

19 August 2021

To,  
**The Secretary,**  
Department of Corporate Services,  
BSE Limited,  
25th Floor, Phiroj Jeejeebhoy Tower,  
Dalal Street, Fort,  
Mumbai: 400 001

Dear Sir/Madam,

Ref: **Company Code: 539384**

Sub: **Annual Report along with Notice of 27<sup>th</sup> Annual General Meeting Company for the Financial Year 2020-2021.**

We would like to inform you that the 27<sup>th</sup> Annual General Meeting is scheduled to be held on **Friday, September 17, 2021 at 4.00 P.M. IST** through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")

Pursuant to Regulation 34(1) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") we are submitting herewith the Annual Report of the Company along with Notice of AGM for the Financial Year 2020-2021 which is being sent through electronic mode to the Members.

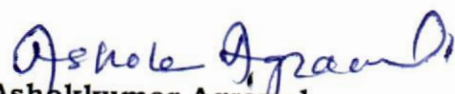
The Annual Report containing the Notice is also uploaded on the Company's website [www.kcsl.co.in](http://www.kcsl.co.in).

Kindly take the same on record.

Thanking you,

Yours faithfully,

For, **Krishna Capital & Securities Limited**

  
**Ashok Kumar Agrawal**  
**(Managing Director)**  
(DIN 00944735)





*Statement of Accounts for the  
year ended on 31<sup>st</sup> March 2021*



**KRISHNA CAPITAL  
&  
SECURITIES LTD.**

**AHMEDABAD**

**27TH ANNUAL REPORT  
2020-2021**

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# KRISHNA CAPITAL & SECURITIES LTD.

<b>Company CIN No</b>	:	L67120GJ1994PLC023803		
<b>Status</b>	:	Public Limited Company		
<b>Board of Director</b>	:	Ashokkumar Agrawal	Managing Director	DIN: 00944735
		Vinodkumar Agrawal	Director & CFO	DIN: 00413378
		Narendra Agrawal	Independent Director	DIN: 03400241
		Kalpesh Mehta	Independent Director	DIN: 08815356
		Meenu Maheshwari	Independent Director	DIN: 07113136
<b>Accounting Year</b>	:	01/04/2020 to 31/03/2021		
<b>Assessment Year</b>	:	2021-2022		
<b>Auditors:</b>	:	<b>Rinkesh Shah</b> B/305-304, Fairdeal House, Nr. Swastik Cross Road, Navrangpura, Ahmedabad: 380 009 Phone : 079 265 65 767, 403 21 381 Email: info@rinkeshshahandco.com		
<b>Company Secretary</b>	:	Shweta Sapariya		
<b>Bankers</b>	:	HDFC Bank Limited		
<b>PAN</b>	:	AAACK 6286 H		
<b>Registered Office</b>	:	403, Mauryansh Elanza, B/h. Parekh Hospital, Shyamal Cross Road, Satellite, Ahmedabad - 380015		
<b>Share Transfer Agent</b>	:	<b>MCS Share Transfer Agent Limited</b> 101, Shatdal Complex, Opp. Bata Show Room, Ashram road, Ahmedabad - 380009		



**KRISHNA CAPITAL AND SECURITIES LIMITED**  
**[CIN: L67120GJ1994PLC023803]**

**Regd. Office:** 403, Mauryansh Elanza, B/h Parekh Hospital, Shyamal Cross Roads, Satellite, Ahmedabad: 380015

Phone: 26768572, Fax: 26768572/ 73,  
Email: [ksbspl@yahoo.in](mailto:ksbspl@yahoo.in), Website: [www.kcsl.co.in](http://www.kcsl.co.in)

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 27th Annual General Meeting of the members of Krishna Capital and Securities Limited will be held on Friday, September 17, 2021 at 4.00 p.m. through Video Conferencing ("VC") / Other Audio-Visual means ("OAVM") to transact the following business;

**Ordinary Business:**

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company (Standalone & Consolidated) for the Year ended March 31, 2021 and the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Agrawal (DIN 00944735) who retires by rotation and offers himself for re appointment.

