

KOSIAN INDUSTRIES LIMITED

20th Annual Report 2009-2010

20th Annual Report 2009 - 2010

BOARD OF DIRECTORS

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

REGISTERED & CORPORATE OFFICE

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

AUDITORS

Jayesh Sanghrajka & Co.
Chartered Accountants.
Mumbai.

REGISTRAR AND SHARE TRANSFER AGENT

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

LISTING OF EQUITY SHARES:

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

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

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NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

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

DATE : 2nd September, 2010

PLACE : Mumbai

Regd Office:

B/202, Gayatri Darshan,
Thakur Complex,
Kandivali (E),
Mumbai- 400 101.

FOR AND ON BEHALF OF THE BOARD
KOSIAN INDUSTRIES LIMITED

Sd/-

INDERJEET ARYA
DIRECTOR

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The proxies, in order to be effective must be deposited with the registered office company, not less than 48 hours before the time fixed for the commencement of the meeting.
3. Members are requested to notify immediately any change in their addresses details to the Company's Registrar and Share Transfer Agents for shares held in Demat / physical form at **SHAREX DYNAMIC (INDIA) PRIVATE LIMITED (Unit: Kosian Industries Limited), Unit - 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, 2010 are enclosed herewith.
5. The Register of Members and Share Transfer Register shall remain closed from **Thursday, the 23rd September, 2010 to Thursday, the 30th September, 2010** (both days inclusive).

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

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

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

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

DIRECTORS' REPORT

To The Members,

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

1. FINANCIAL RESULTS:

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

2. FINANCIAL OPERATIONS:

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

3. FUTURE PROSPECTS:

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

4. FOREIGN EXCHANGE EARNINGS / OUTGO:

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

5. DEPOSITS:

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

6. SUBSIDIARIES:

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

7. DIRECTORS:

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

The Board recommends his reappointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

9. INTERNAL AUDIT AND CONTROL:

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

10. AUDITORS:

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

11. AUDITORS' REPORT

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

12. MANAGEMENT DISCUSSION AND ANALYSIS:

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

13. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

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

14. PARTICULARS OF EMPLOYEES:

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

15. LISTING OF SHARES:

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

16. DEMATERIALISATION OF SHARES:

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

17. COMPLIANCE CERTIFICATE:

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

18. CORPORATE GOVERNANCE:

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

19. CAUTIONARY STATEMENT:

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

20. ACKNOWLEDGMENT:

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

FOR AND ON BEHALF OF THE BOARD

Sd/-

**INDERJEET ARYA
CHAIRMAN**

PLACE : MUMBAI

DATE : 2nd September, 2010

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

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

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

B. OPPORTUNITIES AND THREATS:

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

C. SEGMENT - WISE OR PRODUCT WISE PERFORMANCE:

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

D. PROSPECTS:

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

E. CAUTIONARY STATEMENT:

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

FOR AND ON BEHALF OF THE BOARD

Sd/-

INDERJEET ARYA
CHAIRMAN

PLACE : MUMBAI

DATE : 2nd September, 2010

COMPLIANCE CERTIFICATE

Regn. No. of the Company: L67190MH1990PLC055497.

Nominal Capital: 300,000,000/-

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

We have examined the registers, records, books and papers of **KOSIAN INDUSTRIES LIMITED**, ("the Company") as required to be maintained under the Companies Act, 1956, (the "Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **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 **(5) Five** times i.e. on 30th April, 2009, 29th June, 2009, 30th July, 2009, 30th October, 2009, and 27th January, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company had closed its Register of Members from Thursday the September 10, 2009 to, Thursday the September, 17, 2009 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2009 was held on 17th September, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors and/or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Duty constituted Committee of Directors has approved the issue of Four (4) duplicate certificates aggregating to 400 Shares during the Financial Year.
13. The Company has:
 - i. approved transfer of 2200 Equity Shares in physical form and 4300 equity shares in Demat form of Rs. 10/- each as on 31st March, 2010. There was no allotment of securities during the financial year.
 - ii. not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - iii. not required to post warrants to any members of the company as no dividend was declared during the financial year.
 - iv. not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured

debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a Period of seven years, to Investor Education and Protection Fund as the amount in respect of the above is lying in the books of accounts of the Company is yet to be transferred.

