

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the members of the company will be held at the registered office of the company on 31st May, 2008 at 11.30 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 2008 of the company and Balance Sheet as at 31st March, 2008 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 incurred in connection with the audit of the company.
3. To appoint Director in place of Mr. Manish Patel 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 than 48 hours before the commencement of the meeting.
3. The register of members and share transfer book of the company shall remain closed from 24th May 2008 to 31st May 2008 [both days are inclusive].
4. Members are requested to notify immediately for any change in their address if any, at the registered office of the company by quoting their folio numbers.

BY THE ORDER OF THE BOARD.

Place : Ahmedabad

[MANAGING DIRECTOR] [DIRECTOR]

Date : 25/04/2008

DIRECTOR'S REPORT

To,
The Member's
KRISHNA CAPITAL & SECURITIES LIMITED

Your directors submit the Annual Report of the company along with the audited accounts for the March 2008.

FINANCIAL RESULT :

(IN LACS)		
	31.03.2008	31.03.2007
TOTAL INCOME	134.73	179.63
NET PROFIT BEFORE TAXATION	1.47	15.23
NET PROFIT AFTER TAX	0.87	13.48
BALANCE B/F. FROM LAST YEAR	27.58	14.10
PROFIT AVAILABLE FOR APPROPRIATION	30.06	27.58

DIVIDEND :

Keeping in the view the future plans the company, the Board of Directors do not recommend any dividend for the financial year ended on 31st March, 2008.

OPERATION :

The performance of the company was satisfactory during the year under review. The Net Profit Before Tax is Rs. 1.47 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:

In 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 have been followed along with proper explanation relating to material departures.
- b. The Directors had 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 / 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.
- d. The directors have prepared the annual accounts on the principal of a going concern basis.

DIRECTORS:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

In view of the nature of activities which are being carried on by the company, Rule 2A and 2B of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988. concerning conservation of Energy, Technology absorption, are not applicable to the company. Foreign exchange earning and outgo was Rs. Nil

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER:

The company had no single employee who is in receipt of gross remuneration of Rupees 2400000/- or more during the year or Rs. 200000/- or more per month during any part of the said year. Provision of section 217 (2A) of the companies Act, with the companies (Particulars of Employees) Rules 1957 is Rs. NIL.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, Corporate Governance Report and Auditor's Certificate regarding compliance on conditions of Corporate Governance is attached and forms part of the Annual Report.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of Directors.

Date : 25/04/2008

KRISHNA CAPITAL & SECURITIES LIMITED

Place : Ahmedabad

[MANAGING DIRECTOR] [DIRECTOR]

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. During the year under consideration Shri Rajesh Jindal Resigned as Director and Mr. Manish Patel was appointed as an independent Director on the Board. The composition of the Board of Directors of the company as on 31st March, 2008 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	3	2	-
Vinod Agarwal	Director/ Non Executive/ Non Independent	Nil	3	3
Manish Patel	Non Executive/ Independent Director	Nil	3	-
Tarun Garg	Director/ Non Executive/ Independent Director	Nil	3	-

2. Attendance record of each Director

Five Board Meetings were held during the year 2007-2008. These meetings were held on, 27/04/2007, 28/07/2007, 04/09/2007, 26/10/2007 and 23/01/2008

Name	No. of BOD Meetings held	No. of BOD Meetings attended	Attendance at last AGM
Mr. Ashok Kumar Agrawal	5	5	YES
Mr. Vinod B. Agrawal	5	5	YES
Mr. Tarun Garg	5	5	YES
Mr. Manish Patel	5	1	NO

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 to or payable to the Directors for the year ended 31st March 2008 are as under:

Name of Director	Sitting Fees (Rs.)	Gross Remuneration (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Ashok Kumar Agrawal	-	4,20,000	-	4,20,000

- 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.

b)

Name of the Member	Status	No. of meetings attended
Mr. Vinod Agarwal	Chaiman	3
Mr. Manish Patel	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 Kumar Agarwal and 2 Non-Executive Directors Mr. Manish Patel 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
2006-07	Shahibaug, Ahmedabad	29/09/2007	11.00 A.M.
2005-06	Shahibaug, Ahmedabad	29/08/2006	11.00 A.M.
2004-05	Shahibaug, Ahmedabad	29/08/2005	11.00 A.M.

No resolution was passed last year by Postal Ballot.

No resolution is proposed to be passed at the ensuing AGM by Postal Ballot.

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

Related Party Transaction

The Transactions with the related parties as per Accounting Standard AS-18 are set out in notes to accounts Schedule no. 17 forming part of financial statements.

The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties have been imposed against the Company by Stock exchanges or SEBI or any other regulatory authority on any matter related to Capital Market during last three years

Management

The Management discussion and Analysis report forms part of this report. The Company has not entered any materially significant transactions during the year under report with Promoters, directors, senior management personnel etc. other transaction, if any, entered into in the normal course of business.

