

KRISHNA-DEEP TRADE AND INVESTMENT LTD

28th

ANNUAL REPORT

2009 - 2010

KRISHNA - DEEP TRADE AND INVESTMENT LTD

BOARD OF DIRECTORS

Mr. Peter S. Thomas	:	Executive Director
Mr. Rasik J. Chaturvedi	:	Independent and Non Executive Director
Mr. Dilip A. Pimparkar	:	Independent and Non Executive Director
Mr. K. Gopalkrishnan	:	Additional Independent and Non Executive Director (<i>w.e.f 1st August, 2010</i>)
Mr. Mahesh G. Naidu	:	Appointed as Additional Independent and Non Executive Director w.e.f 20 th January, 2010 and as Executive Director (<i>w.e.f 1st August, 2010</i>)
Mr. Vinayak B. Desai	:	Independent and Non Executive (<i>w.e.f 1st August, 2010</i>)

BANKERS:

Central Bank of India and HDFC Bank

AUDITORS:

Koshal & Associates, Thane

REGISTERED OFFICE:

Gala 107, Building no. 9
Jogani Industrial Complex, Chunabhatti
Mumbai - 400022
Maharashtra

SHARE TRANSFER AGENT:

System Support Services

209, Shivali Industrial Estate, 89,
Andheri Kurla Road, Saki Naka,
Andheri (East), Mumbai 400072

LISTING OF EQUITY SHARES:

The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 28TH ANNUAL GENERAL MEETING OF THE MEMBERS OF KRISHNA-DEEP TRADE AND INVESTMENT LTD WILL BE HELD ON WEDNESDAY, THE 29TH DAY OF SEPTEMBER, 2010 AT 10.30 A.M. AT REGISTERED OFFICE OF THE COMPANY SITUATED AT 107, BLDG NO. 9, JOGANI INDUSTRIAL COMPLEX, CHUNABHATTI, MUMBAI - 400 022 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2010 along with notes and schedules thereon as on that date and the reports of Directors' and Auditors' thereon.
2. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion next Annual General Meeting and to fix their remuneration.
3. To appoint Director in place of Mr. Rasik J. Chaturvedi, who retires by rotation & being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

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

"**RESOLVED THAT** Mr. Mahesh G. Naidu who was appointed as an Additional Director, pursuant to Section 260 of the Companies Act, 1956, w.e.f from 20th January, 2010 and who holds office upto the date of 28th Annual General Meeting, but who is eligible for appointment and in respect of whom the Company has received notice in writing from members under section 257 of the Companies Act 1956, proposing his candidature for the post of Director be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"**RESOLVED THAT** Mr. K. Gopalkrishnan who was appointed as an Additional Director, pursuant to Section 260 of the Companies Act, 1956, w.e.f from August 1, 2010 and who holds office upto the date of 28th Annual General Meeting, but who is eligible for appointment and in respect of whom the Company has received notice in writing from members under section 257 of the Companies Act 1956, proposing his candidature for the post of Director be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr. Vinayak B. Desai who was appointed as an Additional Director, pursuant to Section 260 of the Companies Act, 1956, w.e.f from August 1, 2010 and who holds office upto the date of 28th Annual General Meeting, but who is eligible for appointment and in respect of whom the Company has received notice in writing from members under section 257 of the Companies Act 1956, proposing his candidature for the post of Director be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provision(s) of the Articles of Association of the Company and section 269 of the Companies Act, 1956 ("the Act") and any other applicable provisions of the Act, approval be and is hereby granted to the appointment of Mr. Mahesh G. Naidu, as the Executive Director with effect from 1st August, 2010."

BY ORDER OF THE BOARD

DATE: JULY 31, 2010

**Sd/-
PETER THOMAS**

PLACE: MUMBAI

DIRECTOR

NOTES:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.**
- 2. The proxies, in order to be effective must be deposited with the registered office company, not less than 48 hours before the time fixed for the commencement of the meeting.**
- 3. The Register of Members and Share Transfer Register shall remain closed from **Monday, the 27th September, 2010 to Wednesday, the 29th September, 2010** (both days inclusive).**
- 4. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.**
- 5. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.**
- 6. The explanatory statements, in respect of Item No. 4, 5, 6 and 7 of the notice, pursuant to section 173(2) of the Act are annexed hereto.**

1. Appointment/Re-appointment of Directors:

As required under listing agreement, the particulars of directors who are proposed to be appointed/re- appointed given below:

A. Details of Mr. Rasik J.Chaturvedi

Name of the Director	Mr. Rasik J. Chaturvedi
Date of Birth and Age	08/05/1957 and 53 years of age
Qualification	Chartered Accountant
Expertise in specific functional areas	Tax, Accounts and Finance
Other Directorships and memberships of the Committees	Nil
No of shares held	Nil

B. Details of Mr. Mahesh G. Naidu

Name of the Director	Mr. Mahesh G. Naidu
Date of Birth and Age	20/06/1965 and 45 years of age
Qualification	Under Graduate
Expertise in specific functional areas	20 years of rich experience in pharmaceutical business
Other Directorships and memberships of the Committees	Nil

C. Details of Mr. K. Gopalkrishnan

Name of the Director	Mr. K. Gopalkrishnan
Date of Birth and Age	03/01/1952 and 58 years of age
Qualification	B.S.C, B.M.S.
Expertise in specific functional areas	Marketing in pharmaceuticals products
Other Directorships and memberships of the Committees	Nithyasha Healthcare Private Limited
No of shares held	Nil

A. Details of Mr. Vinayak B. Desai

Name of the Director	Mr. Vinayak B. Desai
Date of Birth and Age	02/04/1941 and 69 years of age
Qualification	B.S.C, B.S.C (Tech) in pharmaceutical and fine chemicals
Expertise in specific functional areas	Manufacture and quality control of pharmaceutical formulation and Bulk drugs
Other Directorships and memberships of the Committees	Maratha Sahkari Bank Ltd. Member of Indian Pharmaceutical Association
No of shares held	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 4:**

Mr. Mahesh G. Naidu was appointed as an Additional Director w.e.f 20th January, 2010 by the Board of Directors of the Company pursuant to section 260 and Regulation 72(1) of Table A of the Companies Act, 1956. In terms of above section and regulation 72 (2) of Table A, Mr. Mahesh G. Naidu holds office as a Director upto the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment as a Director.

The Company has received a notice, under section 257 of the Companies Act, 1956 along with the deposit of Rs. 500/-, from a member proposing his candidature as Director of the Company.

The Board recommends the said resolution for approval of members.

Except Mr. Mahesh G. Naidu, none of the Directors of the Company are concerned or interested in the said resolution.

ITEM NO. 5:

Mr. K. Gopalkrishnan was appointed as an Additional Director w.e.f August 1, 2010 by the Board of Directors of the Company pursuant to section 260 and Regulation 72(1) of Table A of the Companies Act, 1956. In terms of above section and regulation 72 (2) of Table A, Mr. K. Gopalkrishnan holds office as a Director upto the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment as a Director.

The Company has received a notice, under section 257 of the Companies Act, 1956 along with the deposit of Rs. 500/- from a member proposing his candidature as Director of the Company.

The Board recommends the said resolution for approval of members.

Except Mr. K. Gopalkrishnan, none of the Directors of the Company are concerned or interested in the said resolution.

ITEM NO. 6:

Mr. Vinayak B. Desai was appointed as an Additional Director w.e.f August 1, 2010 by the Board of Directors of the Company pursuant to section 260 and Regulation 72(1) of Table A of the Companies Act, 1956. In terms of above section and regulation 72 (2) of Table A, Mr. Vinayak B. Desai holds office as a Director upto the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment as a Director.

The Company has received a notice, under section 257 of the Companies Act, 1956 along with the deposit of Rs. 500/- from a member proposing his candidature as Director of the Company.

The Board recommends the said resolution for approval of members.

Except Mr. Vinayak B. Desai, none of the Directors of the Company are concerned or interested in the said resolution.

ITEM NO. 7:

Mr. Mahesh G. Naidu was appointed as an Executive Director w.e.f 1st August, 2010 by the Board of Directors of the Company. Mr. Naidu has decided to participate and manage into the day to day affairs of the Company. The said appointment is required to be approved by the members at the ensuing Annual General Meeting of the Company.

Hence, the Board recommends the said resolution for approval of members.

Except Mr. Mahesh G. Naidu, none of the Directors of the Company are concerned or interested in the said resolution.