- v. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There were no appointment of additional Director, alternate Directors and Directors to fill casual vacancy during the financial year.
 15. The Company has not appointed any 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 during the financial year.
 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 thereunder.
 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 & 58AA 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, 2010.
 25. The Company has not made any 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 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 name of the Company during the financial year under scrutiny.
 29. The Company has not 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 not altered its articles of association with respect to share capital during the financial during the financial year.
 31. There was no prosecution initiated against or show cause notices received by the Company, and no fines or penalties or any other punishment imposed on 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 : 2nd September, 2010

SIGNATURE:

Sd/-

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 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.
- k) Register of Inter Company investments under Section 372A.

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	66	383A	1/10/2009	Compliance Certificate for the year ended 31 st March, 2009
2	23AC & 23ACA	220	14/10/2009	Balance Sheet and Profit & Loss Account for the year ended 31 st March, 2009
3	20B	159	15/12/2009	Annual Return showing the position as on 17 th September, 2009

PLACE : MUMBAI.
DATE : 2nd September, 2010

SIGNATURE:
Sd/-
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:

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, 2010 is 4 Directors comprising 2 Promoter Non Executive Directors and 2 Independent Non Executive Directors. There is no Nominee or Institutional Directors in the Company.

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.

Non Executive Directors:

As per revised code of Corporate Governance, the composition of the Board should be as such that the Board of Directors of the company shall have an optimum combination of executive and non-executive Directors with not less than fifty percent of the Board of Directors comprising of Non Executive Directors. The composition of the Board is in compliance with clause 49 of the listing agreement.

The composition of the Board as on 31st March, 2010 was as follows:

Name of Directors	Category of Directorship
Shri Inderjeet Arya	Chairman and Non Executive Promoter Director
Shri Kishorkumar Arya	Non Executive Promoter Director
Col. R S Malik	Independent Non Executive Director
Major 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, 2010:

Name	Attendance particulars		No. of other membership/ chairmanship	Chairmanship and committee ship in other Company	
	Board meetings	Last AGM		Committee Membership	Committee Chairmanship
Shri Inderjeet Arya	5	Yes	1	NIL	1
Shri Kishorkumar Arya	5	Yes	1	1	NIL
Col. R S Malik	5	Yes	6	NIL	NIL
Major S. P. S. Rathore	5	Yes	Nil	NIL	NIL

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

Number and dates of Board Meetings held:

During the year Five (5) Board Meetings were held i.e. on 30th April, 2009, 29th June, 2009, 30th July, 2009, 30th October, 2009, and 27th January, 2010. The time gap between any two consecutive meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Details of Directors Seeking Appointment / Reappointment at the Forthcoming Annual general meeting (pursuant to clause 49 (V)(G)(i) of the Listing Agreement)

Name of the Director	Mr. Kishorkumar Arya
Age	47 Years
Qualification	S.S.C.
Expertise in specific functional areas	In Pharma Export
Directorship in other Indian Public Limited Company & other firms as on 31.03.2010	3
Shareholding	2,00,000 shares (6.66%)

Code of conduct for Directors and Senior Management:

Code of conduct as applicable to the Directors and the members of the senior management had been approved by the Board and it is being duly abided by all of them. The Annual Report of the Company contains declaration to this effect from the Chairman and CEO.

3. Audit Committee:

Pursuant to the provisions of clause 49 of the Listing Agreement, an Audit Committee shall have minimum three directors as members; two-thirds of the members of the audit committee shall be independent directors. The committee met 5 times during the year under review on 30th April, 2009, 29th June, 2009, 30th July, 2009, 30th October, 2009, and 27th January, 2010.

The Attendance at the Audit Committee Meeting was as under:

Director	No. of Committee meetings held	No. of Committee meetings attend
Col. R S Malik – Chairman and Independent Non Ex. Director.	5	5
Mr. Inderjeet Arya - Member and Non Ex. Promoter Director.	5	5
Major. S.P.S. Rathore – Member & Independent Non Executive Director.	5	5

Brief terms of reference of the Audit Committee are as follows:

- Approving and implementing the Audit procedures and techniques.
- Reviewing audit reports of statutory auditors with auditors and management.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditor and fixation of audit fees.
- Appointment of statutory auditor and fixing their remuneration
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with management, performance of statutory auditors and adequacy of the internal control systems.
- 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.
- Disclosure of Related Party transactions.
- Reviewing accounting treatment and confirmation of the fact that financial statement are giving true and fair view.