**SPECIAL BUSINESS**

3. To consider and if thought fit to pass the following resolution as an Ordinary Resolution.

"Resolved That pursuant to sections 196, 197 and 203 read with schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel), Rule, 2014 (including statutory modification or re-enactment thereof for the time being in force) and Article No: 66 (2) of Articles of Association of the Company, the consent of members of the Company be and is hereby given to the appointment of **Mr. Ashok Agrawal** (DIN: 00944735) as Chairman & Managing Director of the Company for a period of 5 years with effect from April 1, 2021 on the following terms and condition as approved by the Nomination and Remuneration Committee of the Board with further liberty to the Board of Directors (hereinafter referred to as "the Board) from time to time to alter the said terms and conditions, in such manner as may be agreed to between the Board and Mr. Ashok Agrawal and as may be permissible by law and which term shall include any committee constituted or to be constituted by the Board.

- The Company shall pay remuneration by way of Salary of Rs. 50,000/- (Rupees Fifty Thousand Only) per month to **Mr. Ashok Agrawal**, Chairman & Managing Director of the Company.
- The Chairman & Managing Director shall unless prevented by ill health, throughout the said term devote his entire time and attention to be business of the Company perform such duties and exercise such powers as shall from time to time be assigned to and vested him by the Board of Directors and shall comply with such orders, directions and regulations from time to time by the Board of Directors of the Company and shall faithfully serve the Company and use his utmost endeavors to promote the interest thereof.

- The Company shall provide furnished accommodation to the appointee. If the appointee has his own house, the Company shall pay house rent allowance in lieu of the Company provided accommodation.
- Contribution of Provident Fund, Pension, and Superannuation etc. will be as per the Rules of the Company and will not be included in the computation of the ceiling on perquisites to the extent not taxable under the Income Tax Act, 1961. Gratuity payable shall be in accordance with the rules of the Company.
- Earned leave on full pay and allowances as per the rules of the Company.
- The appointee shall be entitled to have a facility of club subject to a maximum of two clubs.
- The Company shall provide a car with driver at entire cost of the Company for use on Company's business. Use of car for personal use shall be billed by the Company. The Company shall provide telephone at residence of the appointee at entire cost of the Company. Personal Long distance calls shall be billed by the Company. The Company shall provide equipment, appliances, furniture and fixture at residence of appointee at entire cost of the Company and expenses of gas, electricity and water etc. shall be reimbursed by the Company, The expenditures on these will be valued as per Income Tax rules.
- The Company shall provide leave travel fare for the appointee and his family once in a year.
- Medical expenses for self and family shall be reimbursed by the Company.
- The Company shall pay personal accident insurance premium as per the policy of the Company.
- The appointee shall be entitled to reimbursement of out of pocket expenses actually and properly incurred in the legitimate course of business of the Company.

#### Minimum Remuneration

Pursuant to section 197(3) of the Companies Act, 2013 in the event of loss or inadequacy of the profit in any financial year, **Mr. Ashok Agrawal**, shall be paid salary and other perquisites as mentioned above as minimum remuneration subject to provision of Schedule V of the Companies Act 2013”.

4. To consider and if thought fit to pass the following resolution as an ordinary resolution.

“Resolved That Mr. Kalpesh Mehta (DIN: 08815356) who was appointed as an additional and Independent Director of the Company, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment(s) there of, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of five years up to December 31, 2025.



Resolved Further That the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider and if thought fit to pass the following resolution as an ordinary resolution.

“Resolved That Mrs. Meenu Maheshwari (DIN: 07113136), who was appointed as an additional and Independent Director of the Company, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of five years up to June 20, 2026.

Resolved Further That the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

For & on Behalf of the Board  
For, **Krishna Capital & Securities Ltd**

**SD/-**

**Ashok Agrawal**  
Chairman & Managing Director  
DIN 00944735

**Registered Office:**

403, Mauryansh Elanza,  
B/h. Parekh Hospital,  
Shyamal Cross Road, Satellite,  
Ahmedabad: 380015

Place: Ahmedabad

Date: 17/08/2021



## NOTES:

1. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the company is being held through VC/ OAVM.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued General Circular No. 02/2021 dated January 13, 2021 in continuation to its earlier General Circulars, i.e. Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020. and Circular No. 20/2020 dated May 5, 2020, prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 27th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/ OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as instructed in further points and available at the Company's website [www.kcsl.co.in](http://www.kcsl.co.in).
3. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with Circular Nos. 02/2021 Dated January 13, 2021 in continuation to its earlier general circulars no: 14/2020, 17/2020, 20/2020, 39/2020 and 02-2021, issued by the Ministry of Corporate Affairs and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR /P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars").
4. The relevant statement, pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect in respect of special business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.



