

NOTICE

Notice is hereby give that the Eleventh Annual General Meeting of the members of the company will be held at the Registered office of the Company on 29th August, 2005 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS :

1. To receive consider and adopt the Audited Profit & Loss for the Period ended 31st March 2005 of the company and Balance Sheet as at 31st March, 2005 and the Reports of the Directors and Auditors there on.
2. To appoint M/S KPSJ & Associates Retiring Auditors as Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors of the Company and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the company.
3. To appoint Director in place of Mr. Vinod Agrawal who retire by rotation and being eligible offers himself for reappointment.

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The instrument of proxy should be deposited at the Registered office of the company not less 48 hours before the commencement of the meeting.
3. The register of member and share transfer Book of the company shall remain closed, from 22/8/2005 to 29/8/2005 [both days inclusive].
4. Members are requested to notify immediately change in their address, if any, at the registered office of the company, quoting their folio numbers.

Place : Ahmedabad
Date : 15/07/2005

BY ORDER OF THE BOARD.

[MANAGING DIRECTOR] [DIRECTOR]

DIRECTOR'S REPORT

To,
The Member's
KRISHNA CAPITAL & SECURITIES LIMITED

Your directors submit the 11th Annual Report of the company along with the audited accounts for the March 2005.

FINANCIAL RESULT :

(IN LACS)		
	31.03.2005	31.03.2004
TOTAL INCOME	651.10	348.19
NET PROFIT BEFORE TAXATION	07.33	04.29
NET PROFIT AFTER TAX	04.67	02.49
BALANCE B/F. FROM LAST YEAR	13.60	11.11
PROFIT AVAILABLE FOR APPROPRIATION	18.27	13.60

DIVIDEND :

Keeping in the view the future plans the company, the Board of Directors do not recommend dividend for the financial year ended on 31st March, 2005.

OPERATION :

The performance of the company was satisfactory during the year under review. The total income is Rs. 651.10 Lacs & Net Profit Before Tax is Rs. 7.33 Lacs.

PUBLIC DEPOSITS :

The Company has not accepted any deposits from the public during the period under review.

AUDITOR'S :

The Company's Auditors M/s. KPSJ & ASSOCIATES Chartered Accountants retire and are eligible for reappointment. You are requested to appoint and authorise your directors to fix their remuneration.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 your directors declares that :

- a. In preparation of the annual accounts, the applicable accounting standards has been followed alongwith proper explanation relating to material departures.
 - b. The Directors had selected such accounting policies and applied them consistently and made judgements 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 / loss of the company.
 - c. The directors have been taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The directors has prepared the annual accounts on a going concern basis.

DIRECTORS :

At the ensuing annual general meeting Mr. Vinod Agrawal, Director of the company will retire by rotation and being eligible offers himself for reappointment..

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The particulars as required by the Companies with (Disclosure of particulars in the Report of Board of Directors) regard to Conservation of Energy etc, are nil in view of the business of the company.

PARTICULARS OF EMPLOYEES :

As no employee of the company was in receipt of gross remuneration of Rs. 24,00,000/- or more per Year Rs. 2,00,000/- or more per month during the year provision of section 217 (2A) of the companies Act, with the companies (Particulars of Employees) Rules 1957 are NIL.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, Corporate Governance Report and Auditor's Certificate regarding compliance of condition of Corporate Governance, are made a part of the Annual Report.

ACKNOWLEDGEMENTS :

Your Directors place on record their acknowledgement and sincere appreciation to the Banks, Staff members and members for their continuous contribution to the growth and progress of the company.

Date : 15/07/2005

Place : Ahmedabad

For and on behalf of the Board of Directors,
KRISHNA CAPITAL & SECURITIES LIMITED

[MANAGING DIRECTOR] [DIRECTOR]

AUDITOR'S REPORT

TO THE MEMBERS OF KRISHNA CAPITAL & SECURITIES LIMITED

1. We have audited the attached Balance Sheet of KRISHNA CAPITAL & SECURITIES LIMITED P. NO. AAACK 6286 H as at 31st March 2005 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period 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.
2. We 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 misstatement. An audit includes examining, on a 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 managements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Audit Report) Order, 2003 issued by the Central govt. of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in the said Order.
4. Further our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanation, 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 those books.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified

as on 31st March 2005 from being appointed as a director in terms of clause (g) of sub section (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, and subject to

- 1) No Provision has been made in the accounts for book debts of Rs. 19,01,351/- considered doubtful. Hence the profit and Assets are over stated by this amount.
- 2) No provision has been made for diminution in value of the long term Quoted shares Of Rs. 1500000/- Hence the profit and Assets are over stated by this amount.
- 3) Balances in the accounts of debtors, creditors and Loans and Advances are subject to confirmation by the parties and our notes on accounts the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2005,
 - (ii) in the case of the Profit and Loss Account of the Profit for the year ended on that date; and
 - (iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

For, **KPSJ & ASSOCIATES**
Chartered Accountants

Place: Ahmedabad
Date: 15/07/2005

[**KEDAR RAMLADDHA**]
PARTNER
M. NO. 101886

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of even date.

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; and no any material discrepancies were noticed on such verification
- (c) The company has not disposed any fixed assets during the year
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and and no material discrepancies were noticed on physical verification
- (iii) (a) The company has granted / taken loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.

Loan Granted to 2 parties	Amount	9.03	Lacs
Loan Taken From 1 Party	Amount	145.98	Lacs

- (b) The rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, are prima facie not prejudicial to the interest of the company;
- (c) Payment of the principal amount and interest are also regular;
- (d) there are no overdue amount. More than 1.00 lac
- (iv) there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.