BY ORDER OF THE BOARD

**DATE: JULY 31, 2010
PLACE: MUMBAI**

**Sd/-
PETER THOMAS
DIRECTOR**

DIRECTORS' REPORT

To,
The MEMBERS,
KRISHNA DEEP-TRADE AND INVESTMENT LTD

Your Directors have great pleasure in presenting 28th ANNUAL REPORT along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:

The financial Results are briefly indicated below:

PARTICULARS	(Rupees) YEAR ENDED	
	31 st March 2010	31 st March 2009
Total Income	65,752	40,000
Total Expenditure	2,66,119	2,35,141
Profit/ (Loss) before Taxes	(2,00,367)	(1,95,141)
Less: Provision for Income Tax (net off short/ (excess) provision for earlier years)	NIL	NIL
Profit/ (Loss) After Taxes	(2,00,367)	(1,95,141)
Previous Year Balance Brought Forward	(16,94,749)	(14,99,608)
Balance carried to Balance Sheet	(18,95,117)	(16,94,749)

2. DIVIDEND:

In view of the carried forward losses, your directors do not recommend any dividend.

3. FIXED DEPOSITS:

The Company has not accepted public deposits within the meaning of section 58-A of the Companies Act, 1956 and rules framed there under.

4. SUBSIDIARIES:

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

5. DIRECTORS:

Following were appointed as director:

- Mr. Mahesh G. Naidu as additional director with effect from January 20, 2010 and as executive director w.e.f August 1, 2010
- Mr. K. Gopalkrishnan and Mr. Vinayak B. Desai as additional director with effect from August 1, 2010.

In terms of Section 260 of the Companies Act, 1956, their term expires at the ensuing Annual General Meeting. Their candidature for the appointment as Director of the Company is proposed to be placed for approval of the shareholders at the ensuing Annual General Meeting.

Further, Mr. Rasik J Chaturvedi, Director of the Company, retires by rotation and being eligible has offered himself for re-appointment. The members are requested to re-appoint him in the ensuing Annual General Meeting.

6. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the Companies Act, 1956 the Board of Directors hereby confirms:

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

7. COMPLIANCE CERTIFICATE:

Compliance Certificate as required under section 383A of the Companies Act, 1956 prepared and issued by M/s. HS Associates, Company Secretaries, is annexed hereto.

8. SHARE CAPITAL:

During the year the authorised share capital was increased from Rs.30,000,000/- (Three Crores Only) divided into 3,000,000 (Thirty Lakhs) equity shares of Rs. 10/- each to Rs. 40,000,000 (Four Crores Only) divided into 4,000,000 (Forty Lakhs) equity shares of Rs. 10/- each .

The Paid up share capital was also increased from Rs. 4,000,000/- (Forty Lakhs Only) to Rs.32,000,000/- (Three Crores Twenty Lakhs Only) by way of preferential allotment dated April 8, 2010 pursuant to section 81(1A) of the Companies Act, 1956.

9. CHANGE IN REGISTERED OFFICE:

The Company has shifted its registered office from 136, Greet Western Building, Nagindas Master Road, Extension, Fort to **107, Bldg No. 9, Jogani Industrial Complex, Chunabhatti, Mumbai - 400 022** w.e.f. 1st August, 2010, after complying with the necessary provisions of the Companies Act, 1956 and Listing agreement.

10. CORPORATE GOVERNANCE CODE:

The corporate governance code is mandatory for the listed companies having paid up capital of Rs. 3,00,00,000/- (Three Crores) or more. Since the paid up capital of the Company as on March 31, 2010 is Rs. 40,00,000 (Forty Lakhs) i.e. below the aforesaid limit, the Corporate Governance code is not mandatory to the Company.

However, considering the privilege of the corporate governance code, the company is keen to adopt and comply with the code from the financial year starting from April 2010.

11. STOCK EXCHANGE REQUIREMENTS:

Being listed at The Bombay Stock Exchange Limited, Mumbai your company has paid listing fees till March, 2011.

12. AUDITORS:

M/s. Koshal & Associates, Chartered Accountants, Thane, Statutory Auditors of your company hold office until the conclusion of the forthcoming Annual General Meeting and have signified their willingness to be re-appointed and have further confirmed that their appointment if made shall be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

13. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION & FOREIGN EXCHANGE:

Since the Company does not carry out any manufacturing activities, particulars required to be disclosed with respect to the conservation of energy and technology absorption in terms of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars) Rules, 1988 are not applicable.

Further, as per the requirement of aforesaid rules, the Company hereby specifies that there were no foreign exchange transactions during the year.

14. PARTICULARS OF EMPLOYEES:

In accordance with the provision of Section 217(2A) of the Companies Act, 1956, read with the Companies Particulars of Employees Rules, 1975, there were no employees during the whole or part of the year that were in receipt of remuneration in excess of limits as mentioned in the said section and hence no details are given as such.