4. Remuneration Committee

As on date of report the Remuneration Committee comprises of 2 Independent Non Executive Directors & 1 Non Executive Promoter Director. Kosian Industries Limited remuneration policy is based on 3 factors, pay for responsibility, pay for performance and potential and pay for growth.

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 and Non Ex. Promoter Director
3.	Major. S. P. S. Rathore	Member & Independent Non Executive Director

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

Disclosure on Remuneration of Directors

1. All elements of remuneration package of individual Directors summarized under major groups, such as salary benefits, bonuses, stock option, pension etc. – NIL
2. Details of fixed component and performance linked incentives, along with the performance criteria - NIL
3. Service contracts, notice period, severance fees – NIL
4. Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable - NIL

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

No remuneration was paid during the year on 2010.

Following is the list of Directors, sitting fees paid to them and their Shareholdings in the Company.

Sr. No	Name of the Directors	Number of Equity Shares	Sitting fees	Non convertible Instruments
1.	Col. R S Malik	NIL	16,000	NIL
2.	Major S. P. S. Rathore	NIL	16,000	NIL
3.	Mr. Inderjeet Arya	2,19,000	16,000	NIL
4.	Mr. Kishorkumar Arya	2,00,000	16,000	NIL
			64,000	

5. Shareholders/Investors Grievance Committee

The Shareholder/Investors Grievance Committee has been constituted. The committee consists of two Non Ex. & Independent Directors and one Non Executive Promoter Director. The Committee was chaired by Col. RS Malik. The committee looks into the shareholder and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters.

Following are the members of the Committee.

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

The committee met 4 times during the year under review on 30/04/2009, 30/07/2009, 30/10/2009 and 27/01/2010.

The Attendance at the Shareholders/Investors Grievance Committee meeting was as under:

Director	No. of Committee meetings held	No. of Committee meetings attend
Col. R S Malik - Chairman & Independent Non Executive Director	4	4
Major. S. P. S. Rathore – Member & Independent Non Executive Director	4	4
Mr. Inderjeet Arya - Member and Non Executive Promoter Director	4	4

There were no complaints pending at the end of the year. Further, during the year, requests for transfer of 2200 Equity Shares in physical form and 4300 equity shares in Demat form of Rs. 10/- each were received and processed for transfer.

Name, designation & address of Compliance Officer:

Mr. Inderjeet Arya, Compliance Officer,

Add:- B/202, Gayatri Darshan,
Thakur Complex, Kandivali (East),
Mumbai – 400101.

Email id:- kosianinditd@gmail.com

Tel No.: 28701084

6. General Body Meetings:

Location and place of last three Annual General Meeting

Financial Year	Venue	Date	Time	Special Resolutions
2006-07	Registered office	13-09-2007	10 A. M.	Nil
2007-08	Shivam Sundaram Hall, 1 st 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.
2008-09	Shivam Sundaram Hall, 1 st Floor, Maruti Towers, Thakur Complex, Kandivali (East), Mumbai – 400 101.	17-09-2009	11.00 A.M	NIL

7. Disclosures

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the Promoters, Directors, the management or their subsidiaries or relatives that may have potential conflict with the interest of the company at large.

There were no instances of Non-compliance on any matter related to the capital market during the past three years and no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI. However, the company has received Show Cause notice dated November 30, 2009 under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officers) Rules, 1995 on January 11th, 2010 pertaining to the period March 01, 2005 to March 31, 2006 wherein it is alleged against the concerns for planting false & misleading news to induce sale or purchase of scrips of Kosian Industries Limited and the four promoters of the company offloaded the shares of Kosian Industries Limited in market. The same Show Cause notice is also issued to Mr.O.P. Agrawal ex-director of the company and four ex-promoters of the company namely Kosian Securities Private Limited, O. P. Agrawal (HUF), Thor Plastotech Pvt Ltd & Pioneer Capfin services Pvt limited. The company has filed consent application on June 9th, 2010.

The Company has complied with all the mandatory provisions of corporate governance from non – mandatory item the Company has not adopted the Whistle Blower Policy but is in the process of adopting the same.

