00	30.17	35.40	30.17	607.27
Segment Assets	51.86	619.32	229.00	-	9.08	22.07	137.80	360.77	427.73	1002.16

8. **Related Party Disclosure :**

Related Party Disclosure as required by Accounting Standard 18, "Related Party Disclosure", Issued by the Institute of Chartered Accountant of India are Given below.

- I. There is no Listed Company under the same Management with in the meaning of Section 370(1B) of The Company Act, 1956.
- II. Enterprise under common control and enterprise where key Management personnel together with relative exercise significant influence.
 1. Rajat Pharmachem Ltd.
- III. Key Management personnel.
There are 2 key Management Personnel in the Company. They are :-
 1. Mr. Inderjeet Arya.
 2. Mr. Kishor Kumar Arya.

Nature of Transaction	Parties Referred to in I above	Parties Referred to in II above	Parties Referred to in III above	Total
Remuneration	Nil	Nil	Nil	Nil
Loans & Advances	Nil	Nil	Nil	Nil
Sitting Fees	Nil	Nil	55,000	55,000
Deposit Amount on appointment as a Directors	Nil	Nil	1,000	1,000
Office Deposit	Nil	20,000	Nil	20,000
On Account of Expenses	Nil	22,834	Nil	22,834

19th Annual Report 2008 - 2009

9. Earning per Share

	2008-09	2007-08
Net Profit for the year	2,66,023	67,46,286
No. of Equity Share (Face Value of Rs. 10/- each)	3,00,3200	3,00,3200
Basic & Diluted EPS	0.09	2.25

10. Financial Services activities are carried as a Division in the name of SHIVOM FINANCIAL SERVICES.

11. Sale and purchase of Securities include gross amount of intra-day transactions.

12. Balance Sheet Abstract and Company's General Business Profile (in terms of part IV of Schedule VI) is herewith given

Signature to Schedule A to I

As per our report of even date attached

FOR JAYESH SANGHRAJKA & CO.
(Chartered Accountants)

JAYESH SANGHRAJKA
PARTNER
M.NO.37430

PLACE : MUMBAI
DATE : 29th June, 2009

FOR KOSIAN INDUSTRIES LTD.

Sd/-
INDERJEET ARYA
DIRECTOR

Sd/-
KISHORKUMAR ARYA
DIRECTOR

AUDITOR'S CERTIFICATE

We have checked attached Cash Flow Statement of Kosian Industries Limited for the period ended 31st March, 2009 from the books and records maintained by the Company in the ordinary course of business and have, found it in accordance therewith and also with requirements of clause 32 of the listing agreement with the stock exchanges.

As per our report of even date

For JAYESH SANGHRAJKA & CO
(CHARTERED ACCOUNTANTS)

Place : Mumbai
Date : 29/06/2009

JAYESH SANGHRAJKA
(PARTNER)
(M.No.37430)

CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT

	For the year Ended 31/03/09 Rs.	For the year Ended 31/03/08 Rs.
A Cash Flow From Operating Activities		
Net Profit/ (Loss) Before Tax & Prior Period items	243,828	9,315,695
Add Adjustments for :		
Depreciation	243,334	247,671
Miscellaneous Expenses Written Off	168,472	35,000
Preliminary expenses Written Off	35,000	-
Securities transaction tax Written Off	87,144	-
Dividend Received	(234,000)	(75,300)
Operating Profit / (Loss)	543,779	9,523,066
Add Adjustments For :		
Current Assets	51,413,692	(67,341,057)
Trade Payables	(57,752,529)	57,775,272
Cash Generated from Operations	(5,795,058)	(42,720)
Less : Taxes Paid (including TDS)	(1,980,510)	(17,660)
Net Cash from Operations	(7,775,568)	(60,380)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of investments	-	9,215,500
Dividend Received	234,000	75,300
Net Cash from Investment Activities	234,000	9,290,800
C CASH FLOW FROM FINANCING ACTIVITIES		
Expenses for increase in Authorised Share Capital	(1,684,720)	-
Net Cash From Financing Activities	(1,684,720)	-
Net Increase/(Decrease)in Cash & Cash Equivalents(A+B+C)	(9,226,288)	9,230,420
Cash & Cash Equivalents - Opening Balance	9,440,495	210,076
Cash & Cash Equivalents - Closing Balance	214,207	9,440,495

FOR KOSIAN INDUSTRIES LIMITED

PLACE : MUMBAI.
DATE : 29/06/2009

Sd/-
INDERJEET ARYA
DIRECTOR

Sd/-
KISHORKUMAR ARYA
DIRECTOR

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information Pursuant to Part IV, Schedule VI as per Companies Act, 1956.

I. REGISTRATION DETAILS

REGISTRATION NO.	55497	STATE CODE	11
BALANCE SHEET DATE	31/03/2009		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)

PUBLIC ISSUE	NIL	RIGHTS ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN THOUSAND)

TOTAL LIABILITIES	40044.80	TOTAL ASSETS	40,044.80
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SOURCES OF FUNDS

PAID UP CAPITAL	30,032.00	RESERVES & SURPLUS	10,012.80
SECURED LOANS	-	UNSECURED LOANS	-

APPLICATION OF FUNDS

NET FIXED ASSETS	767.20	INVESTMENTS	-
NET CURRENT ASSETS	36,264.39	MISC. EXPENDITURE	1551.25
ACCUMULATED LOSSES	289.02	DEFERRED TAX ASSETS	1,172.95

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

TURNOVER	59,486.52	TOTAL EXPENDITURE	59,242.69
+	-		
+	-	PROFIT BEFORE TAX	243.83
+	-	PROFIT AFTER TAX	200.83
EARNINGS PER SHARE IN RS.	0.09	DIVIDEND RATE %	-

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY (AS PER MONETARY TERMS)

a.	ITEM CODE NO. (ITC CODE)	NIL
	PRODUCT DESCRIPTION	FINANCIAL SERVICES
b.	ITEM CODE NO. (ITC CODE)	NIL
	PRODUCT DESCRIPTION	DIAMOND
c.	ITEM CODE NO. (ITC CODE)	NIL
	PRODUCT DESCRIPTION	SHARES

DECLARATION

I, Inderjeet Arya, CEO of the Company hereby declare that all Board members and senior management personnel have affirmed compliance with the code on an annual basis.

FOR KOSIAN INDUSTRIES LIMITED

Sd/-

Shri. Inderjeet Arya
(CEO)

Date : 30th July, 2009.

Place : Mumbai.

KOSIAN INDUSTRIES LIMITED

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

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the venue.

Folio No./Client ID No _____

No. of Shares held _____

Name & Address _____

Jointly with _____

Full name of the Proxy if attending meeting _____

Hereby record my presence at the Annual General Meeting of the Company on Thursday, 17th September, 2009 at Shivam Sundaram Hall, 1st Floor, Maruti Towers, Thakur Complex, Kandivali (East), Mumbai – 400101.

Signature of Member/Joint
Member/proxy attending the meeting.

KOSIAN INDUSTRIES LIMITED

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

PROXY FORM

I/We _____ of _____
being a member/members of the above named Company hereby appoint _____ of
_____ or failing him _____ of
_____ of _____ as my / our
proxy to vote for me/us on my our behalf at the 19th ANNUAL GENERAL MEETING of the Company to be held at Shivam Sundaram Hall, 1st Floor, Maruti Towers, Thakur Complex, Kandivali (East), Mumbai – 400101. , on Thursday the 17th September, 2009, and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Reg. Folio No.

No. of Shares

REVENUE
STAMP

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.