- (v) (a) the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered;
- (b) each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
- (vi) the company has not accepted deposits from the public,
- (vii) the company has an internal audit system commensurate with its size and nature of its business,
- (viii) maintenance of cost records has not been prescribed by the Central Government under clause (c) of sub-section (1) of section 209 of the Act,
- (ix) (a) the company is regular in depositing undisputed statutory dues including, Income-tax, Sales-tax, Wealth Tax, cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanation given to us there are no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth Tax, cess outstanding as at the year end for a period of more than 6 months from the date they become payable.
- (c) According to the information and explanation given to us there are no dues of Income-tax, Sales-tax, Wealth Tax, cess outstanding on account of any dispute.
- (x) The company has not accumulated losses at the end of the financial year
- (xi) The company has not defaulted in repayment of dues to a financial institution or bank
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) the provisions of any special statute not applicable to the company.
- (xiv) The company is dealing or trading in shares, securities, debentures and other investments, and proper records have been maintained of the transactions and contracts and timely entries have been made therein; also the shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act;
- (xv) The company has not given any guarantee for loans taken by others from bank or financial institutions,

- (xvi) No term loans have been obtained by the company.
- (xvii) the funds raised on short-term basis have not been used for long term investment and vice versa.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act
- (xix) Debentures have not been issued by the company.
- (xx) The company has not raised money by public issues during the year.
- (xxi) No fraud on or by the company has been noticed or reported during the year.

For, **KPSJ & ASSOCIATES**
Chartered Accountants

Place: Ahmedabad
Date: 15/07/2005

[**KEDAR RAMLADDHA**]
PARTNER
M. NO. 101886



CORPORATE GOVERNANCE REPORT

Corporate Governance is about commitment to values and about ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, Performance, ownership and governance of the company is an important part of corporate governance.

COMPANY'S PHILOSOPHY

The company is committed to adopt best Corporate Governance practice and endeavor continuously to implement the code of Corporate Governance in its true spirit. The philosophy of the company in relation to corporate governance is to ensure transparency in all its operations, make disclosures and enhance shareholders value without compromising in any way in compliance with laws and regulations. The company has made corporate governance a practice and a process of development right across the company.

The Board of Directors:

1. Composition of Board

The Board of Directors has an optimum combination of Executive and Non-executive Directors with 75% of the Directors being Non-executive Directors. The composition of the Board of Directors of the company as on 31st March, 2005 is as under:

Name	Designation/Category	No. of other Directorship and Committee Membership/Chairmanship		
		Other Directorship	Committee Membership	Committee Chairmanship
Ashok Agarwal	Managing Director/Executive /non Independent	2	1	-
Vinod Agarwal	Director/non Executive/ Non Independent	Nil	3	-
Rajesh Jindal	Chairman/non Executive/ Independent Director	Nil	3	3
Tarun Garg	Director/non Executive/ Independent Director	Nil	3	-

2. Attendance record of each Director Five Board Meetings were held during the year 2004-2005. These meetings were held on, 23rd April, 2004, 23rd July, 2004 30th July, 2004 and, 29th October, 2004 and 31st January, 2005

Name	No. of BOD Meetings held	No. of BOD Meetings attended	Attendance at last AGM
Mr. Ashok Agrawal	5	5	YES
Mr. Rajesh Jindal	5	5	YES
Mr. Vinod Agrawal	5	5	YES
Mr. Tarun Garg	5	5	YES

3. The company furnishes the relevant information in respect of the matter placed before the Board of Committee(s) including the matters listed in Annexure 1 to Clause 49 of the listing agreement, whichever applicable and materially significant.

4. Remuneration of Directors

Details of Remuneration paid/payable to the Directors for the year ended 31.3.2005 are as under :

Name of Director	Sitting Fees (Rs.)	Gross Remuneration (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Ashok Agrawal	-	1,80,000	-	1,80,000

- Gross remuneration includes salary and perquisites. The company does not have any stock option scheme.
- The Executive Director has been appointed for a period of 5 years. As per the agreement either party is entitled to terminate the appointment by giving not less than 3 months notice to the other party.

Committees of the Board

During the course of the year, the Board of Director of the company, constituted the Audit Committee and the Investor's Grievances and Shares Transfer Committee and Remuneration Committee. The Committees meet as often as required.

1. Audit Committee:

- a) **Terms of reference:** Apart from all the matters provided in clause 49 of the Listing Agreement and section 292A of the companies Act, 1956 the Committee meets Statutory Auditors and discusses their findings, suggestions, internal control systems, scope of audit, observations of the auditors and reviews accounting policies followed by the Company. The Committee reviews with the management the half yearly and annual financial statements before their submission to the Board.

The minutes of the Audit committee are placed and confirmed by the Board of Directors.

Name of the Member	Status	No. of meetings attended
Mr. Rajesh Jindal	Chairman	3
Mr. Vinod Agarwal	Member	3
Mr. Tarun Garg	Member	3

2. Investor's Grievances & Share Transfer committee

a) Terms of reference:

The existing Share Transfer Committee of the Company has been reconstituted as the Investor's Grievances and Share Transfer committee with necessary powers to carry out the additional responsibility of handling shareholder's / investor's grievances. The brief terms of reference of the committee include redressing shareholder and investor complaints like transfer transmission of shares, issue of duplicate share certificate, non-receipt of balance sheet, non-receipt of dividends etc.

b) Composition

The Committee comprises of 1 Executive Director – Mr. Ashok Agarwal and Non-Executive Directors Mr. Rajesh Jindal and Mr. Tarun Garg.

Details on General Meetings:

The last three Annual General Meetings of the Company were held as under:

Financial Year	Location	Date	Time
2003-04	Shahibaug, Ahmedabad	28/08/2004	11.00 A.M.
2002-03	Shahibaug, Ahmedabad	30/08/2003	11.00 A.M.
2001-02	Shahibaug, Ahmedabad	30/08/2002	11.00 A.M.

Postal Ballot passed none of the special resolutions last year.

Means of Communication

- a. Quarterly, half yearly and annual audited results of the Company were sent to the Stock Exchange immediately after the Board of Directors approves them. The results were published in English newspaper viz. 'WESTERN TIMES' in accordance with the listing requirement.
- b. Management Discussion and Analysis forms part of the Annual Report.

Disclosures

There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

Shareholding Pattern as on 31st March 2005.