7. The Ministry of Corporate Affairs has undertaken a “Green Initiative in Corporate Governance” and allowed companies to share documents with its shareholders through an electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, and January 15, 2021, Notice of the AGM along with the Annual Report 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the company / Depositories. Members may note that the Notice and Annual Report 2020-2021 will also be available on the company's website [www.kcsl.co.in](http://www.kcsl.co.in) /Investors/Financials Results websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. [www.evotingindia.com](http://www.evotingindia.com). Members are requested to support this Green Initiative by registering/updating their email addresses for receiving electronic communications.
8. The Register of Members and the share transfer book of the Company will remain closed from **September 10, 2021** to **September 17, 2021** (both days inclusive).
9. Queries on accounts and operations of the company, if any, may please be sent to the company on [kbspl@yahoo.in](mailto:kbspl@yahoo.in), seven days in advance of the Meeting so that the reply can be made available at the Meeting.
10. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
11. If you have shares registered in the same name or in the same order of names but in multiple Folios, you are requested to send to the company or MCS Share Transfer Agent Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual Members holding shares in the physical mode. The Members who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.
13. In case of joint holders, attending the Meeting, only such joint holders who are higher in the order of the names will be entitled to vote.
14. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the M/s MCS Share Transfer Agents Limited the Registrar and Transfer Agents, by email through its registered email address to [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com).





15. The documents pertaining to the items of business to be transacted at the AGM and the statutory registers required under the Act are available for inspection in electronic mode. The shareholders may write an email to kbspl@yahoo.in by mentioning "Request for Inspection" in the subject of the email.
16. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
17. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to **MCS Share Transfer Agent Limited**, Registrar & Share Transfer Agent of the company quoting their Folio number.
18. Members who have not registered / updated their email addresses with MCS Share Transfer Agent Limited, are requested to do so for receiving all future communications from company including Annual Reports, Notices, Circulars etc. electronically.

#### **PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONICS MEANS:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per MCA and SEBI Circulars. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circular issued by the Ministry of Corporate Affairs dated January 13, 2021, in continuation and read with its Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as e-voting during the AGM will be provided by CDSL.



3. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. **Friday, September 10, 2021**, shall be entitled to avail the facility of remote e-voting as well e-voting during the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
4. A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to the Cut-off date i.e. **Friday, September 10, 2021** shall be entitled to exercise his / her vote either electronically i.e. Remote e-voting or e-voting during the AGM by following the procedure mentioned in this part.
5. The Remote E-voting will commence on at 9.00 a.m. on **Tuesday, September 14, 2021** and ends at 5.00 p.m. on **Thursday, September 16, 2021**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday, September 10, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
6. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
7. The voting rights of the members shall be in proportion to their share in the paid up equity Share capital of the Company as on the Cut-off date i.e. **Friday, September 10, 2021**.
8. The Company has appointed CS Bipin Makwana, Practicing Company Secretary Membership No. ACS: 15650; CP No: 5265), to act as the Scrutiniser for conducting the remote e-voting process as well as the e-voting during the AGM, in a fair and transparent manner.

#### **PROCESS FOR THOSE MEMBERS WHOSE EMAIL IDS ARE NOT REGISTERED:**

1. For members holding shares in Physical form please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by email to [ksbspl@yahoo.in](mailto:ksbspl@yahoo.in).
2. For members holding shares in Demat form Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

#### **THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

1. The voting period begins on at 9.00 a.m. on **Tuesday, September 14, 2021** and ends at 5.00 p.m. on **Thursday, September 16, 2021**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday, September 10, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 Dated December 9, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
4. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
5. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
6. In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 Dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in demat mode** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	A. Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login_or">https://web.cdslindia.com/myeasi/home/login_or</a> <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.

Type of Shareholders	Login Method
	<p>B. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>C. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/ Easi Registration">https://web.cdslindia.com/myeasi./Registration/ Easi Registration</a></p> <p>D. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/ Ideas DirectReg.jsp">https://eservices.nsd.com/SecureWeb/ Ideas DirectReg.jsp</a></p>

Type of Shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no. : 1800 1020 990 and 1800 22 44 30.</p>



I. Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders & physical shareholders.**

- a. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- b. Click on “Shareholders” module.
- c. Now enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - d) Now enter your User ID
- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- f. If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"><li>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

II. After entering these details appropriately, click on “SUBMIT” tab.

- III. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- IV. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- V. Click on the EVSN for the relevant KRISHNA CAPITAL & SECURITIES LIMITED on which you choose to vote.
- VI. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- VII. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- VIII. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- IX. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- X. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XI. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XII. Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

### **XIII. Facility for Non – Individual Shareholders and Custodians – Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [ksbspl@yahoo.in](mailto:ksbspl@yahoo.in) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING AREAS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, Email ID, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.