15. EXPLANATION TO QUALIFICATION POINT NO. (VII) IN ANNEXURE TO AUDITORS' REPORT:

The Management has taken it into consideration and assures the establishment of formal internal audit system from the financial year ended March 31, 2010.

16. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place on record, gratitude for corporation and support received from their Banker, various departments and agencies of Central and State Government and dedication and commitment of the staff at all levels.

BY ORDER OF THE BOARD

**DATE: JULY 31, 2010
PLACE: MUMBAI**

**Sd/-
PETER THOMAS
CHAIRMAN AND DIRECTOR**

COMPLIANCE CERTIFICATE

CIN. No. of the Company: **L67120MH1982PLC027925**

Authorised capital: **Rs.4,00,00,000/- (Four Crores)**

Paid up capital: **Rs. 40,00,000/- (Forty Lakhs)**

To,
THE MEMBERS,
KRISHNA-DEEP TRADE AND INVESTMENT LIMITED

We have examined the registers, records, books and papers of **KRISHNA-DEEP TRADE AND INVESTMENT 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, 2010 ("financial year")**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under and wherever the documents are filed late, the additional fees have been paid.
3. The Company being a Public Limited Company has the minimum prescribed paid up Capital.
4. The Board of Directors duly met (6) Six times on 30/06/2009, 30/07/2009, 29/10/2009, 20/01/2010, 29/01/2010 and 23/02/2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolution was passed during the year.
5. The Company had closed its Register of Members and Share Transfer Book from Thursday the 17th September, 2009 to Wednesday, 23rd September, 2009 (both days inclusive) and complied with the provisions of Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 23rd September, 2009 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. During the financial year one extra ordinary general meeting was held on 22nd March, 2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
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 not entered into any transactions attracting the provisions of Section 297 of the Act.
10. The Company was not required to make any 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) has transferred 73,750 (Seventy Three Thousand Seven Hundred and Fifty) equity shares during the financial year. However, there was no allotment or transmission of shares during the year.
 - (ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) not posted warrants to any members of the Company as no dividend was declared during the financial year.
 - (iv) not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years, required to be transferred to the Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted, appointed Mr. Mahesh G. Naidu as an Additional Director of the Company other than the said appointment there were no other appointment of Alternate Directors and Directors to fill casual vacancy during the financial year.
15. There was no appointment of Managing Director/ Whole-time Director/ Manager 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, Company Law Board, Regional Director, Registrar of Companies and/ or such authorities prescribed under the various provisions of the Act.

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 obtained approval of members for the issue of 36,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 2/- per share on preferential allotment basis pursuant to Section 81(1A) of the Companies Act, 1956. However, the Company has not issued 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 accepted any public deposits during the financial year.
24. The Company has not borrowed any loan attracting provisions of section 293(1)(d) of the Act during the financial year.
25. The Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate during the financial year.
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.
27. The Company has not 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 the name of the company during the financial year under scrutiny.
29. The Company has altered the provisions of the memorandum with respect to authorized share capital of the company by adoption of new clause V(a) of Memorandum of Association during the financial year under scrutiny and has complied with the necessary provisions of the Act.
30. The Company has altered the articles of association with respect to authorised share capital of the company by adoption of new clause 2(a) of Articles of Association and the amendments to the Articles of Association have been duly registered with the Registrar of Companies.

31. There was no prosecution initiated against or show cause notices received by the company for alleged offences under the Act.
32. The Company has not received any money as security from its employees during the year.
33. The provisions of Section 418 of the Act are not applicable to the Company during the financial year.

PLACE: MUMBAI
DATE: JULY 31, 2010

SIGNATURE

Sd/-

HEMANT SHETYE
PARTNER
HS ASSOCIATES
C.P. No.: 1483

ANNEXURE "A"

REGISTERS AND RECORDS MAINTAINED BY THE COMPANY

- a) Register of Transfers.
- b) Register of Share application and allotment.
- c) Register of charges under Section 143.
- d) Register of members under Section 150.
- e) Index of member under Section 151.
- f) Minutes Book under Section 193.
- g) Books of Account under Section 209.
- h) Register of Contracts under Section 301.
- i) Register of Directors, Managing Director, manager and secretary under Section 303.
- j) Register of Director's shareholdings under Section 307.

ANNEXURE "B"

FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES DURING THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2010.