Particulars	Equity Shares	
	No. of Shares	Percentage
Directors & their Relatives	1003000	31.76
NRI	77300	2.45
Bodies Corporate	426200	13.49
Others	1651900	52.30
Total :	3158400	100.00



Distribution of Equity Shares as on 31st March, 2005

Sr. No.	Range	No. of Shares hold	% to Capital	No. of Shares holders	% of total holders
1	000001 To 005000	1102282	34.90	5377	98.34
2	005001 To 010000	364795	11.55	48	00.88
3	010001 To 020000	387220	12.26	24	00.44
4	020001 To 030000	150972	04.78	6	00.11
5	030001 To 040000	155077	04.91	4	00.07
6	040001 To 050000	199927	06.33	4	00.07
7	050001 To 100000	305101	09.66	4	00.07
8	Above 100001	493026	15.61	1	00.02
	Total	3158400	100.00	5468	100.00

The Company has complied with all the requirements of the Stock Exchange/Securities and Exchange Board of India/any statutory authority on all matters relating to capital markets, during the last 3 years.

**General Shareholder Information
11th Annual General Meeting**

Venue : 604/C, Sahjanand Shopping Centre,
Shahibaug Road, Ahmedabad -380004

Date : 29th August, 2005

Time : 11.00 A.M.

Book Closure :

The Register of Members and Share Transfer books of the company shall remain close from 22/08/2005 to 29/08/2005 (both days inclusive).

Financial Calendar

* Fiscal Year Ending	-	March 31, 2006
* First Quarter Results	-	30/07/2005
* Second Quarter Results	-	30/10/2005
* Third Quarter Results	-	30/01/2006
* Fourth Quarter Results	-	30/04/2006

Listing on Stock Exchange and Stock Code and ISIN No.

The Company's shares are listed at The Stock Exchange, Ahmedabad. The stock code is 31092. The shares are traded under ISIN No. INE897B01019 by NSDL.

The Company has paid annual listing fees to The Stock Exchange, Ahmedabad for the financial year 2004-2005.

Market Price Data

The company's Shares have not been traded on the Stock Exchange during the financial year 2004-05.

Dematerialisation of shares

The shares of the Company fall under the category of compulsory delivery in dematerialized mode by all categories of investors'. The company has agreements with National Securities Depository Limited and Central Depositories Services (India) Limited. Nearly 15.38% of the share capital of the company has been dematerialized as on 31st March 2005. The company also offers simultaneous transfer cum demat facility to its investors'.

Registers and Share Transfer Agents

The company has appointed MCS LIMITED as Registrars and Transfer Agents. The average time taken in transfer of shares is 21 days. The depositories directly transfer the dematerialized shares to the beneficiaries.

Outstanding GDRs/KDRs/Warrants or any convertible instruments, conversion date and likely impact on equity. N I L

Address for correspondence

604/c Shajanand Shopping Centre,
shahibaug, Ahmedabad 380004

MANAGEMENT DISCUSSION & ANALYSIS

Business Overview

Capital Market is growing as many incentives are announced by the SEBI & government for Promoting capital market & protection of investors. Main favourable features of the market are:

1. Dematerialization of shares instead of physical to avoid duplication of shares.
2. Rolling settlement day to day.
3. Mechanism of payments through direct banking
4. LTCG is exempted
5. Dividend is now tax-free.
6. Disinvestment of PSU's through public offer
7. Regaining the confidence of public in capital market.

OPPORTUNITIES:

The opportunities continue to be in corporate restructuring that is on in a way in the industry. There is increasing acceptance of core competencies and spin offs and consolidation are activities in the industrial world. Therefore there are tremendous prospective in Indian corporate and capital market.

THREATS:

The major threat is Political factor which influence the govt.policies like: disinvestments, taxation, growth rate , FDI, budget etc.and the stability of the ruling government. Therefore capital market is uncertain and volatile.

SEGMENT PERFORMANCE:

Trading of securities made Profit of Rs. 2.74 Lacs and from Financial Services company has earned Rs.5.64 Lacs.

OUTLOOK-FUTURE PROSPECTUS

Corporate Finance will be the main focus in the coming year. The year ahead will be challenging and hopefully exciting, being bright prospectus of Indian corporate and capital market.

INTERNAL CONTROL

The company has an adequate system of internal control to ensure accuracy of accounting records, compliance with all laws and regulations and compliance with all rules, procedures and guideline prescribed by the management.

RISK :

Most market participants have been marginalized over a period of time. Hence confidence building measures will take a much longer time to put in place. Besides net worth erosion has been serious, in the case of investors. Hence their ability and willingness to return to the capital markets will take time. While we believe that measures are being put in place by regulatory authorities, we believe that a patient approach may be in order.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT:

There has been no material development on the Human Resource/Industrial Relations Front during the year. Employee relation at all levels continues to remain cordial. The company had 4 employees as on March 31st, 2005

CERTIFICATE

To the Members of Krishna Capital & Securities Limited

We have examined the compliance of conditions of Corporate Governance by Krishna Capital & Securities Limited., for the year ended on 31st March 2005, as stipulated in clause 49 of the Listing Agreement of the said 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 as stipulated in the abovementioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the books maintained by the Investors Grievance & Share Transfer Committee.

We further state that such compliance is neither an assurance as to the 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
KPSJ & ASSOCIATES
Chartered Accountants

[KEDAR RAM LADDHA]
PARTNER
M.NO. 101886

Place : Ahmedabad
Date : 15/07/2005

KRISHNA CAPITAL & SECURITIES LTD.