9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**ANNEXURE TO NOTICE:**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND / OR REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**Item No. 4**

As the members are aware that the terms of Mr. Ashok Agrawal Chairman & Managing Director of the Company had expired on **March 31, 2021**.

The Board of Directors of the Company (the 'Board'), at its meeting held on **March 31, 2021** has subject to the approval of members, re-appointed Mr. Ashok Agrawal (DIN 00944735) as Chairman & Managing Director of the Company for a period of five years with effect from 1st April, 2021 on the terms and conditions as approved by Nomination and Remuneration Committee of the Board.

Mr. Ashok Agrawal satisfies all the conditions as set out in Part I of Schedule V to the Act as also conditions set out under sub section (3) of Section 196 of the Companies Act, 2013 (the Act) for being eligible for his appointment. Mr. Ashok Agrawal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and his appointment will be subject to the retirement by rotation in terms of Section 152 of the Act.

Mr. Ashok Agrawal is a Commerce Graduate. He has been with the Company since December 7, 1994 and has experience of more than 25 years in business of trading in Shares, Stock and Aluminum & Copper Scrap.

Considering the background, competence and experience of Mr. Ashok Agrawal and also his association with the Company for the last several years and compared to the remuneration packages of similarly placed personnel of other corporate bodies in the country, the terms of his remuneration as set out in the Resolution are considered to be fair, just and reasonable.

Save & Except Mr. Ashok Agrawal and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the passing of resolution as ordinary as set out at Item No. 4 of the Notice for approval by the shareholders.

#### **Item No.5**

The Board, based on the recommendation of the nomination and remuneration committee, appointed Mr. Kalpesh Mehta as an additional and independent director of the Company with effect from January 1, 2021, pursuant to Section 161 of the Companies Act, 2013

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Kalpesh Mehta fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the letter for appointment of Mr. Kalpesh Mehta as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

Mr. Kalpesh Mehta is a qualified chartered Accountants and his association with the company would be of immense benefit to the Company and it is desirable to avail services of Mr. Kalpesh Mehta as an Independent Director.

The Board appointed Mr. Kalpesh Mehta as an additional and independent director who holds office up to the ensuing AGM. The resolution seeks the approval of members for the appointment of Mr. Kalpesh Mehta as an independent director of the Company as an Independent Director upto 31st December, 2025 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing AGM and shall be appointed as a director by the members. Mr. Kalpesh Mehta appointment is hereby placed for the approval of members.

Accordingly, the Board recommends passing of the ordinary Resolution in relation to appointment of Mr. Kalpesh Mehta as an Independent Director for a term of five consecutive year's upto 31st December, 2025, for the approval by the shareholders of the Company.

Except Mr. Kalpesh Mehta, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. Kalpesh Mehta is not related to any Director of the Company.

#### **Item No.6**

The Board, based on the recommendation of the nomination and remuneration committee, appointed Mrs. Meenu Maheshwari as an additional and independent director of the Company with effect from June 21, 2021, pursuant to Section 161 of the Companies Act, 2013.

The Company has received declaration from her stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given her consent to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mrs. Meenu Maheshwari fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the letter for appointment of Mrs. Meenu Maheshwari as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

Mrs. Meenu Maheshwari is a Practicing Company Secretary and has an experience of more than 19 years in accounts, finance, company law and various other laws and her association with the company would be of immense benefit to the Company and it is desirable to avail services of Mrs. Meenu Maheshwari as an Independent Director.

The Board appointed Mrs. Meenu Maheshwari as an additional and independent director who holds office up to the ensuing AGM. The resolution seeks the approval of members for the appointment of Mrs. Meenu Maheshwari as an Independent Director upto June 20, 2026 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing AGM and shall be appointed as a director by the members. Mrs. Meenu Maheshwari appointment is hereby placed for the approval of members.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Meenu Maheshwari as an Independent Director. Accordingly, the Board recommends passing of the ordinary Resolution in relation to appointment of Mrs. Meenu Maheshwari as an Independent Director for a term of five consecutive year's upto June 20, 2026, for the approval by the shareholders of the Company.

Except Mrs. Meenu Maheshwari, being an appointee is not concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Mrs. Meenu Maheshwari is not related to any Director of the Company.