8. Means of Communications

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

No presentation was made during the year either Institutional Investors or to the analysts. Management discussion & Analysis Report is attached herewith forming part of the Annual Report.

9. General Shareholders Information:

- The 20th Annual General Meeting is scheduled to be held on Thursday, 30th September, 2010 at 11.00 a.m. at Shivam Sundaram Hall, 1st Floor, Maruti Tower, Thakur Complex, Kandivali (E), Mumbai – 400101.

- ii. The Financial year of the company is from April to March.

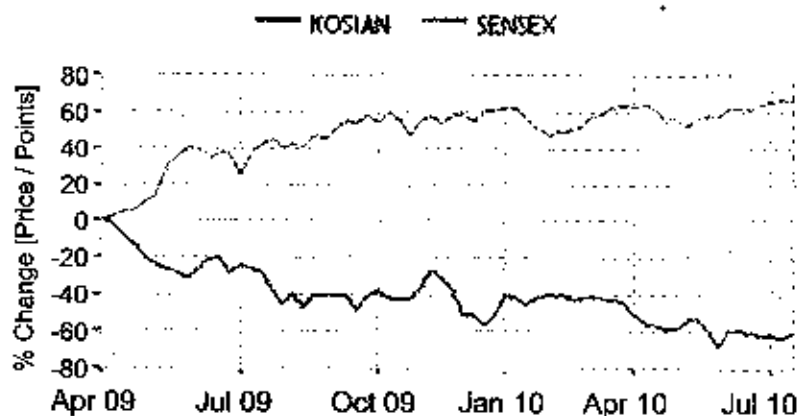
The financial calendar 2010-11 is as per following.

First quarter results (30 th June)	Mid of August
Mailing of Annual Reports	First week of September
Annual General Meeting	September
Payment of Dividend	N.A.
Second quarter results (30 th September)	Mid of November
Third quarter results (31 st December)	Mid of February
Fourth quarter / Annual Results	Mid of May

- iii. Book Closure dates are from **Thursday the 23rd September, 2010 to Thursday 30th September, 2010 (both days inclusive).**
- iv. The Board of Directors have not proposed any dividend for the current financial year
- v. The company's shares are listed at Bombay Stock Exchange Limited & Delhi Stock Exchanges Limited out of which Bombay is a Regional Stock Exchange. The Listing Fees for the year 2010-11 for Bombay Stock Exchanges have been paid. As the management has initiated to delist the Company from Delhi Stock exchange therefore the company had not paid the listing fees of the same.
- vi. **Stock Code:** BSE: 511760;
 Demat – ISIN No. of NSDL & CDSL: INE 518D01017
- vii. **Market Price Data (Bombay Stock Exchange).**

Months	High (Rs.)	Low (Rs.)	Volume
April-09	17.30	13.80	1930
May-09	14.20	11.00	12192
June-09	13.99	11.02	17040
July-09	13.40	10.21	3700
August-09	10.80	8.41	19951
September-09	10.36	8.46	8905
October-09	10.73	9.01	29687
November-09	12.70	9.94	878
December-09	10.70	7.20	17835
January-10	10.40	8.32	8198
February-10	10.19	9.40	2197
March-10	9.90	9.20	6133

Index Comparison



viii. Registrar and Transfer Agent.

The name and address of Company's Transfer Agent is as per following:

Sharex Dynamic (India) Private limited.

Add: Unit - I, Luthra Ind, Premises,
Andheri Kurla Road,
Safed Pool, Andheri (E),
Mumbai - 400 072.
Tel- 22641376
Fax- 22641349
Email- info@sharexindia.com
Website- www.sharexindia.com

ix. Share Transfer System:

Share Transfer in physical form can be lodged with M/s. Sharex Dynamic (India) Private limited at the above mentioned address. The transfers are normally processed within 10-12 days from the date of receipt if the documents are complete in all respects. The shares in dematerialized mode are transferred through depositories.

x. Distribution of Shareholding as on 31st March, 2010.