BALANCE SHEET AS ON 31ST MARCH, 2005

PARTICULARS	SCHEDULE	31-03-2005 Rs.	31-03-2004 Rs.
SOURCE OF FUNDS :			
SHARE HOLDERS FUND			
Share Capital	1	31,584,000	31,584,000
Reserves & Surplus		1,827,250	1,359,908
LOAN FUNDS			
Secured Loans	2	---	183,331
Unsecured Loans	3	929,543	871,192
Deferred Tax	4	---	7,295
TOTAL.....		<u>34,340,793</u>	<u>34,005,726</u>
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	5	1,730,049	1,674,789
Less :Depreciation		<u>1,077,117</u>	<u>903,056</u>
Net Block		652,932	771,733
INVESTMENTS			
	6	14,312,500	16,691,250
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	1,878,850	1,143,661
Sundry Debtors	9	1,901,351	1,901,351
Cash & Bank Balance	8	14,789	94,076
Loans & Advances	10	<u>16,207,138</u>	<u>13,839,315</u>
		<u>20,002,128</u>	<u>16,978,403</u>
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	353,767	410,013
Provision		294,731	185,030
		<u>648,498</u>	<u>595,043</u>
NET CURRENT ASSETS.....			
Miscellaneous Exp. [to the extent not written on off or Adjusted.	12	---	159,383
Deferred Tax Assets		21,731	---
TOTAL.....		<u>34,340,793</u>	<u>34,005,726</u>

ACCOUNTING POLICIES & NOTES TO ACCOUNT SCH. 19
AS PER OUR AUDIT REPORT OF EVEN DATE

FOR KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR KRISHNA CAPITAL & SECURITIES LIMITED

[KEDAR RAM LADDHA]
PARTNER
M.NO. 101886

[MANAGING DIRECTOR] [DIRECTOR]

PLACE : AHMEDABAD
DATE : 15/07/2005

PLACE : AHMEDABAD
DATE : 15/07/2005

KRISHNA CAPITAL & SECURITIES LTD.

PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH, 2005

PARTICULARS	SCH Nos.	31-03-2005 Rs.	31-03-2004 Rs.
A INCOME :			
Income from Trading & Financial Services	13	5,740,711	34,618,573
Increase/Decrease in stock	14	735,189	109,000
Other Income	15	35,133	92,306
TOTAL..... [A]		6,511,033	34,819,879
B EXPENDITURE :			
Purchases		4,533,679	33,340,228
Payments to and Provision for Employee		150,550	141,700
Administrative & Selling Expenses	16	765,491	738,135
Financial Expenses	17	154,206	35,914
Depreciation		174,060	134,988
TOTAL..... [B]		5,777,986	34,390,965
C Net Profit Before Tax [A - B]		733,047	428,914
Provision for Tax			
Current Tax		294731	
Deferred Tax		<u>-29026</u>	
		265,705	180,251
D Net Profit After Tax		467,342	248,663
Add : Bal.Brought Forward From L. Y.		1,359,908	1,111,245
Profit Available For Appropriation Carried To Balance Sheet		1,827,250	1,359,908
E.P.S. (Nominal Per Share Rs.10)	18	0.148	0.079
D.E.P.S. (Nominal Per Share Rs. 10)		0.148	0.079

**SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PARTS OF ACCOUNT SCH. 19
AS PER OUR AUDIT REPORT OF EVEN DATE**

**FOR KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS**

FOR KRISHNA CAPITAL & SECURITIES LIMITED

**[KEDAR RAM LADDHA]
PARTNER
M.NO. 101886**

[MANAGING DIRECTOR] [DIRECTOR]

**PLACE : AHMEDABAD
DATE : 15/07/2005**

**PLACE : AHMEDABAD
DATE : 15/07/2005**

KRISHNA CAPITAL & SECURITIES LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET 2004-2005

SCHEDULE :- 1 :- SHARE CAPITAL

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
AUTHORISED SHARE CAPITAL : 40,00,000 (P.Y. 40,00,000) Equity Shares of Rs. 10/- Each,	40,000,000	40,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL : 31,58,400 Equity Shares of Rs. 10/- Each Fully Paid up (Previous Year 31,58,400 Shares of Rs. 10 Each Fully Paid)	31,584,000	31,584,000
TOTAL	31,584,000	31,584,000

SCHEDULE :- 2 :- SECURED LOAN

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
Loan from others Car Loan from ford credit Kotak Mahindra Limited	----	183,331
TOTAL	----	183,331
Notes: Secured by the hypothecation charge over the car.		

SCHEDULE :- 3 :- UNSECURED LOAN

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
From Corporate Bodies:	929,543	871,192
TOTAL	929,543	871,192

SCHEDULE :- 4 :- DEFERRED TAX

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
Deferred Tax Liabilities (Due To Depreciation) Opening Liabilities	7,295	11,833
Less : Deferred Tax Assets During the year	(29,026)	(4,538)
TOTAL	(21,731)	7,295

KRISHNA CAPITAL & SECURITIES LTD.

Assessment Year : 2005-2006

Accounting Year 31-3-2005

SCHEDULE : 5 : FIXED ASSETS

Particulars	Gross Block			Depreciation				Net Block	
	Opening Balance	Addition (Deletion)	As on 31/3/2005	Opening Balance	During the year	Sale/ Adjustment	As on 31/3/2005	As on 31/3/2005	As on 31/3/2004
Furniture	16,076	—	16,076	13,427	479	—	13,906	2,170	2,649
Vehicle	72,846	—	72,846	72,846	—	—	72,846	—	—
Fax Machine	17,500	—	17,500	13,300	584	—	13,884	3,616	4,200
Motor Car	1,136,434	—	1,136,434	535,521	155,576	—	691,097	445,337	600,913
Cellular Phone	38,215	—	38,215	25,153	1,817	—	26,970	11,245	13,062
Computer	126,284	55,260	181,544	126,284	6,579	—	132,863	48,681	—
Office Premises	216,325	—	216,325	80,761	6,778	—	87,539	128,786	135,564
Pager	16,295	—	16,295	11,562	658	—	12,220	4,075	4,733
Television	11,000	—	11,000	9,175	365	—	9,540	1,460	1,825
E P B X System	23,814	—	23,814	15,028	1,222	—	16,250	7,564	8,786
TOTAL RS . .	1,674,789	55,260	1,730,049	903,057	174,060	—	1,077,117	652,932	771,733
Previous Year	(1,182,560)	(492,229)	(1,674,789)	(768,068)	(134,988)	—	(903,056)	(771,733)	(414,492)