Risk Management

The Company has laid down procedure to inform board members about the risk assessment and minimization procedures. The procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

Shareholding Pattern as on 31st March 2008.

Particulars	Equity Shares	
	No. of Shares	Percentage
Directors & their Relatives	1283000	40.63
NRI	77300	2.45
Bodies Corporate	209500	6.63
Others	1588600	50.29
Total :	3158400	100

Distribution of Equity Shares as on 31st March, 2008

Sr. No.	Range	No. of Shares hold	% to Capital	No. of Shares holders	% of total holders
1	000001 To 005000	610600	19.33	5278	92.18
2	005001 To 010000	136000	4.31	161	2.81
3	010001 To 020000	139100	4.40	91	1.59
4	020001 To 030000	76100	2.41	31	0.54
5	030001 To 040000	91600	2.90	26	0.45
6	040001 To 050000	177800	5.63	37	0.65
7	050001 To 100000	404500	12.81	54	0.94
8	Above 100001	1522700	48.21	48	0.84
	Total	3158400	100	5726	100

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
14th Annual General Meeting

Venue : 604/C, Sahjanand Shopping Centre,
Shahibaug Road, Ahmedabad - 380004
Date : 31st May, 2008
Time : 11.30 A.M.

Book Closure:

The Register of Members and Share Transfer books of the company shall remain close from 24/05/2008 to 31/05/2008 (both days inclusive)

Financial Calendar - 1st April to 31st March

* First Quarter Results	- Last week of July
* Second Quarter Results	- Last Week of October
* Third Quarter Results	- Last Week of December
* Fourth Quarter Results	- May 2008

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 2007 - 2008.

Market Price Data

The company's Shares have not been traded on the Stock Exchange during the financial year 2007-2008

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 16.96% of the share capital of the company has been dematerialized as on 31st March 2008. 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 for electronics shares. The average time taken in transfer of shares is 21 days. The depositories directly transfer the dematerialized shares to the beneficiaries.

Share Transfer System

Share transfers are registered and returned within a period of 15 days from the date of receipt, provided documents are correct and valid in all respect.

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

Address for correspondence

In Respect of Shares
MCS Limited

In respect of any other Matters
604/C, Shajanand Shopping Centre, shahibaug, Ahmedabad -380004

CEO/CFO Certification

A certificate from the Managing Director of the Company in terms of clause 49(V) of the Listing agreement was placed before the Board.

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. Reduced rates on Short term capital gain.
7. Disinvestment of PSU's through public offer
8. 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.

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, procedure 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, 2008

ANNEXURE III

LIMITED REVIEW REPORT

We have reviewed the accompanying statement of unaudited financial result of **KRISHNA CAPITAL & SECURITIES LIMITED** for the period ended on 31/03/2008. The statements is the responsibility of the Company's Management and has been approved by the Board of Directors.

A review of the interim financial information consists principally of applying analytical procedures of financial data and making inquires of person responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review conducted as above, nothing has come to our notice that cause us to believe that the accompanying statement of unaudited financial results has not disclosed the information required to be disclosed in terms of clause 41 of the listing Agreement including the manner in which it is to be disclosed or that it contains any material misstatement.

For, **KPSJ & ASSOCIATES**
Chartered Accountants

[**KEDAR RAMLADHA**]
PARTNER

Place: Ahmedabad
Date: 21/04/2008

COMPLIANCE CERTIFICATE

To the Board of Directors 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 2008, 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 : 06/05/2008

AUDITOR'S REPORT

TO THE MEMBERS OF KRISHNA CAPITAL & SECURITIES LIMITED

1. We have audited the attached Balance Sheet of **KRISHNA CAPITAL & SECURITIES LIMITED** as at 31st March 2008 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.

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, the company has kept proper books of account as required by law 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 2008 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 2008.
 - (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.
 - 3) Balances in the accounts of debtors, creditors and Loans and Advances are subject to confirmation by the parties

Read together with notes on accounts forming parts of 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 2008,
 - (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 the Cash Flow Statement, of the cash flows for the year ended on that date.

For, **KPSJ & ASSOCIATES**
Chartered Accountants

Place: Ahmedabad
Date: 25/04/2008

[KEDAR RAMLADDHA]
PARTNER
M. NO. 101886

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 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 taken unsecured loans from companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- | | | |
|---------------------------------------|--------|-------------|
| Loan Taken (During year) From 2 Party | Amount | 125.09 Lacs |
|---------------------------------------|--------|-------------|
- (b) The Company has granted unsecured loans to the companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- | | | |
|---|--------|-------------|
| Loan Granted (During year) to 2 parties | Amount | 259.77 Lacs |
|---|--------|-------------|
- (c) 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;
- (d) Payment of the principal amount as well as interest are regular;
- (e) There are no overdue amounts more than 1.00 lac
- (iv) 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 with regards to the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.