Share holding of	Nominal Value of	Shareholders No.	% of Total	Share Amt.	% of Total
Rs.	Rs.			Rs.	
1	5000	1714	82.32	3141290.00	10.46
5001	10000	143	6.87	1164830.00	3.88
10001	20000	82	3.94	1256390.00	4.18
20001	30000	32	1.54	789860.00	2.63
30001	40000	23	1.10	783390.00	2.61
40001	50000	19	.91	866980.00	2.89
50001	100000	27	1.30	1876130.00	6.25
100001	*****	42	2.02	20153130.00	67.11
TOTAL		2082	100.00	30032000.00	100.00

xi. Dematerialization of shareholding: 26,67,490 Equity Shares i.e. 88.82% of the paid up share capital has been dematerialized as on 31.03.2010.

xii. Company has not issued either ESOP or any GDRs /ADRs /Warrants /Convertible instrument.

xiii. Plant Locations.

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

xiv. Address for 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 - I, 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 - 400101.

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, 2010 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 : 26th May, 2010

Place : Mumbai.

**Certificate 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, 2010 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, though it is informed that it is under construction.

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.

Sd/-

CHARTERED ACCOUNTANTS
JAYESH SANGHRAJKA
PARTNER

Place : Mumbai

Date : 26th May, 2010

AUDITORS' REPORT

To the Members,
Kosian Industries Ltd.

We have audited the attached Balance Sheet of Kosian Industries Ltd. as at 31st March, 2010 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, 2010 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, 2010;
 - (ii) In so far as it relates to the Profit and Loss Account, of the Loss 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)

Sd/-

Place : Mumbai

Date : 26/05/2010

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

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 has 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 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.
6. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
7. 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.
8. 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, 2010 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.
9. The company has accumulated losses of Rs. 4,72,217/-. The Company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
10. 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.
11. 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.

12. 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.
13. 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.
14. The Company has not given guarantees for loans taken by others from banks or financial institutions.
15. 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.
16. 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.
17. 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.
18. The Company has not issued any debentures.
19. The Company has not raised any money by way of public issue during the year.
20. 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)

Sd/-

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

Place : Mumbai

Date : 26/05/2010

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCH.	31ST MARCH 2010 (Rs.)	31ST MARCH 2009 (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		2,576,952	<u>2,345,174</u>
NET BLOCK		535,418	767,196
DEFERRED TAX ASSETS		945,075	1,172,946
CURRENT ASSETS, LOANS & ADVANCES	D	39,870,123	39,281,850
LESS : -CURRENT LIABILITIES AND PROVISIONS	E	3,125,809	<u>3,017,463</u>
NET CURRENT ASSETS		36,744,314	36,264,387
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		1,347,776	1,551,248
PROFIT & LOSS ACCOUNT		472,217	289,023
TOTAL		40,044,800	40,044,800

NOTES TO ACCOUNTS AND SIGNIFICANT POLICIES **H**

As Per Our Report Of Even Date Attached

For Jayesh Sanghrajka & Co.
Chartered Accountants

For Kosian Industries Ltd.

Sd/-

Sd/-

Sd/-

Jayesh Sanghrajka
Partner
M.No. 37430(Inderjeet Arya)
Director(Kishorkumar Arya)
DirectorPlace : Mumbai
Date : 26/05/2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

PARTICULARS	SCH.	31ST MARCH 2010 (Rs.)	31ST MARCH 2009 (Rs.)
I. INCOME			
Sales	F	7,227,500	57,164,619
Financial Services		-	2,000,000
Interest on Loans & Others		226,726	65,651
Dividend		-	234,000
Other Income		2,015	22,248
Stock in Trade		17,489,150	21,266,490
Total (A)		24,945,391	80,753,008
II. EXPENDITURE			
Opening Stock		21,266,490	61,787,437
Purchases		2,339,216	17,060,784
Administration & Other Expenses	G	836,587	1,214,153
Preliminary Expenses Written Off		35,000	35,000
Miscellaneous Expenses Written off		168,472	168,472
Total (B)		24,645,765	80,265,846
PROFIT BEFORE DEPRECIATION...(A)-(B)		299,626	487,162
Less :- Depreciation		231,779	243,334
PROFIT BEFORE INCOME TAX		67,847	243,828
Less :- Provision for Taxation		23,170	39,000
Less : Provision for Fringe Benefit Tax		-	4,000
PROFIT AFTER DEPRECIATION AND TAX		44,677	200,828
Add / Less :- Deferred Tax Asset / (Liabilities)		(227,871)	65,194
Net Profit After Tax		(183,194)	266,022
ADD :- BALANCE OF PREVIOUS YEAR		(289,023)	(555,045)
BALANCE C/F TO BALANCE SHEET		(472,217)	(289,023)
Net Profit After Tax		(183,194)	266,022
No. of Equity Shares		3,003,200	3,003,200
EPS		(0.06)	0.09

NOTES TO ACCOUNTS AND SIGNIFICANT POLICIES

As Per Our Report Of Even Date Attached

For Jayesh Sanghrajka & Co.
 Chartered Accountants

For Kosian Industries Ltd.