SCHEDULE 6 - INVESTMENT

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
Long Term Investment (At Cost)		
E.O/Share (Quoted -Fully Paid Up)		
150000 E.S. of Rs. 10 each of Tirupati Finlease Ltd.	1,500,000	1,500,000
390000 E.S. of Rs. 10 each of Palco Metal Limited (company under the same management)	3,900,000	3,900,000
E.O/Share (Unquoted -Fully Paid Up) at cost		
51000 E.S. of Rs. 10 each of Krishna worldwide Pvt. Ltd.	510,000	510,000
100000 E.S. of Rs. 10 each of Dev Stock Broking Ltd.	1,000,000	1,000,000
160000 E.S. of Rs. 10 each of Krishna Share Broking Services Pvt. Ltd. (Company under the same management)	1,600,000	1,600,000
	8,510,000	8,510,000
Aggregate Book Value Quoted	5,400,000	5,400,000
Aggregate Market Value Quoted	*	*
Aggregate Book Value Unquoted	3,110,000	3,110,000
* Quotation Note Available		
Pref. Share (Unquoted -Fully Paid Up)		
430000 (650000) 8.5% Non Cumulative P. shares of Rs.10 each of Palco Metal Ltd. (company under the same management)	4,300,000	6,500,000
Total Investment in Shares	12,810,000	15,010,000
Immovable Property		
Residential House at Shilalekh	1,002,500	1,002,500
Investment in Office Premises	500,000	678,750
	1,502,500	1,681,250
TOTAL	14,312,500	16,691,250

SCHEDULE 7 - INVENTORY

(at cost or Market Value which ever is less)

SR. NO.	PARTICULAR	FACE VALUE Rs.	AS AT QTY. 31.03.05	AS AT QTY. 31.03.04	AMOUNT AS ON 31.03.05	AMOUNT AS ON 31.03.04
1	LAASIPHARMA LIMITED	10.00	800	800	600.00	600.00
2	ACTION FINANCE SER (I) LTD	10.00	1300	1300	4940.00	4732.00
3	ASIATIC INERA & SHEL LIMITED	10.00	1500	1500	2550.00	2550.00
4	ASIATIC FOODS EXPORTS LIMITED	10.00	4000	4000	12400.00	12400.00
5	ASHU MOTOR & GEN FINANCE LTD	10.00	1400	1400	17780.00	17780.00
6	ADVANCE BIOCOAL LIMITED	10.00	5000	5000	2500.00	2500.00

Sr. No.	PARTICULAR	FACE VALUE Rs.	AS AT QTY. 31.03.05	AS AT QTY. 31.03.04	AMOUNT AS ON 31.03.05	AMOUNT AS ON 31.03.04
7	AKASH AGRO IND. LIMITED	10.00	1000	1000	800.00	800.00
8	AJAY HOME PRODUCTS LIMITED	10.00	19500	19500	113100.00	113100.00
9	ASIAN AGALITE LIMITED	10.00	1000	1000	3000.00	3000.00
10	ARTSON ENGG. COMPANY LTD	10.00	0	1000	0.00	2400.00
11	ARTERACT SOFTWARE LIMITED	10.00	2000	2000	7500.00	2680.00
12	ANKUR DRUF & PHARMA LIMITED	10.00	0	2000	0.00	0.00
13	ATUL LIMITED	10.00	1500	0	115200.00	0.00
14	BARAR INDUSTRIES LIMITED	10.00	200	200	800.00	800.00
15	BETA NEPTHOL LIMITED	10.00	0	1500	0.00	9975.00
16	COMET GLASS LIMITED	10.00	1000	1000	1450.00	1450.00
17	CITIZEN YARNS LIMITED	10.00	2700	2700	540.00	540.00
18	CEEKAY DAIKIN LIMITED	10.00	0	1100	0.00	0.00
19	COMPUCOM SOFTWARE LIMITED	10.00	600	600	25380.00	21000.00
20	CORE HEALTH CARE LIMITED	10.00	7000	0	104650.00	0.00
21	DEVIKA FINSTOCK LIMITED	10.00	8500	8500	12750.00	12750.00
22	ENKAY TAXOFOOD LIMITED	10.00	0	1000	0.00	2550.00
23	ESSAR OIL LIMITED	10.00	7000	0	352450.00	0.00
24	Essar Steel Ltd.	10.00	0	2050	0.00	27675.00
25	ESSAR SHIPPING COMPANY LTD	10.00	5000	500	190250.00	8550.00
26	FISCHER INORG & AGRO. LIMITED	10.00	1300	1300	23036.00	3510.00
27	FINE AGROMATICS LIMITED	10.00	1000	1000	11000.00	11000.00
28	GROWMORE SOLVANT LIMITED	10.00	1500	1500	1425.00	1425.00
29	HANI INDUSTRIES LIMITED	10.00	12900	12900	32250.00	32250.00
30	HINDUSTAN FINSTOCK LIMITED	10.00	1400	1400	3500.00	3500.00
31	HISAR METAL IND. LIMITED	10.00	2500	7700	60625.00	65450.00
32	INDO MEXWELL LIMITED	10.00	1300	1300	975.00	975.00
33	INDO CREDIT CAPITAL LIMITED	10.00	3900	3900	4095.00	4095.00
34	I C P SECURITIES LTD	10.00	1800	1800	2700.00	2700.00
35	I. B. INDUSTRIES LIMITED	10.00	0	1000	0.00	2000.00
36	INDIAN SEAMLESS STEEL & ALLOYS	10.00	200	200	670.00	670.00
37	INDRAPRASTH GAS LTD	10.00	0	500	0.00	42250.00
38	ISPAT INDUSTRIES LIMITED	10.00	1000	0	28500.00	0.00