- (v) (a) Based on our audit procedures applied by us and according to the information and explanations given by the management, we are of opinion that all the transactions that needed to be entered into the Register in pursuance of Section 301 of the Act have been entered in the Register to be maintained under that Section;
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the Register maintained under Section each of these transactions has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
- (vi) The Company has not accepted any deposits from the public,
- (vii) We are opinion that, the Company has an adequate internal audit system commensurate with the size and nature of its business;
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of Sub-Section (1) of Section 209 of the Act,
- (ix) (a) According to records of the Company, 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) On the basis of our examination of documents and records of the Company and according to the information and explanation given to us on enquiries in this regards 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 amount dues in respect of Income-tax, Sales-tax, Wealth Tax, cess outstanding on account of any dispute.
- (x) The Company has no accumulated losses at 31st March, 2008 The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) The Company has not granted loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xii) In our opinion the company is not a Chit Fund or a Nidhi or Mutual Benefit Fund/ Society Therefore, the provisions of any special statute are not applicable to the Company
- (xiv) The Company is mainly dealing or trading in shares, securities, debentures and other investments, and proper records have been maintained of the said 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) According to information and explanation given by the management, in our opinion the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to information and explanation given to us and records examined by us, no term loans have been taken by the Company.
- (xvii) On the basis of overall examinations of records, Balance Sheet and Cash Flow Statement of the Company and the information and explanation given to us by the management, the Company has not utilized the funds raised on short-term basis for long term basis for investment or 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) During the period the Company has not issued any type of Debentures.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) On the basis of our audit procedure performed and information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the year.

For, **KPSJ & ASSOCIATES**
Chartered Accountants

Place: Ahmedabad
Date: 25/04/2008

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

KRISHNA CAPITAL & SECURITIES LTD.

BALANCE SHEET AS ON 31ST MARCH, 2008

PARTICULARS	SCHEDULE	31-03-2008 Rs.	31-03-2007 Rs.
SOURCE OF FUNDS :			
SHARE HOLDERS FUND			
Share Capital	1	31,584,000	31,584,000
Reserves & Surplus		3,006,035	2,758,769
LOAN FUNDS			
Unsecured Loans	2	12,509,253	9,551,909
TOTAL.....		<u>47,099,288</u>	<u>43,894,678</u>
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	3	2,139,546	2,014,030
Less :Depreciation		1,403,452	1,272,198
Net Block		<u>736,094</u>	<u>741,832</u>
INVESTMENTS	4	13,610,000	13,610,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		4,004,832	3,397,833
Sundry Debtors	5	1,901,351	1,901,351
Cash & Bank Balance	6	192,666	142,225
Loans & Advances	7	27,037,656	24,297,294
		<u>33,136,505</u>	<u>29,738,703</u>
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	8	336,890	27,770
Provision		51,000	182,000
		<u>387,890</u>	<u>209,770</u>
NET CURRENT ASSETS			
Deferred Tax Assets		4,579	13,913
TOTAL.....		<u>47,099,288</u>	<u>43,894,678</u>

**ACCOUNTING POLICIES & NOTES TO ACCOUNT SCH. 16
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 : 25/04/2008**

**PLACE : AHMEDABAD
DATE : 25/04/2008**

KRISHNA CAPITAL & SECURITIES LTD.

PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	SCH Nos.	31-03-2008 Rs.	31-03-2007 Rs.
A INCOME :			
Income From Operations	9	13,472,668	17 963,083
Increase/Decrease in stock	10	606,999	(741,421)
Other Income	11	86,607	51,969
TOTAL [A]		14,166,274	17,273,631
B EXPENDITURE :			
Purchases		10,831,581	13,667,193
Provision & Payment to employees	12	304,000	294,000
Administrative & Selling Expenses	13	1,141,189	967,382
Financial Expenses	14	1,610,955	699,567
Depreciation		131,253	122,438
TOTAL [B]		14,018,978	15,750,580
C Net Profit Before Tax [A - B]		147,296	1,523,051
Provision for Tax			
Current Tax	27000		
Fringe Benefit Tax	24000		
Deffered Tax	9,334	60,334	174,727
D Net Profit After Tax		86,962	1,348,324
Add : Bal.Brought Forward From L. Y.		2,758,769	1,410,445
Add : Excess Provision of FBT		304	-----
Add : Excess Provision of Income Tax		160,000	-----
Profit Available For Appropriation			
Carried To Balance Sheet		3,006,035	2,758,769
E.P.S. (Nominal Per Share Rs.10)	15	0.028	0.427
D.E.P.S. (Nominal Per Share Rs. 10)		0.028	0.427

**SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PARTS OF ACCOUNT SCH. 16
AS PER OUR AUDIT REPORT OF EVEN DATE**

**FOR KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS
[KEDAR RAM LADDHA]**

PARTNER

M.NO. 101886

PLACE : AHMEDABAD

DATE : 25/04/2008

**FOR KRISHNA CAPITAL & SECURITIES LIMITED
[MANAGING DIRECTOR] [DIRECTOR]**

PLACE : AHMEDABAD

DATE : 25/04/2008

KRISHNA CAPITAL & SECURITIES LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET 2007-2008

SCHEDULE :- 1 :- SHARE CAPITAL

PARTICULARS	31/3/2008 Rs.	31/3/2007 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 :- UNSECURED LOAN

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
From Corporate Bodies	12,509,253	8,344,041
From Others	-----	1,207,868
TOTAL	12,509,253	9,551,909

KRISHNA CAPITAL & SECURITIES LTD.

Assessment Year : 2008-2009

Acct. Year : 31/03/2008

SCHEDULE : 3 : FIXED ASSETS

Particulars	GrossBlock			Depreciation			NetBlock		
	As on 31/3/2007	Addition (Deletion)	As on 31/3/2008	Opening Balance	During the year	Sale/ Adjustment	As on 31/3/2008	As on 31/3/2008	As on 31/3/2007
Furniture	16,076	—	16,076	14,621	263	—	14,884	1,192	1,455
Fax Machine	17,500	—	17,500	14,820	373	—	15,193	2,307	2,680
Motor Car	1,136,434	—	1,136,434	891,842	63,325	—	955,167	181,267	244,592
Cellular Phone	38,215	—	38,215	29,881	1,159	—	31,040	7,175	8,334
Computer	181,544	108,526	290,070	164,019	31,695	—	195,714	94,356	17,525
Office Premises	531,325	—	531,325	114,378	20,847	—	135,225	396,100	416,947
Pager	16,295	—	16,295	13,275	420	—	13,695	2,600	3,020
Television	11,000	—	11,000	9,918	151	—	10,069	931	1,082
E P B X System	23,814	—	23,814	18,208	780	—	18,988	4,826	5,606
Scooter	41,827	—	41,827	1,237	10,509	—	11,746	30,081	40,590
Office Equipment	—	16,990	16,990	—	1,731	—	1,731	15,259	—
TOTAL RS	2,014,030	125,516	2,139,546	1,272,199	131,253	—	1,403,452	736,094	741,832
Previous Year	(1,657,203)	(356,827)	(2,014,030)	(1,149,760)	(122,438)	—	(1,272,198)	(741,832)	(507,444)

SCHEDULE :- 4 :- INVESTMENT

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
Long Term Investment (At Cost)		
E.Q.Share (Quoted -Fully Paid-Up)		
150000 E.S of Rs.10 each of Tirupati Finlease Ltd (Kindly refer to note no. 2 to Auditors report)	1,500,000	1,500,000
390000(390000)E.S. of Rs.10 each of Palco Metal Limited (company under the same management)	3,900,000	3,900,000
2. E.Q.Share (Unquoted -Fully Paid Up)at cost		
51000 E.S of Rs. 10 each of Krishna worldwide P.Ltd (company under the same management)	510,000	510,000
100000 E.S of Rs.10 each of Dev Stock Broking Ltd	1,000,000	1,000,000
160000E.S. of Rs.10 each of Krishna Share Broking Ser. 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 Not Available		
3 Pref. Share (Unquoted -Fully Paid Up)		
1 460000(0) 8.5% Non Cumulative Pref. shares of Rs.10 each of Palco Metal Ltd (company under the same management)	4,600,000	4,600,000
Total Investment in Shares	13,110,000	13,110,000
4 immovable Property		
1 Investment in Office Premises	500,000	500,000
	500,000	500,000
TOTAL.....	13,610,000	13,610,000

SCHEDULE :-5 -: SUNDRY DEBTORS

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
(unsecured considered doubtful except otherwise stated) Debts outstanding for a period Exceeding six months:	1,901,351	1,901,351
TOTAL.....	1,901,351	1,901,351
Out of the above debts :-		
Cosidered Doubtful (No Provision made) (Kindly refer note no.2 to Auditor's report)	1,901,351	1,901,351

SCHEDULE :- 6 -: CASH & BANK BALANCE

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
Cash on hand	31,275	2,930
Balance with Scheduled Banks		
In Current Accounts	161,391	139,295
TOTAL.....	192,666	142,225