Sd/-	Sd/-	Sd/-
Jayesh Sanghrajka Partner M.No. 37430	(Inderjeet Arya) Director	(Kishorkumar Arya) Director

 Place : Mumbai
 Date : 26/05/2010

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31.03.2010

PARTICULARS	31ST MARCH, 2010 (Rs.)	31ST MARCH 2009 (Rs.)
SCHEDULE A : - SHARE CAPITAL		
AUTHORISED		
3,00,00,000 Equity Shares of Rs. 10/- each	<u>300,000,000</u>	<u>300,000,000</u>
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)	<u>30,032,000</u>	<u>30,032,000</u>
SCHEDULE B : - RESERVES & SURPLUS		
SHARE PREMIUM		
Opening Balance	10,012,800	10,012,800
Add : Addition during the year	-	-
Less : Deduction during the year	-	-
	<u>10,012,800</u>	<u>10,012,800</u>

SCHEDULE C : - FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AS ON 01.04.2009	ADDITION	DELETION	AS AT 31.03.2010	UP TO 31.03.2009	FOR THE YEAR	UP TO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
COMPUTER & SOFTWARES	2,157,155	-	-	2,157,155	1,622,539	175,154	1,797,693	359,462	534,616
FURNITURE & FIXTURE	536,964	-	-	536,964	398,925	33,990	432,915	104,049	138,039
OFFICE EQUIPMENT	418,251	-	-	418,251	323,710	22,635	346,345	71,906	94,541
TOTAL	3,112,370	-	-	3,112,370	2,345,174	231,779	2,576,953	535,418	767,196
PREVIOUS YEAR	3,112,370	-	-	3,112,370	2,101,840	243,334	2,345,174	767,196	1,010,530

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31.03.2010

PARTICULARS	31ST MARCH, 2010 (Rs.)	31ST MARCH 2009 (Rs.)
SCHEDULE D : - CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS :		
Stock-in-trade (At cost or market value whichever is lower) (As Certified by Management)	17,489,150	21,266,490
Sundry Debtors (Unsecured but considered good)		
Outstanding for a period exceeding 6 months	4,307,985	4,487,985
Other Debts	7,158,375	-
Cash in Hand	14,008	89,297
Balance with bank -With Schedule Bank in Current Account	25,339	124,910
Total (A)	28,994,857	25,968,682
(B) LOANS & ADVANCES :		
(Unsecured but considered good)		
Loans & Advances recoverable in cash or in kind or for value to be received	7,774,677	10,253,657
Security Deposit	25,000	25,000
Income Tax & TDS	3,075,589	3,034,510
Total (B)	10,875,266	13,313,167
Total (A) + (B)	39,870,123	39,281,849
SCHEDULE E : - CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES :		
Sundry Creditors	353,596	286,631
Other Liabilities		
Unclaimed Dividend	4,546	4,546
Total ... (a)	358,142	291,177
(B) PROVISIONS :		
Prov. For Outstanding Expenses	49,635	49,470
TDS Payable	9,651	62,480
Service Tax Payable	93,818	93,818
CST Payable	70,875	-
Provision for FBT	7,235	7,235
Provision for Taxation	2,536,453	2,513,283
Total ... (b)	2,767,667	2,726,286
Total ... (a) + (b)	3,125,809	3,017,463

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SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