Sr. No.	PARTICULAR	FACE VALUE Rs.	AS AT QTY. 31.03.05	AS AT QTY. 31.03.04	AMOUNT AS ON 31.03.05	AMOUNT AS ON 31.03.04
39	JINDAL LEASEFIN LIMITED	10.00	3300	3300	4125.00	4950.00
40	JSW STEEL LIMITED	10.00	100	0	36055.00	0.00
41	KRYSTAL KNITWARE LIMITED	10.00	2000	2000	11000.00	11000.00
42	KOLUTHARA EXPORTS LIMITED	10.00	700	700	1575.00	1575.00
43	KESHARIYA SPINNERS LIMITED	10.00	8900	8900	31150.00	31150.00
44	KARISHMA FLORICULTURE LTD	10.00	200	200	200.00	200.00
45	KALPATARU PAPERS LIMITED	10.00	200	200	3800.00	1400.00
46	KARWA SECURITIES LTD	10.00	8100	5000	14175.00	5000.00
47	KOPRAN LIMITED	10.00	700	0	47005.00	0.00
48	LESHA STEEL LIMITED	10.00	900	900	855.00	855.00
49	LEE & NEE SOFTWARE LIMITED	10.00	900	900	3609.00	2385.00
50	MAHASAGAR TRAVELS LIMITED	10.00	1000	1000	1500.00	1500.00
51	MARK LEASING LIMITED	10.00	1000	1000	2000.00	2000.00
52	MIG - WELD & MACHINE LIMITED	10.00	1200	1200	1500.00	1500.00
53	MARSON'S LIMITED	10.00	0	700	0.00	1995.00
54	N E P C INDIA LIMITED	10.00	500	0	10000.00	0.00
55	PATEL'S WIDECOM LIMITED	10.00	4800	4800	12000.00	12000.00
56	PUNJAB WIRELESS SYSTEM LIMITED	10.00	100	100	7040.00	7040.00
57	PRETTO LEATHER INDUSTRIES LTD	10.00	800	800	1080.00	800.00
58	PALCO METALS LIMITED	10.00	17940	17940	358800.00	358800.00
59	PENTAMEDIA GRAPHICS LIMITED	10.00	2650	3000	23797.00	16800.00
60	PROMACT PLASTICS LIMITED	10.00	1500	0	17625.00	0.00
61	RAJADHIRAH INDUSTRIES LTD	10.00	2000	2000	3000.00	3000.00
62	REMI METAL GUJARAT LIMITED	10.00	1200	1200	11640.00	5844.00
63	ROSE LABS LIMITED	10.00	0	500	0.00	310.00
64	RANDER CORPORATION LIMITED	10.00	2000	2000	4400.00	5220.00
65	RAGHUNATH TOBECO CO. LTD	10.00	9700	10090	34823.00	12108.00
66	RASHTRIYA CHEMICALS LTD	10.00	0	500	0.00	22300.00
67	RANA SUGARS LIMITED	10.00	2000	0	50400.00	0.00
68	SHREE ARAVALI FINLEASE LTD	10.00	2000	2000	3000.00	3000.00
69	SOMANI STRIPS LIMITED	10.00	1000	1000	1800.00	1800.00
70	SWET - CHEM ANTIBIOTICS LTD	10.00	200	200	600.00	600.00

SR. NO.	PARTICULAR	FACE VALUE Rs.	AS AT QTY. 31.03.05	AS AT QTY. 31.03.04	AMOUNT AS ON 31.03.05	AMOUNT AS ON 31.03.04
71	SEEMAX INDUSTRIES LTD	10.00	100	100	205.00	205.00
72	SILVERLINE INDUSTRIES LTD	10.00	1500	1500	7590.00	7575.00
73	SINGHAL OVERSEAS LIMITED	10.00	1800	1800	4050.00	4050.00
74	SONEL CLOCKS & GIFTS LTD	10.00	6700	6700	10385.00	10385.00
75	SECURE INDUSTRIES LTD	10.00	1300	1300	1235.00	1235.00
76	SHALIN HOTEL LIMITED	10.00	900	900	4050.00	4050.00
77	SCINTILLIA SOFTWARE LIMITED	10.00	2000	2000	1080.00	820.00
78	S. KUMAR. COM	10.00	100	100	410.00	102.00
79	TATA INVESTMENT LIMITED	10.00	0	500	0.00	97800.00
80	TIRUPATI FINLEASE LIMITED	10.00	5800	0	0.00	0.00
81	UPSURGE INV. & FIN. LTD	10.00	2500	2500	13875.00	6500.00
82	UCO BANK	10.00	0	2000	0.00	47000.00
83	VIJAYA BANK LIMITED	10.00	0	500	0.00	31150.00
	TOTAL RS...		199090.00	188880.00	1878850.00	1143661.00

SCHEDULE :-8 :- SUNDRY DEBTORS

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
(unsecured considered good except otherwise stated)		
Debts outstanding for a period Exceeding six months:	1,901,351	1,901,351
Other debts:	—	—
TOTAL	1,901,351	1,901,351
Out of the above debts :-		
Considered good	—	—
Considered Doubtful (No Provision made)	1,901,351	1,901,351
Bad Debts	—	—

SCHEDULE :- 9 :- CASH & BANK BALANCE

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
Cash on hand	32,940	18,301
Cheque on Hand	17,625	—
Balance with Scheduled Banks		
In Current Accounts	(35,776)	75,775
TOTAL	14,789	94,076

SCHEDULE :- 10 :- LOANS & ADVANCES

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
Recoverable in cash or kind for the value to be received (unsecured considered good except otherwise stated)		
Loan to companies under the same management (Maximum Balance O.S. During the year Rs. 11,465,741/-)	14,597,627	11,256,072
Other Loan	1,117,959	2,115,000
Deposits	5,000	5,000
TDS On Dividend		53
TDS On Interest	337,147	334,382
I. Tax Refundable A.Y.2004-05(2003-04)	149,405	128,808
TOTAL	16,207,138	13,839,315

SCHEDULE :- 11 :- CURRENT LIABILITIES & PROVISION

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
CURRENT LIABILITIES :		
Creditors for Expenses	—	7,978
Other Liabilities	353,767	102,035
Trade Deposit	—	300,000
	353,767	410,013
PROVISION		
Provision for Taxation	294,731	185,030
	294,731	185,030

SCHEDULE :- 12 :- MISCELLANEOUS EXPENDITURE

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
[To the extent not written off or adjusted]		
Preliminary & Public Issue Expenses:		
Opening Balance	159,383	318,765
Less : 1/10 written off	159,383	159,382
TOTAL	—	159,383