SCHEDULE :- 7 -: LOANS & ADVANCES

PARTICULARS	31/3/2008 Rs.	31/3/2007 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 (Maxi. Bal. O.S.During the year Rs19147627/-(14597627/))	25,977,076	23,318,540
Other Loan	112,000	114,270
Deposits	5,000	5,000
Freeze Benefit Tax	19,713	14,748
Freeze Benefit Tax Refund	3,505	3,505
TDS On Interest	689,550	230,812
I.Tax Refundable A.Y.2007-08(F.y 2006-07)	230,812	-----
I.Tax Refundable A.Y.2006-07(F.y 2005-06)	-----	418,598
I.Tax Refundable A.Y.2005-06(F.Y 2004-05)	-----	42,416
I.Tax Refundable A.Y.2004-05(F.Y 2003-04)	-----	149,405
TOTAL.....	27,037,656	24,297,294

SCHEDULE :- 8 :- CURRENT LIABILITIES & PROVISIONS

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
CURRENT LIABILITIES :		
Other Liabilities	336,890	27,770
	336,890	27,770
PROVISION		
Provision for F.B.T	24,000	22,000
Provision for Taxation	27,000	160,000
	51,000	182,000

SCHEDULE :- 9 :- SALES & OTHER REVENUE

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
Sales	10,412,582	16,920,064
From Interest on Deposits	3,060,086	1,043,019
	13,472,668	17,963,083

SCHEDULE :- 10 :- INCREASE/DECREASE IN STOCK

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
Closing Stock	4,004,832	3,397,833
Less: Opening Stock	3,397,833	4,139,254
	606,999	(741,421)

SCHEDULE :- 11 :- OTHER INCOME

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
Dividend Income	20,376	42,387
Kasar	-----	623
Interest on Income tax refund	66,231	8,959
	86,607	51,969

SCHEDULE :- 12 :- PROVISION & PAYMENT TO EMPLOYEES

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
Salary Expenses	304,000	294,000
	304,000	294,000

SCHEDULE :- 13 :- ADMINISTRATIVE & SELLING EXPENSE

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
Telephone & Mobile Expenses	119,096	55,731
Petrol & Vehicle Expenses	378	5,982
Broker Charges	5,000	300
Stationary & Printing Expenses	29,836	24,093
Municipal Tax	62,708	7,299
Directors Remuneration	420,000	420,000
Electricity Expenses	87,316	69,937
Professional Charges	70,539	55,386
Professional Tax (Company)	1,000	1,000
Insurance Expenses	22,286	21,420
Listing Fee	15,000	15,000
Office Expenses	24,740	19,345
Audit Fees	25,500	25,500
News Paper & Magazine Exp	1,561	1,609
Postage & Courier Exp	40	2,012
Software Exp	7,952	5,800
Computer Exp	2,028	----
Tea & Others Exp	31,834	16,155
Motor Car Exp	193,826	185,482
Office Main. Cont. Charges	20,549	35,331
TOTAL.....	1,141,189	967,382

SCHEDULE :- 14 :- FINANCIAL EXPENSES

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
Interest Expenses	1,610,136	698,878
Bank Charges	819	689
TOTAL RS....	1,610,955	699,567

SCHEDULE :- 15 :- EARNING PER SHARE

PARTICULARS	31/3/2008 Rs.	31/3/2007 Rs.
Net Profit After Tax	86,962	1,348,324
Weighted No. of Equity Shares (Basic & Diluted)	3,158,400	3,158,400
Earning Per Share	0.028	0.427

SCHEDULE : INVENTORY

(at cost or Market Value which ever is less)

Sr. No.	PARTICULAR	FACE VALUE Rs.	AS AT QTY. 31.03.08	AS AT QTY. 31.03.07	AMOUNT AS ON 31.03.08	AMOUNT AS ON 31.03.07
1	AASHI PHARMA LIMITED	10.00	800	800	600.00	600.00
2	ASIATIC INFRA & SHEL LIMITED	10.00	1500	1500	2550.00	2550.00
3	ASIATIC FOODS EXPORTS LIMITED	10.00	4000	4000	12400.00	12400.00
4	AMGF InterCorp Limited	10.00	1400	1400	17780.00	17780.00
5	ADVANCE BIOCOAL LIMITED	10.00	5000	5000	2500.00	2500.00
6	AKASH AGRO IND. LIMITED	10.00	1000	1000	800.00	800.00
7	AJAY HOME PRODUCTS LIMITED	10.00	19500	19500	113100.00	113100.00
8	ASIAN AGALITE LIMITED	10.00	1000	1000	3000.00	3000.00
9	AFTEK INFOTEK LIMITED	10.00	0	500	0.00	32800.00
10	BARAR INDUSTRIES LIMITED	10.00	200	200	800.00	800.00
11	BHAGIRATHA CHEM. IND. LTD	10.00	1793	1793	94043.00	168542.00
12	BISLERI GUJART LIMITED	10.00	2000	2000	8300.00	1560.00
13	COMET GLASS LIMITED	10.00	1000	1000	1450.00	1450.00
14	CITIZEN YARNS LIMITED	10.00	2700	2700	540.00	540.00
15	CENTURY ENKA LIMITED	10.00	0	300	0.00	37455.00
16	DEVIKA FINSTOCK LIMITED	10.00	8500	8500	12750.00	12750.00
17	ESSAR STEEL LIMITED	10.00	3000	2000	155400.00	73900.00
18	FISCHER CHEMIC LIMITED	10.00	1300	1300	9126.00	8840.00
19	FINE AGROMATICS LIMITED	10.00	1000	1000	11000.00	11000.00
20	GROWMORE SOLVANT LIMITED	10.00	1500	1500	1425.00	1425.00
21	HANI INDUSTRIES LIMITED	10.00	12900	12900	32250.00	32250.00
22	HINDUSTAN FINSTOCK LIMITED	10.00	1400	1400	3500.00	3500.00
23	HOUSE OF FASHION PEA. LIMITED	10.00	0	100	0.00	33685.00
24	INDO MEXWELL LIMITED	10.00	1300	1300	975.00	975.00
25	INDO CREDIT CAPITAL LIMITED	10.00	3900	3900	4095.00	4095.00
26	I C P SECURITIES LTD	10.00	1800	1800	2700.00	2700.00
27	ISPAT INDUSTRIES LIMITED	10.00	0	1000	0.00	13340.00
28	ITI LIMITED	10.00	9500	5000	325850.00	189250.00
29	JINDAL LEASEFIN LIMITED	10.00	3300	3300	4125.00	4125.00
30	KRYSTAL KNITWARE LIMITED	10.00	2000	2000	11000.00	11000.00