**Details of Directors seeking Appointment / Re Appointment / Revision in term of Appointment/ Remuneration in ensuing Annual General Meeting.**

**Details of Directors seeking appointment/ re appointment in ensuing annual general meeting.**



Name of Director	Mr. Kalpesh Mehta	Mrs. Meenu Maheshwari	Mr. Ashok Agrawal
DIN	08815356	07113136	00944735
Date of Birth	09/08/1961	28/04/1973	07/02/1957
Date of appointment	01/01/2021	21/06/2021	07/12/1994
Expertise in specific functional area	Mr. Kalpesh Mehta is a Master of Commerce, Bachelor of Laws and a Qualified Practicing Chartered Accountants having 29 Years of experience in Income Tax Laws, RBI/NBFC's Companies, Accounts, Finance, Banking and legal Compliances etc.	Mrs. Meenu Maheshwari is a practicing company secretary and more than 19 years' experience in Accounts, Finance, company law and various other laws.	He has experience of more than 20 years in business of trading in Shares, Stock and Aluminum & Copper Scrap.
Qualification	M.com, LLB and FCA	B.Com, FCS	B.com
No. of Equity Shares held	NIL	NIL	2,02,000
List of Outside Company Directorship held	NIL	1. Gopala Poly Plast Limited	1. Radius Global Private Limited 2. Krishna Sharebroking Services Private Limited 3. Palco Recycle Industries Limited.
Chairman / Member of Committees of Board Of Directors of the Company.	<b>Chairman</b> - Audit Committee <b>Member</b> -Nomination and Remuneration Committee - Stakeholder Relationship Committee	<b>Member</b> - Audit Committee - Nomination and Remuneration Committee - Stakeholder Relationship Committee	NIL
Chairman / Member of Committees of Board of Directors of the Companies in which he/she is director Audit Committee Shareholders Grievance Committee	NIL	<b>Chairman</b> - CSR Committee -Nominee and Remuneration Committee <b>Member</b> - Audit Committee -Stakeholder Relationship Committee	NIL

For & on Behalf of the Board  
For, Krishna Capital & Securities Ltd

**SD/-**

Ashok Agrawal  
Chairman & Managing Director  
DIN 00944735

Registered Office:  
403, Mauryansh Elanza,  
B/h. Parekh Hospital,  
Shyamal Cross Road  
Satellite, Ahmedabad: 380015

Place: Ahmedabad  
Date: 17/08/2021



**KRISHNA CAPITAL AND SECURITIES LIMITED**

**[CIN: L67120GJ1994PLC023803]**

**Regd. Office:** 403, Mauryansh Elanza, B/h Parekh Hospital, Shyamal Cross Roads, Satellite,  
Ahmedabad: 380015

Phone: 26768572, Fax: 26768572/ 73,

Email: [ksbspl@yahoo.in](mailto:ksbspl@yahoo.in), Website: [www.kcsl.co.in](http://www.kcsl.co.in)

**BOARD'S REPORT**

To,  
The Members,

Your Directors are pleased to present 27th Annual Report and the Company's Audited Financial Statement for the financial year ended **March 31, 2021**.

**Finance Results:**

The Company's financial performance for the year ended **March 31, 2021** is summarized below:

**Finance Highlights:**

(Amount in Lacs)

The Breakup of Profit is given as Follows	Standalone		Consolidated	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Total Revenue	48.25	40.26	48.25	40.26
Profit /Loss Before Depreciation & Exception/ Extra Ordinary item	30.03	33.49	30.03	33.49
Depreciation	0.04	0.04	0.04	0.04
Exceptional Item	-	-	-	-
Share Profit / (Loss) of an Associate	-	-	0.36	0.16
Net Profit Before Taxation	18.22	6.77	18.58	6.93
Current Tax	2.93	1.06	3.03	1.10
Deferred Tax	0.01	0.01	0.01	0.01
Net Profit After Taxation	15.28	5.70	15.54	5.82
Profit for the Period for Appropriation	15.28	5.70	15.54	5.82
Earning Per Shares				
Basic	0.48	0.18	0.49	0.18
Diluted	0.48	0.18	0.49	0.18

**Dividend**

In order to conserve the resources, your Directors do not recommend any dividend on equity shares of the Company.

**Brief description of the Company's working during the year/State of Company's affairs:**

The second wave COVID-19 in the middle of last quarter for the fiscal year 2020-2021 has again caused a significant disturbance in the working of the Company.