SCHEDULE :- 13 :- SALES & OTHER REVENUE

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
Sales	4,073,396	32,860,451
Bill Discounting Charges	36,986	36,986
From Interest on Deposits (TDS Rs. 337147/-p.y.Rs. 334382/-)	1,630,329	1,721,136
	5,740,711	34,618,573

SCHEDULE :- 14 :- INCREASE / DECREASE IN STOCK

PARTICULARS	31/3/2005 Rs.	31/3/2004 Rs.
Closing Stock	1,878,850	1,143,661
Less: Opening Stock	1,143,661	1,034,661
	735,189	109,000

SCHEDULE :- 15 :- OTHER INCOME

PARTICULARS	31/3/2005	31/3/2004
	Rs.	Rs.
Dividend Income	8,550	10,705
Interest Rec. On I. Tax Refund	8,958	59,856
Income From Investment (House Rent)	17,625	21,745
	35,133	92,306

SCHEDULE :- 16 :- ADMINISTRATIVE & SELLING EXPENSE

PARTICULARS	31/3/2005	31/3/2004
	Rs.	Rs.
Telephone Expenses	50,398	72,441
Petrol & Vehicle Expenses	135,789	118,751
Preliminary & Issue Exp Written off	159,383	159,382
Stationary & Printing Expenses	15,160	20,554
Municipal Tax	1,867	13,642
Directors Remuneration	180,000	212,923
Electricity Expenses	35,542	16,777
Professional Charges	69,939	17,500
Insurance Expenses	22,188	15,478
Listing Fee	15,000	15,000
Office Expenses	25,990	37,807
Computer Expenses	1,800	4,295
Taxes & Legal Expenses	6,265	7,785
Audit Fees	25,500	25,800
Kasar Expenses	6	—
Other Main. Cont. Charges	20,664	—
TOTAL.....	765,491	738,135

SCHEDULE :- 17 :- FINANCIAL EXPENSES

PARTICULARS	31/3/2005	31/3/2004
	Rs.	Rs.
Interest to Depositors	153,626	26,387
Interest Paid on Car Loan	—	9,160
Bank Charges	580	357
TOTAL RS....	154,206	35,914

SCHEDULE :- 18 :- EARNING PER SHARE

PARTICULARS	31/3/2004	31/3/2003
	Rs.	Rs.
Net Profit After Tax	467,342	248,663
Weighted No. Of Equity Shares	3,158,400	3,158,400
(Basic & Diluted)	0.148	0.079

KRISHNA CAPITAL & SECURITIES LTD.

ASST. YEAR : 2005 – 2006

ACCT. YEAR : 31/03/2005

SCHEDULE : 19 : NOTES OF ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES :

1. BASIS OF ACCOUNTING :

The financial Statements are Prepared under the historical cost convention on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by the ICAI.

2. INVENTORIES :

Inventories are valued at cost or market price whichever is lower.

3. REVENUE RECOGNISATION :

All Income & Expenses are accounted for on accrual basis.

4. FIXED ASSETS :

The Gross Block of Fixed Assets is stated at cost of acquisition including any cost attribution to bringing the Assets to their working condition for their intended use.

5. DEPRECIATION :

Depreciation on Fixed Assets have been provided on Written Down Method at the rates and manner prescribed in schedule XIV of the Companies Act, 1956.

6. INVESTMENT :

Investment is for Long Term and stated at cost.

7. INCOME TAX :

Income Tax comprises the current tax provision and the net change in the deferred tax assets or liability in the year. Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and operating loss carry forwards, deferred tax assets are recognized subject to management's judgment that realization is more likely than not taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

II. NOTES OF ACCOUNTS :

- Balance of sundry debtors, creditors, loans & advances are subject to confirmation.
- Cash Balance & Closing Stock are Physically taken, Valued & Certified by the Management.

3. PAYMENT TO AUDITORS :	31.03.2005	31.03.2004
For, Statutory Audit :	Rs. 10,000	10,500
For, Company Audit :	Rs. 5,000	5,000
For, Taxation :	Rs. 9,270	10,000
For, Service Tax :	Rs. 1,530	—
Total Rs.	Rs. 25,800	25,500

4. Contingent Liabilities is N I L.
5. No Provision has been made in the accounts for book debts of Rs. 19,01,351/- considered doubtful.
6. The company's quoted Share's [Long Term Investment] quotation are not available. The company has not made provision for diminution of Rs 1500000/- in value of the shares and stated at cost.
7. No Provision has been made in the accounts for book debts of Rs. 1901351/- considered doubtful. Hence profit and Assets are over stated to that extent.
8. Figures of the previous period have been regrouped, wherever necessary, to make them comparable with the Current Year figures.
9. Based on the information available with the company there are no outstanding dues to small-scale undertaking as at the year end.
10. Director's Gross Remuneration Amounted to Rs. 180000/-.
11. Provision for tax is based on the assessable profits of the company computed in accordance with the income tax act, 1961.

A)	C.I.F. Value of Imports	Rs.	NIL
B)	F.O.B. Value of Exports	Rs.	NIL
C)	Exp. In Foreign Currency	Rs.	NIL
D)	Earning in Foreign Exchange.	Rs.	NIL

12. Details of shares purchased & sold during the year are as follows :

	As at 31-03-2005		As at 31-03-2004	
	Qty (Nos.)	Amount Rs. (in Lacs)	Qty (Nos.)	Amount Rs. (in Lacs)
Opening Stock	188880	11.44	214125	10.35
Add : Purchases	93875	45.33	102709	333.40
Less : Sales	83665	37.98	127954	328.60
Closing Stock	199090	18.79	188880	11.44

13. SEGMENT REPORTING AS PER ACCOUNTING STANDARD 17 OF ICAI :

(RS. IN LACS)

	Trading	Financial Services	Unallocated	Total
Revenue				
Segment Revenue	48.09	16.67	00.35	65.11
Result				
Segment Result	2.74	15.13	-10.54	7.33
Income Tax	0.00	0.00	2.94	2.94
Deferred Tax	0.00	0.00	-0.29	-0.29
Total Result	2.74	15.13	-13.19	4.68
Capital Employed				
Segment Assets	37.80	157.15	154.94	349.89
Segment Liabilities	0.00	12.29	337.60	349.89
Net Segment Assets	37.80	144.86	-182.66	0.00