Sr. No	Forms	Sections	Date of filing	Particulars
1	Form 66	Sec. 383A	19/02/2010	Filing of Compliance Certificate for the financial year ended March 31, 2009
2	Form 23AC & ACA	Sec. 220	25/02/2010	Filing of Balance sheet and Profit and loss Account for financial year ended March 31, 2009
3	Form 20B	Sec. 159	25/02/2010	Filing of Annual return for the year 2009
4	Form 32	Sec 260	18/02/2010	Appointment of Additional Director w.e.f. January 20, 2010

PLACE: MUMBAI
DATE: JULY 31, 2010

SIGNATURE

Sd/-

HEMANT SHETYE
PARTNER
HS ASSOCIATES
C.P. No.: 1483.

AUDITORS' REPORT

To,
THE MEMBERS OF KRISHNA-DEEP TRADE AND INVESTMENT LTD,

We have audited the attached Balance Sheet of **M/S. KRISHNA-DEEP TRADE AND INVESTMENT LTD** as at 31st March, 2010 and the Cash Flow statement and Profit and Loss Account annexed hereto 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.

We conducted our audit in accordance with auditing standard generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. 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 and according to the information and explanations given to us during the course of our audit and the basis of such checks as were considered appropriate, We give in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that.
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b. In our opinion proper books of Account as required by law have been kept by the Company so far as appears from our examination of the books of Account.

- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of Account.
- d. On the basis of written representation received from directors, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2010 from being appointed as a director in term of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- e. In our opinion, the Profit & Loss Account and Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in the Section 3(C) of Sec.211 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 accounts read with others notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- i. In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2010 and
- ii. In the case of the Profit and Loss Account, the Loss for the year ended on that date.
- iii. In so far it relates to the Cash Flow Statement of the Cash Flow of The Company for the year ended on that date.

Place: Mumbai
Date: 31st May, 2010
Chartered Accountants

For KOSHAL & ASSOCIATES

(Firm Redg. No. : 121233W)

Sd/-
(Koshal Maheshwari)
Proprietor
M. No: - 43746

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date.)

(i) In respect of fixed assets:

The Company does not have any stock fixed assets during the year.

(ii) In respect of inventories:

The company does not have any stock in trade during the year.

(iii)

(a) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(b) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there exist adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of audit, we have not observed any major weaknesses, in internal controls.

(v) According to the information and explanation given to us, the company has not entered into any transactions that were required to be entered in the registers maintained under Section 301 of the Companies Act, 1956.

(vi) The company has not accepted any public deposits during the year. therefore the question of compliance with Section 58 of the Companies Act, 1956 does no arise.

(vii) The company does not have formal an internal audit system.

(viii) The Central Government has not prescribed maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956 in respect of the products of the company.

(ix) In Respect of Statutory Dues:

(a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues wherever applicable. There were no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Provident Fund Act, Employees State Insurance Act, Sales Tax / Wealth Tax / Service tax/ / Customs & Central Act/ Income Tax, outstanding on account of any dispute.

(x) The accumulated losses of the company are less than fifty percent of the net worth of the company and the company has made cash losses during the current financial year and in the immediately preceding financial year.

- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of its dues to a financial institutions or banks or to debenture holders as the fund has not received from the above parties.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund/ nidhi/ mutual benefit fund/ society, therefore the provision of clause 4(xiii) of the Companies (Auditor's report) Order 2003 are not applicable to the company.
- (xiv) As per the information and explanation given to us the company has not issued any guarantees for loans taken by others.
- (xv) The Company has not raised any term loans during the year.
- (xvi) Based on overall examination of the balance sheet, we report that the company has not used short term Funds for long term purpose.
- (xvii) According to the information and explanations given to us, the Company has not made preferential allotment of equity shares to persons covered in the register maintained under section 301 of the Companies Act, 1956.
- (xviii) No Debentures have been issued by the company during the year.
- (xix) The Company has not raised any money by public issue during the year.
- (xx) As per the information and explanation given to us and on the basis of examination of records, no material fraud on or by the company was noticed or reported during the year.