S.R. NO.	PARTICULAR	FACE VALUE Rs.	AS AT QTY. 31.03.08	AS AT QTY. 31.03.07	AMOUNT AS ON 31.03.08	AMOUNT AS ON 31.03.07
31	KOLUTHARA EXPORTS LIMITED	10.00	700	700	1575.00	1575.00
32	KESHARIYA SPINNERS LIMITED	10.00	8900	8900	31150.00	31150.00
33	KARISHMA FLORICULTURE LTD	10.00	200	200	200.00	200.00
34	KARWA SECURITIES LTD	10.00	8100	8100	14175.00	14175.00
35	LESHA STEEL LIMITED	10.00	900	900	5274.00	855.00
36	MAHASAGAR TRAVELS LIMITED	10.00	1000	1000	1500.00	1500.00
37	MARK LEASING LIMITED	10.00	1000	1000	2000.00	2000.00
38	MIG - WELD & MACHINE LIMITED	10.00	1200	1200	1500.00	1500.00
39	MAARS SOFTWARES LIMITED	10.00	25000	25000	101500.00	94000.00
40	MAZDA LIMITED	10.00	0	1700	0.00	141100.00
41	MANALI PETROCHEM LTD	10.00	5000	0	63750.00	0.00
42	MTZ POLYFILMS LIMITED	10.00	1000	1000	2960.00	1890.00
43	M C S LIMITED	10.00	0	500	0.00	11200.00
44	MEGHMANI ORGANICS LTD	10.00	1000	0	21050.00	0.00
45	NAHAR SPINNING LIMMS LIMITED	10.00	1000	1000	55100.00	116000.00
46	NAHAR CAPITAL & FINANCE SER. LTD	10.00	1000	0	60050.00	0.00
47	PATEL'S WIDECOM LIMITED	10.00	4800	4800	12000.00	12000.00
48	PUNJAB WIRELESS SYSTEM LIMITED	10.00	100	100	7040.00	7040.00
49	PRETTO LEATHER INDUSTRIES LTD	10.00	800	800	1080.00	1080.00
50	PALCO METALS LIMITED	10.00	17940	17940	358800.00	358800.00
51	PASVNATH DEVELOPERS LTD	10.00	0	400	0.00	103600.00
52	RAJADHIRAH INDUSTRIES LTD	10.00	2000	2000	3000.00	3000.00
53	RELIANCE CAPITAL VENTURE LIMITED	10.00	0	1500	0.00	33150.00
54	RELIANCE PETROLEUM LTD	10.00	7000	0	1093750.00	0.00
55	RADHE DEVELOPERS LIMITED	10.00	0	400	0.00	8300.00
56	RASHTRIYA CHEMICALS LTD	10.00	1050	2050	54653.00	71750.00
57	RANA SUGAR LIMITED	10.00	1000	0	13800.00	0.00
58	RELIANCE NATURAL RESOURCES LTD	10.00	3000	0	299100.00	0.00
59	SHREE ARAVALI FINLEASE LTD	10.00	2000	2000	3000.00	3000.00
60	SOMANI STRIPS LIMITED	10.00	1000	1000	1800.00	1800.00
61	SWET - CHEM ANTIBIOTICS LTD	10.00	200	200	600.00	600.00
62	SEEMAX INDUSTRIES LTD	10.00	100	100	205.00	205.00