14. As per AS-18 Issued by the ICAI, the company's Related Party Disclosure is as follows :

(amounts in lacs)

Name of Related Party	Nature of Relation	Nature of Transaction	Volume of Transaction	Any o/s Liability	Amt. Written off
Krishna Share Broking Pvt. Ltd.	Same Management	Purchase	19.90	0.00	0
Krishna World wide Pvt. Ltd.	Same Management	Borrowed Money	6.00	3.64	0
Palco Metal Ltd	Same Management	Lend Money	71.00	145.97	0
Krishna World Wide Pvt. Ltd	Same Management	Interest Paid	1.17	0	0
Palco Metal Ltd.	Same Management	Interest Recd.	15.06	0	0
Ashokkumar Agarwal	Managing Director	Director's Remuneration	1.80	0	0

14. Earning Per Share :

- a) The amount used as the numerator in calculating basic and diluted earnings per shares is the net profit attributable to the shareholders of **KRISHNA CAPITAL & SECURITIES LTD** disclosed in the Profit and Loss Account.
- b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per shares is 3158400.

15. Deferred Tax Liability - Major components of Deferred Tax Liability.

Particulars	As at 31-03-2005	As at 31-3-2004
Depreciation & Preliminary Exp.	(21731)	7295

- iii Additional Information pursuant to provisions of para 3,4C and 4D of part II of the Schedule VI of the Companies Act, 1956 are not applicable due to nature of the business of the company.

Signature of all Schedule "1" to "19"
AS PER OUR AUDIT REPORT OF EVEN DATE

FOR KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS

[KEDAR RAM LADHA]
PARTNER
M.NO. 101886

FOR KRISHNA CAPITAL & SECURITIES LIMITED

[MANAGING DIRECTOR] [DIRECTOR]

PLACE : AHMEDABAD
DATE : 15/07/2005

PLACE : AHMEDABAD
DATE : 15/07/2005

KRISHNA CAPITAL & SECURITIES LTD.

ASST. YEAR : 2005 - 2006

ACCT. YEAR : 31/03/2005

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :

Registration No.	:	23803	State Code	:	04
Balance Sheet Date	:	31/03/2005			

II. CAPITAL RAISED DURING THE YEAR [AMOUNT IN RS. THOUSAND] :

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

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS [AMT IN RS. THOUSAND] :

Total Liabilities	:	34,341	Total Assets	:	34,341
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SOURCES OF FUNDS :

Paid Up Capital	:	31,584	Reserves & Surplus	:	1,827
Secured Loans	:	NIL	Unsecured Loans	:	930

APPLICATIONS OF FUNDS :

Net Fixed Assets	:	653	Investments	:	14,313
Net Current Assets	:	19,354	Misc. Expenditure	:	NIL
Accumulated Losses	:	NIL			

IV. PERFORMANCE OF COMPANY [AMOUNT IN THOUSAND] :

Total Income	:	6,511	Total Expenditure	:	5,778
Profit Before Tax	:	733	Profit After Tax	:	467
Earnings Per Share [Rs]	:	0.148	Dividend Rate	:	NIL
[on annualised basis]					

V. GENERAL NAME OF PRINCIPAL PRODUCT / SERVICE OF THE COMPANY [AS PER MONETARY TERM]

Item Code No.	:	NIL
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PRODUCT DESCRIPTION : Securities Trading & Financial Services.

KRISHNA CAPITAL & SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2005

PARTICULARS	2004 - 2005	2003 - 2004
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & EXTRA-ORDINARY ITEM	733047	428914
Adjustments for :-		
Depreciation	174060	134988
Income from Investment	-17625	-21745
Amortisation of Misc. Exp.	159383	159382
Interest (Paid / payable on loans, etc.)	153626	35547
Dividend Income	-8550	-10705
 OPERATING PROFIT BEFORE WRK.CAPITAL CHANGES	 1193941	 726381
Adjustments for :-		
Trade & other receivables	0	0
Inventories	-735189	-109000
Loans & advances to others	-2367823	-1412065
Trade payables	-56246	296255
Provision for Income Tax	-185030	-117500
 CASH GENERATED FROM OPERATIONS	 -2150347	 -615929
CASH FLOW BEFORE EXTRA-ORDINARY ITEM	-2150347	-615929
Extra-ordinary item (Excess Tax Provision)	0	241
NET CASH FROM OPERATING ACTIVITIES	-2150347	-615688
 B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-55260	-492229
Sale of Investments	2378750	0
Loss on sale of Investments	0	
Income from Investment	17625	21745
Dividend received	8550	10705
NET CASH FROM INVESTING ACTIVITIES	2349665	-459779
 C) CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loans	-183331	63791
Unsecured Loans	58351	664130
Interest Paid	-153626	-35547
NET CASH FROM FINANCING ACTIVITIES	-278606	692374
 NET INCREASE(DECREASE)IN CASH & CASH EQUIVALENTS.)A+B+C)	 -79287	 -383093
CASH & CASH EQUIVALENTS AS AT 1ST APRIL (OPENING BALANCE)	94076	477169
CASH & CASH EQUIVALENTS AS AT 31ST MARCH (CLOSING BALANCE)	14789	94076
	79287	383093

Note:1 The above Cash Flow Statement has been prepared under the indirect method as set out in AS - 3 issued by the I C A I.

Note:2 Previous Year's Figure have been regrouped & rearranged wherever considered necessary.

For and on behalf of the Board

[MANAGING DIRECTOR] [DIRECTOR]

PLACE : AHMEDABAD

DATE : 15/07/2005

AUDITORS REPORT

We have verified the attached Cash Flow Statement of Krishna Capital & Securities Ltd, Derived from audited financial statement and the books and records maintained by the company for the year ended 31st March, 2005 and found the same in agreement therewith.

For, KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS

[KEDAR RAM LADDHA]

PARTNER

M.NO. 101886

PLACE : AHMEDABAD

DATE : 15.07.2005