Place: Mumbai
Date: 31st May, 2010

For KOSHAL & ASSOCIATES
Chartered Accountants
(Firm Redg. No. : 121233W)

Sd/-
(Koshal Maheshwari)
Proprietor
M. No: - 43746

KRISHNA - DEEP TRADE & INVESTMENT LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHE- DULE	31.03.2010 AMOUNT(RS)	31.03.2009 AMOUNT(RS)
<u>SOURCES OF FUNDS :</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	A	4,000,000	4,000,000
Reserves & Surplus		-	-
		4,000,000	4,000,000
<u>LOAN FUNDS :</u>			
Secured Loans		-	-
Unsecured Loan		-	-
		-	-
TOTAL		4,000,000	4,000,000
<u>APPLICATION OF FUNDS :</u>			
<u>FIXED ASSETS :</u>			
Gross Block		-	-
Less : Depreciation		-	-
Net Block		-	-
INVESTMENTS		-	-
<u>CURRENT ASSETS, LOANS AND ADVANCE :</u>			
Stock in Trade		-	-
Sundry Debtors	B	373,843	373,843
Cash and Bank Balances	C	70,022	25,585
Loans and Advances	D	1,844,369	2,515,522
		2,288,233	2,914,950
<u>LESS : CURRENT LIABILITIES AND PROVISIONS :</u>			
Current Liabilities	E	183,350	68,699
Provisions		-	541,000
		183,350	609,699
NET CURRENT ASSETS		2,104,883	2,305,251
MISCELLANEOUS EXPENDITURE		-	-
(To the extent not written off)			
PROFIT & LOSS ACCOUNT (DEBIT BALANCE)		1,895,117	1,694,749
TOTAL		4,000,000	4,000,000

NOTES TO ACCOUNTS

G

As per our report of even date
FOR KOSHAL & ASSOCIATES
(Chartered Accountants)

FOR & ON BEHALF OF BOARD

Sd/-

KOSHAL MAHESHWARI

Proprietor

M.No.43746

Place : Mumbai

Sd/-

Director

Sd/-

Director

Date : 31st May, 2010

KRISHNA - DEEP TRADE & INVESTMENT LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHE- DULE	31.03.2010 AMOUNT(RS)	31.03.2009 AMOUNT(RS)
<u>INCOME :</u>			
Interest Received on Income Tax Refund		42,649	-
Other Income	F	23,103	40,000
		65,752	40,000
<u>EXPENDITURE :</u>			
Legal & Professional Fees		86,393	20,570
Bad Debts		-	156,000
Directors' Sitting Fees		3,000	6,000
Bank Charges		1,800	2,331
General Expenses		52,512	28,754
Listing Fees		67,264	10,300
Audit Fees		55,150	11,186
Total Expenditure		266,119	235,141
<u>PROFIT/(LOSS) BEFORE TAXATION</u>		(200,367)	(195,141)
Less : Provision for Taxation			
- Current Tax		-	-
- Deferred Tax		-	-
<u>PROFIT/(LOSS) AFTER TAXATION</u>		(200,367)	(195,141)
Add/(Less) : Balance brought forward from earlier year		(1,694,749)	(1,499,608)
Balance Carried to Balance Sheet		(1,895,117)	(1,694,749)
Basic Earnings per Share (Nominal Value Rs. 10/- per Share)		(0.50)	(0.49)

NOTES TO ACCOUNTS

As per our report of even date
FOR KOSHAL & ASSOCIATES
(Chartered Accountants)

G

FOR & ON BEHALF OF BOARD

Sd/-

KOSHAL MAHESHWARI

Proprietor

M.No.43746

Place : Mumbai

Date : 31st May, 2010

Sd/-
Director

Sd/-
Director

KRISHNA - DEEP TRADE & INVESTMENT LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010
AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

PARTICULARS	31.03.2010 AMOUNT(RS)	31.03.2009 AMOUNT(RS)
<u>SCHEDULE 'A'</u>		
<u>SHARE CAPITAL</u>		
<u>Authorised :</u> 40,00,000 (30,00,000) Equity Shares of Rs.10/- each.	40,000,000	30,000,000
<u>Issued,Subscribed and paid up :</u> 4,00,000 (4,00,000) Equity Shares of Rs.10/-each fully paid up	4,000,000	4,000,000
<u>SCHEDULE 'B'</u>		
<u>SUNDRY DEBTORS</u> (Unsecured unless otherwise stated)		
Considered Doubtful	-	-
Considered Good		
Debts outstanding for a period exceeding six months	373,843	373,843
Other debts	-	-
	373,843	373,843
<u>SCHEDULE 'C'</u>		
<u>CASH AND BANK BALANCES:</u>		
Cash on hand	4,602	25,053
<u>Balances with Scheduled Bank:</u>		
a) In Current Accounts	65,420	532
	70,022	25,585
<u>SCHEDULE 'D'</u>		
<u>LOANS AND ADVANCES:</u> (Unsecured ,considered good)		
Advances recoverable in cash or kind or value to be received	903,652	1,033,805
Advance Tax & TDS	940,717	1,481,717
	1,844,369	2,515,522
<u>SCHEDULE 'E'</u>		
<u>CURRENT LIABILITIES:</u>		
<u>Sundry Creditors</u>		
- For Expenses & Others	183,350	68,699
	183,350	68,699
<u>SCHEDULE "F"</u>		
<u>OTHER INCOME</u>		
Sundry Credit Balance W/off	23,103	40,000
	23,103	40,000