SR. NO.	PARTICULAR	FACE VALUE Rs.	AS AT QTY. 31.03.08	AS AT QTY. 31.03.07	AMOUNT AS ON 31.03.08	AMOUNT AS ON 31.03.07
63	SINGHAL OVERSEAS LIMITED	10.00	1800	1800	4050.00	4050.00
64	SONEL CLOCKS & GIFTS LTD	10.00	6700	6700	10385.00	10385.00
65	SECURE INDUSTRIES LTD	10.00	1300	1300	1235.00	1235.00
66	SHALIN HOTEL LIMITED	10.00	900	900	4050.00	4050.00
67	SCINTILLIA SOFTWARE LIMITED	10.00	2000	2000	1080.00	1080.00
68	SHARYANS RESOURTS LIMITED	10.00	3313	3813	611911.00	903681.00
69	TIRUPATI FINLEASE LIMITED	10.00	5800	5800	0.00	0.00
70	TATA IRON & STEEL CO. LTD	10.00	0	675	0.00	303480.00
71	TATA TELESERVICES MH. LTD	10.00	2000	2000	56200.00	42200.00
72	TORRENT POWER AEC LIMITED	10.00	1000	1500	112900.00	89250.00
73	VISHAL EXPORTS LIMITED	10.00	5000	0	13500.00	0.00
74	VXL INSTRUMENTS LIMITED	10.00	6600	6600	146850.00	154440.00
75	ZYDEN GENTEC LIMITED	10.00	0	2000	0.00	63800.00
	TOTAL RS...		226696	209271	4004832.00	3397833.00

Note:- include company under same management Rs.358800/-



KRISHNA CAPITAL & SECURITIES LTD.

ASST. YEAR : 2008 – 2009

ACCT. YEAR : 31/03/2008

SCHEDULE : 16 : 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 :		31.03.2008	31.03.2007
Statutory Audit	:	Rs. 10,000	10,000
Company Audit	:	Rs. 5,000	5,000
Taxation	:	Rs. 8,000	8,000
Service Tax	:	Rs. 2,843	2,843
	Total Rs.	Rs. 25,843	25,843

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. 420000/- (P.Y 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 31-03-2008		As at 31-03-2007	
	Qty (Nos.)	Amount Rs. (in Lacs)	Qty (Nos.)	Amount Rs. (in Lacs)
Opening Stock	219716	41.35	199090	18.79
Add : Purchases	100755	162.43	282863	127.23
Less : Sales	111200	169.39	262237	101.05
Closing Stock	209271	33.97	219716	41.35

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

(RS. IN LACS)

	Trading	Financial Services	Unallocated	Total
Revenue				
Segment Revenue	161.78	10.85	0.09	172.72
Result				
Segment Result	25.11	3.86	-13.74	15.23
Income Tax	0.00	0.00	1.72	1.72
Deferred Tax	0.00	0.00	0.21	0.21
Total Result	25.11	3.86	15.67	13.30
Capital Employed				
Segment Assets	52.99	234.32	153.66	440.97
Segment Liabilities	-	95.52	345.45	440.97
Net Segment Assets	52.99	138.80	(191.79)	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	Borrowed Money	157.45	32.60	0
Krishna World wide Pvt. Ltd.	Same Management	Borrowed Money	75.40	50.83	0
Palco Metal Ltd	Same Management	Lend Money	276.00	233.18	0
Krishna World Wide Pvt. Ltd	Same Management	Interest Paid	3.30	0.00	0
Krishna Share Broking Pvt. Ltd.	Same Management	Interest Paid	1.84	0.00	0
Palco Metal Ltd.	Same Management	Interest Recd.	9.99	0.00	0
Ashokkumar Agarwal	Managing Director	Director's Remuneration	4.20	0	0
Ashokkumar Agarwal		Advance For expense	0.70	0.00	
Kirankumar Agarwal		Lend Money	1.40	0.00	
Kirankumar Agarwal		Interest Recd.	0.02		

15. 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.

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

Particulars	As at 31-03-2008	As at 31-3-2007
Depreciation &	20553	2881

- 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 "16"
AS PER OUR AUDIT REPORT OF EVEN DATE**

**FOR KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS**

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

FOR KRISHNA CAPITAL & SECURITIES LIMITED

[MANAGING DIRECTOR] [DIRECTOR]