PARTICULARS	31ST MARCH. 2010 (Rs.)	31ST MARCH 2009 (Rs.)
SCHEDULE F :- SALES		
Sale of Diamonds	7,087,500	-
Sale of Securities	140,000	57,164,619
	<u>7,227,500</u>	<u>57,164,619</u>
SCHEDULE G: - ADMINISTRATIVE AND OTHER EXPENSES		
Annual Listing Fees & Membership	24,269	18,990
Sitting Fees	64,000	115,000
Audit Fees	55,150	55,150
Advertisement	169,637	48,972
Electricity Expenses	18,000	7,227
Legal & Professional Charges	193,459	243,596
Miscellaneous Expenses	11,708	90,993
Share Transfer & Connectivity Expenses	39,490	39,654
Postage & Telephone Exps.	33,279	36,576
Printing, Stationery & Xerox	71,500	33,306
Repairs & Maintenance	3,592	5,325
Rent, Rates & Taxes	62,000	167,401
Salaries	66,000	71,000
Staff Welfare Expenses	7,147	4,950
Travelling & Conveyance	5,455	86,386
Bank Charges	11,901	15,919
Security Transaction Tax	-	71,564
Security Transaction Tax W/off	-	87,144
Prior period expenses	-	15,000
TOTAL	<u>836,587</u>	<u>1,214,153</u>

SCHEDULE- H**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010.****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 2010.

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 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.

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 :	31-03-2010 Rs.	31-03-2009 Rs.
Statutory Audit Fees	55,150	55,150

3. TAXATION & DEFERRED TAX ASSETS AND LIABILITIES

(Rs. In Laacs)

Particulars	Amount (2009-10)	Amount (2008-09)
<u>Deferred Tax Assets :</u>		
(1) Provision for Doubtful Debts	10.61	10.61
(2) Carried Forward Losses	--	(1.77)
(3) On WDV of Fixed Assets	(1.16)	1.74
(4) On Disallowances U/s 40(a)(ia)	--	1.16
TOTAL	9.45	11.73

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.

	31 ST MARCH 2010	31 ST MARCH 2009
Loans & Advances	1,12,08,250	1,36,87,230
Less: Provision for Doubtful Debts	34,33,573	3,433,573
TOTAL	77,74,677	1,02,53,657

Provision for doubtful debts has been created on the basis of Provisioning norms issue under the guidelines of RBI.

5. SEGMENT REPORTING:

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

	Securities		Diamond		Software		Others		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Segment Revenue	1.40	571.65	70.87	-	-	-	2.29	20.88	74.56	592.53
Segment Expenditure	9.00	576.53	52.16	-	-	-	-	-	61.16	576.53
Segment Result	(7.60)	(4.88)	18.71	-	-	-	2.29	20.88	13.40	16.00
Unallocated Corporate Exp.	-	-	-	-	-	-	-	-	12.72	13.56
Operating Profit	(7.60)	-	18.71	-	-	-	2.29	-	0.68	2.44
Interest Expenses	-	-	-	-	-	-	-	-	-	-
Operating Profit Before Tax	(7.60)	-	18.71	-	-	-	2.29	-	0.68	2.44
Less : Exceptional Items	-	-	-	-	-	-	-	-	-	-
Net Profit Before Tax	(7.60)	-	18.71	-	-	-	2.29	-	0.68	2.44
Less : Income Tax	-	-	-	-	-	-	-	-	2.51	(0.22)
Profit from Ordinary Activities	(7.60)	-	18.71	-	-	-	2.29	-	(1.83)	2.66
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
Net Profit /(Loss)	(7.60)	-	18.71	-	-	-	2.29	-	(1.83)	2.66
Segment Assets	41.06	51.86	265.42	229.00	9.08	9.08	51.63	68.83	367.18	358.77
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	59.80	68.97
Segment Liabilities	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	31.25	30.17

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

Particulars	Unit	Opening Stock		Purchase		Sales / Return		Closing Stock	
		Qty.	Value Rs. (Rs. In Lacs)	Qty.	Value Rs. (Rs. In Lacs)	Qty.	Value Rs. (Rs. In Lacs)	Qty.	Value Rs. (Rs. In Lacs)
SHARES	Nos.								
Current Year		4,20,600	42.06	-	-	90,000	1.40	3,30,600	33.06
Prev. Year		6,08,022	617.87	-	-	1,88,050	571.69	4,20,600	42.06
DIAMOND	Cts.								
Current Year		1,751.82	170.61	190.18	23.39	567.00	70.88	1375.00	141.84
Prev. Year		-	-	1,793.26	205.17	41.44	34.56	1751.82	170.61

7. 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.
 - I. Rajat Pharmachem Ltd.
- III. Key Management personnel.