KRISHNA - DEEP TRADE & INVESTMENTS LIMITED
GROUPING FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	31.03.2010 AMOUNT(RS)	31.03.2009 AMOUNT(RS)
SUNDRY DEBTORS		
SM Securities Ltd.	226,843	226,843
Candle Trade & Investments Pvt. Ltd.	147,000	147,000
	373,843	373,843
ADVANCES RECOVERABLE IN CASH OR KIND OR VALUE TO BE RECEIVED		
SM Holding & Finance Private Limited	878,652	1,033,805
VAT Paid (Advance)	25,000	-
	903,652	1,033,805
ADVANCE TAX & TDS		
TDS	940,717	76,177
TDS on dividend	-	808,734
TDS on interest	-	596,806
	940,717	1,481,717
BALANCE WITH BANK - IN CURRENT ACCOUNT		
Central Bank of India	7,669	-
HDFC Bank Ltd.	57,751	532
	65,420	532
SUNDRY CREDITORS FOR EXPENSES AND OTHERS		
Mahesh Naidu	100,000	-
Director Setting Fees	3,000	25,000
Smt. G.M Shetty	-	6,000
Audit fee Payable	49,635	11,186
Professional Tax Payable	25,200	22,700
Innovative Communication (Ad-Venture)	-	3,813
Tds on Professional Fee	5,515	-
	183,350	68,699

KRISHNA-DEEP TRADE & INVESTMENT LIMITED

SCHEDULE 'G'

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting:

The financial statements are prepared under the historical cost convention in accordance with applicable mandatory accounting standards and relevant provisions of the Companies Act, 1956

B. Revenue Recognition:

The Company follows Mercantile system of Accounting and Income and expenditure are recognised on accrual basis.

C. Taxes on Income:

Current Tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced upto the balance sheet date. Deferred Tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the Profit & Loss account of the respective year of change.

D. Earning Per Share:

Basic earning per share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

E. Provisions, Contingent Liabilities And Contingent Assets

Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligation that arises from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent Assets are neither recognized nor disclosed in the financial statements.

2. CONTINGENT LIABILITY: Nil

1. PAYMENTS TO AUDITORS:

	As on 31.03.2010	As on 31.03.2009
Audit Fees	55,150	11,186
Other Matters	--	--
Total	58,320	11,186

4. In the opinion of the Board, Current Assets, Loans & Advances are approximately to the value stated, if realised in the ordinary course of business.
5. The balances of Unsecured Loans, Creditors, Debtors and Loans and Advances are subject to confirmation and reconciliation, if any.
6. The company has requested its suppliers to confirm the status as to whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Few suppliers have confirmed that they are not covered under the said Act. In absence of confirmation from all the suppliers disclosers, if any relating to amount unpaid / payable as required the said Act have not been given.
7. Earning per share has been calculated as under:

Particulars	As on 31.03.2010	As on 31.03.2009
Net Profit (Loss) After Tax as per Profit & Loss Account	(2,00,367)	(1,95,141)
Weighted Average number of equity shares used as denominator for calculating EPS	4,00,000	4,00,000
Basic & Diluted Earning per share	(0.50)	(0.49)
Nominal Value per equity share	10	10

8. Additional information required under Para 3 & 4C of Part II of Schedule VI of Companies Act, 1956. (As taken, valued, verified and certified by the management). Nil
9. Previous year figures have been regrouped and recast to correspond with the figures of current year. Previous year figures are provided in brackets.

Signature to Schedule "A" to "G" forming part of the Accounts.