**PLACE : AHMEDABAD
DATE : 25/04/2008**

**PLACE : AHMEDABAD
DATE : 25/04/2008**

KRISHNA CAPITAL & SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2007

PARTICULARS	2007 - 2008	2006 -2007
A) CASH FLOW FROM OPERATING ACITIVITIES		
NET PROFIT BEFORE TAX & EXTRA-ORDINARY ITEMS	147296	1523051
Adjustments for :-		
Depreciation	131253	122438
Interest (Paid / payable on loans, etc.)	1610136	698878
Dividend Income	20376	42387
OPERATING PROFIT BEFORE WRK.CAPITAL CHANGES	1868309	2301980
Adjustments for :-		
Trade & other receivables	0	4950
Inventories	606999	741421
Loans & advances	2740362	19326285
Trade payables	309120	133759
Provision for Income Tax	182000	23439
CASH GENERATED FROM OPERATIONS	1351932	16435132
CASH FLOW BEFORE EXTRA-ORDINARY ITEM	1351932	16435132
Extra-ordinary item (Excess Tax Provision)	160306	0
NET CASH FROM OPERATING ACTIVITIES	1191626	16435132
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	125516)	(356827
Income from Sale of Investment	0	10500000
Dividend received	20376	42387
NET CASH FROM INVESTING ACTIVITIES	105140	10185560
C) CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loans	0	0
Unsecured Loans	2957344	6736213
Interest Paid/ payable	1610136	698878
NET CASH FROM FINANCING ACTIVITIES	1347208	6037335
NET INCREASE(DECREASE)IN CASH & CASH EQUIVALENTS.)A+B+C)	50441	212237
CASH & CASH EQUIVALENTS AS AT 1ST APRIL (OPENING BALANCE)	142225	354462
CASH & CASH EQUIVALENTS AS AT 31ST MARCH (CLOSING BALALNCE.)	192666	142225
	50441	212237

KRISHNA CAPITAL & SECURITIES LTD.

ASST. YEAR : 2008 - 2009

FIN. YEAR : 2007 - 2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :			
Registration No.	: 23803	State Code	: 04
Balance Sheet Date	: 31/03/2008		
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	: 47,099	Total Assets	: 47,099
SOURCES OF FUNDS :			
Paid Up Capital	: 31,584	Reserves & Surplus	: 3,006
Secured Loans	: 0	Unsecured Loans	: 12,509
		Deferred Tax Liability	: -
APPLICATIONS OF FUNDS :			
Net Fixed Assets	: 736	Investments	: 13,610
Net Current Assets	: 32,749	Misc. Expenditure	: -
Accumulated Losses	: NIL	Deferred Tax Asset	: 5
IV. PERFORMANCE OF COMPANY [AMOUNT IN THOUSAND] :			
Total Income	: 14,166	Total Expenditure	: 14,019
Profit Before Tax	: 147	Profit After Tax	: 87
Earnings Per Share [Rs]	: 0.028	Dividend Rate	: NIL
[on annualised basis]			
V. GENERAL NAME OF PRINCIPAL PRODUCT / Item Code No. : NIL			
SERVICE OF THE COMPANY [AS PER MONETARY TERM]			
PRODUCT DESCRIPTION : Securities Trading & Financial Services.			

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 : 25/04/2008

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, 2008 and found the same in agreement therewith.

**For, KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS**

[KEDAR RAM LADDHA]

PARTNER

M.NO. 101886

PLACE : AHMEDABAD

DATE : 25/04/2008

KRISHNA CAPITAL & SECURITIES LTD.

ATTENDANCE SLIP

L. F. NO.	
NO. OF	
SHARES HELD	

I/We hereby record my/our presence at the Annual General Meeting of the company to be held in the premises of 604/C, Sahajanand Shopping Centre, Shahibaug Road, Ahmedabad – 380 004 on 31st May 2008.

NAME OF THE SHARE HOLDERS [IN BLOCK LETTERS]	
SIGNATURE OF THE SHARE HOLDER	
NAME OF THE PROXY [IN BLOCK LETTERS]	
SIGNATURE OF THE PROXY	

NOTES :

1. You are requested to sign and hand this over at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of your self, the proxy must be deposited at the Registered Office of the Company at 604/C, Sahajanand Shopping Centre, Shahibaug Road, Ahmedabad – 380 004, not less than 48 Hours before the time for holding the meeting.
3. If you are attending the meeting in person or by proxy, you/your proxy for reference at the meeting may please bring your copy of the Balance Sheet.

KRISHNA CAPITAL & SECURITIES LIMITED

FORM OF PROXY

L. F. NO.	
NO. OF	
SHARES HELD	

* I/We _____ of _____ in the district of _____ being a member/members of the above named company _____ hereby _____ appoint _____ of _____ in the district of _____ of failing him _____ of _____ as my/our proxy to vote me/us on my/our behalf at the 9th Annual General Meeting of the company to be held on the 31st September, 2008 and at any adjournment thereof.

Signed this _____ day of _____ 2008.

NOTES :

1. The proxy must be deposited at the Regd. Office of the Company at 604/C, Sahajanand Shopping Centre, Shahibaug Road, Ahmedabad 380 004, not less than 48 hours before the time for holding the meeting.