There are 2 key Management Personnel in the Company. They are :-

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1. Mr. Inderjeet Arya. 2. Mr. Kishorkumar 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	32,000	32,000
On Account of Expenses	Nil	84,215	Nil	84,215

8. Earning per Share

	2009-10	2008-09
Net Profit for the year	(1,83,194)	2,66,023
No. of Equity Share (Face Value of Rs. 10/- each)	30,03,200	30,03,200
Basic & Diluted EPS	(0.06)	0.09

9. The Company is in receipt of Notice Under section 153 A of Income Tax Act, 1961. It doesn't envisage any tax liability in respect of Block assessment including earlier years as per the advice received from consultant of the company. Therefore, no provision for Income Tax has been made on account of the same.

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

11. 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 H

As per our report of even date attached

For Jayesh Sanghrajka & Co.
Chartered Accountants

For Kosian Industries Ltd.

Sd/-

Sd/-

Sd/-

Jayesh Sanghrajka
Partner
M.No. 37430

(Inderjeet Arya)
Director

(Kishorkumar Arya)
Director

Place : Mumbai
Date : 26/05/2010

AUDITOR'S CERTIFICATE

We have checked attached Cash Flow Statement of Kosian Industries Limited for the period ended 31st March, 2010 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 : 26.05.2010

Sd/-
JAYESH SANGHRAJKA
(PARTNER)
(M.No.37430)

CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT

	31ST MARCH. 2010 (Rs.)	31ST MARCH 2009 (Rs.)
A Cash Flow From Operating Activities		
Net Profit/ (Loss) Before Tax & Prior Period items	67,847	243,828
Add Adjustments for :		
Depreciation	231,779	243,334
Miscellaneous Expenses Written Off	168,472	168,472
Preliminary expenses Written Off	35,000	35,000
Securities transaction tax Written Off	-	87,144
Dividend Received	-	(234,000)
Operating Profit / (Loss)	503,098	543,779
Add Adjustments For :		
Current Assets	(722,055)	51,413,692
Trade Payables	85,176	(57,752,529)
Cash Generated from Operations	(133,781)	(5,795,058)
Less : Taxes Paid (including TDS)	(41,079)	(1,980,510)
Net Cash from Operations	A (174,860)	(7,775,568)
B CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Received	-	234,000
Net Cash from Investment Activities	B -	234,000
C CASH FLOW FROM FINANCING ACTIVITIES		
Expenses for increase in Authorised Share Capital	-	(1,684,720)
Net Cash From Financing Activities	C -	(1,684,720)
Net Increase/(Decrease)in Cash & Cash Equivalents(A+B+C)	(174,860)	(9,226,288)
Cash & Cash Equivalents - Opening Balance	214,207	9,440,495
Cash & Cash Equivalents - Closing Balance	39,347	214,207

For Kosian Industries Ltd.

Sd/-

 (Inderjeet Arya)
 Director

Sd/-

 (Kishorkumar Arya)
 Director

 Place : Mumbai
 Date : 26/05/2010

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	31/03/2010		

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	535.42	INVESTMENTS	-
NET CURRENT ASSETS	36,744.31	MISC. EXPENDITURE	1,347.78
ACCUMULATED LOSSES	472.22		

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

TURNOVER	7,456.24	TOTAL EXPENDITURE	7,388.39
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+	-	PROFIT BEFORE TAX	67.85
+	-	PROFIT AFTER TAX	(183.19)
EARNINGS PER SHARE IN RS.			(0.06)
		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	DIAMOND
b. ITEM CODE NO. (ITC CODE)	NIL
PRODUCT DESCRIPTION	SHARES
c. ITEM CODE NO. (ITC CODE)	NIL
PRODUCT DESCRIPTION	FINANCIAL SERVICES

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/-

Inderjeet Arya
(CEO)

Date: 26th May, 2010.

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, 30th September, 2010 at Shivam Sundaram Hall, 1st Floor, Maruti Towers, Thakur Complex, Kandivali (E), 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 20th ANNUAL GENERAL MEETING of the Company to be held at Shivam Sundaram Hall, 1st Floor, Maruti Towers, Thakur Complex, Kandivali (E), Mumbai – 400101, on Thursday the 30th September, 2010, and at any adjournment thereof.

Signed this _____ day of _____, 2010

Reg. Folio No. _____

No. of Shares _____



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.