As per our report of even date
For KOSHAL & ASSOCIATES
Chartered Accountants

FOR & ON BEHALF OF BOARD

Sd/-
(KOSHAL MAHESHWARI)
Proprietor
M. No.: 43746
Place : Mumbai.
Date : 31st May, 2010

Sd/-
Director

Sd/-
Director

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

1 Registration Details

Registration No. : 11-175484

Balance Sheet Date : 31st March, 2010

2 Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL
Bonus Issue	NIL
Right Issue	NIL
Private Placement	NIL

3 Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	4,000.00
Total Assets	4,000.00

Source of Funds

Paid-up Capital	4,000.00
Reserves & Surplus	-
Secured Loans	-
Unsecured Loans	-
Deferred Tax Liability	-

Application of Funds

Net Fixed Assets	-
Investments	-
Net Current Assets	2,104.88
Misc. Expenditure	-
Profit & Loss Account	-
Deferred Tax Assets	-

4 Performance of Company (Amount in Rs. Thousand)

Turnover & Other Income	65.75
Total Expenditure	266.12
Profit Before Tax	(200.37)
Profit after Tax	(200.37)
Earning per Share in Rs.	(0.40)
Dividend Rate (%)	-

5 Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Product Description	Item Code No.(ITC Code)
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As per our report of even date

FOR KOSHAL & ASSOCIATES
(Chartered Accountants)

FOR & ON BEHALF OF BOARD

Sd/-

KOSHAL MAHESHWARI

Proprietor

M.No.43746

Place : Mumbai

Date : 31st May, 2010

Sd/-

Director

Sd/-

Director

KRISHNA - DEEP TRADE & INVESTMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH' 2010

Particulars		Rupees 31.03.2010	Rupees 31.03.2009
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit (Loss) Before Tax & Prior Period Items	(200,367)	(195,141)
	Adjustments for		
	Interest	-	-
	Depreciation	-	-
	Miscellaneous Expenditure Written off	-	-
	Defferred Revenue Expenditure Written off	-	-
	Operating Profit Before Working Capital Change	(200,367)	(195,141)
	(Increase) / Decrease in Trade & Other Receivables	-	9,000
	(Increase) / Decrease in Inventories	-	-
	Increase / (Decrease) in Trade & Other Payables	114,651	(87,996)
	Cash Generated From Operations	(85,716)	(274,137)
	Profit on Sale of Fixed Assets	-	-
	Differed Revenue Expenditure	-	-
	Prior Period Income / (Expenditure)	-	-
	NET CASH FLOW FROM OPERATING ACTIVITIES	(85,716)	(274,137)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	-	-
	Sale of Investments	-	147,000
	Sale of Fixed Assets	-	-
	NET CASH USED IN INVESTING ACTIVITIES	-	147,000
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds From Long Term Borrowings	-	-
	Repayment of Term Loan	-	-
	Short Provision of Tax of earlier years	(541,000)	-
	Direct Taxes	-	-
	Loans and Advances	671,153	101,195
	Interest Paid	-	-
	NET CASH FLOW FROM FINANCING ACTIVITIES	130,153	101,195
	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	44,437	(25,942)
	CASH AND CASH EQUIVALENTS AS ON 01/04/09	25,585	51,527
	CASH AND CASH EQUIVALENTS AS ON 31/03/10	70,022	25,585

Note : Cash & Cash Equivalents represents Cash & Bank Balances Only

For and On Behalf of the Board

Sd/- Sd/-
(Director) (Director)

PLACE : Mumbai

DATE : 31st May, 2010

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of M/s Krishna - Deep Trade & Investments Limited for the year ended on 31st March, 2010. The Statement has been Prepared by the Company in accordance with the Listing Agreement with Stock Exchange and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 31st May, 2010 to the Members of the Company.

As per our report of even date

FOR KOSHAL & ASSOCIATES

(Chartered Accountants)

Sd/-
KOSHAL MAHESHWARI
M.No.43746

Place : Mumbai

Date : 31st May, 2010

**REGISTERED OFFICE - 107, BLDG NO. 9, JOGANI INDUSTRIAL COMPLEX,
CHUNABHATTI, MUMBAI - 400 022**

ATTENDANCE SLIP

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 28th **Annual General Meeting** of the Company at **Registered Office** of the Company on Wednesday 29th September, 2010.

Name of the Shareholder

Signature

Folio No. _____

(Full name of Proxy)

Note: No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

PROXY FORM

I/We of in the district of being a member/members of the above named Company hereby appoint of in the district of or failing him of in the district of as my/our proxy to vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on Wednesday the 29th September, 2010 at 10.30 a.m. and at any adjournment thereof.

Signed this..... day of, 2010.

Reg. Folio No.....

No. of Shares

Signature

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.

Book - Post

If undelivered please, return to :
KRISHNA - DEEP TRADE AND INVESTMENT LIMITED
107, GALA NO. 9, JOGANI INDUSTRIAL COMPLEX,
CHUNABHATTI, MUMBAI - 400 022.