### **Standalone Results:**

During the year, the Company reported an increase in total revenue by 19.85% to Rs.48.25 Lacs as compared to Rs. 40.26 Lacs during the last year. The Company recorded an increase in Net profit after tax of Rs. 15.28 Lacs as compared to Rs.5.70 Lacs during the last year.

Your Company is Non-Banking Finance Company registered with Reserve Bank of India. The Company proposes to transfer an amount of Rs.3.64 Lacs which is 20% of net profit to Special Reserve Fund and after adjustment the balance is proposed to be retained in the Statement of Profit & Loss.

### **Consolidated Results:**

The Company has consolidated its accounts with its associate Company viz. Palco Metals Limited. During the year, the Company reported consolidated total revenue of Rs. 48.25 Lacs as compared to Rs. 40.26 Lacs during the last year. The Company recorded an increase in Net profit after tax of Rs. 15.54 Lacs as compared to Rs.5.82 Lacs during the last year.

The Audited Consolidated Financial Statements for the financial year ended **March 31, 2021**, have been prepared, in accordance with the Ind AS Rules and relevant provisions of the Act, from the duly approved Financial Statements of Associates by its respective Board of directors.

There is no change in the nature of business of the Company during the year.

### **Financial Statements - Application of the Companies (Indian Accounting Standards) Rules, 2015**

The audited financial statements of the Company drawn up both on standalone and consolidated basis, for the financial year ended **March 31, 2021**, are in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS Rules").

### **Transfer of amount to Investor Education and Protection Fund:**

The Company is not required to transfer unpaid or unclaimed dividend etc. to Investor Education and Protection Fund as there was no such amount which needed to be transferred.

### **Subsidiaries/ Joint Venture/ Associate Companies:**

Company does not have Subsidiary / Joint Venture Companies. The Company has one associate Company Namely M/s. Palco Metals Ltd.

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the requirement of Regulation 33 & Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) read with other applicable provisions and prepared in accordance with applicable IND AS, for financial year ended **March 31, 2021**.

### **Material Changes and Commitments:**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **Directors' Responsibility Statement:**

Pursuant to the requirements under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
2. 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 financial year and of the profit and loss of the Company for the year ended on that date.
3. The Directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis.
5. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Reporting of frauds by auditors**

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

#### **Contracts and Arrangement with Related Parties:**

During the year the Company has not entered into any material contracts or arrangement with related parties which attracted the provisions of Section 188 of the Companies Act, 2013. Notes to the financial statement sets out the disclosure of related party transactions during the year.

#### **Corporate Governance:**

Corporate Governance provisions as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company and hence nothing to report thereon.

#### **Corporate Social Responsibilities:**

As the Company's net worth, turnover or net profits are below the limit prescribed under section 135 of the Companies Act 2013 and hence CSR is not applicable to your Company.

#### **Risk Management**

Your Company has Risk Management Framework as approved by the Board of Directors which provides mechanism to identify, evaluate business risk and opportunities. The risk associated with the business of the Company, its root causes are reviewed and steps are taken to mitigate the same. The Audit Committee and Board of Directors also reviews the key risk associated with the business of the Company, the procedure adopted to assess the risk, efficacy and mitigation measures.

#### **Internal Financial Control:**

Your Directors state that there are adequate internal financial controls with reference to the financial statements i.e. Balance Sheet, Statement of Profit and loss, Cash Flow Statements and other relevant records and are operating effectively.

### Directors:

Your directors are pleased to inform you that Mr. Ashok Kumar Agrawal (DIN 00944735), director retiring by rotation and being eligible, offer themselves for re-appointment. Moreover the terms of Mr. Ashok Kumar Agrawal as the Chairman and Managing Director had expired on 31.03.2021 and the Board of Directors in their meeting has re-appointed him for a further period of five years w.e.f 01/04/2021. During the year Mr. Pramod Agrawal (DIN: 00596327) and Ms. Sneha Gupta (DIN: 07135648) have resigned from the directorship of the Company and Chairman and member of respective committee meetings. On the Recommendations of Nomination and Remuneration Committee, Mr. Kalpesh Mehta (DIN: 08815356) and Mrs. Arpita Mehta (DIN 00921081) were appointed as an additional and Independent Directors of the Company w.e.f January 1, 2021, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder.

Mrs. Arpita Mehta had resigned on 21/06/2021 as an additional and independent director due to her personal reason whereas Mrs. Meenu Maheshwari (DIN: 07113136) was appointed in her place as additional independent and as a woman director by the Board of Directors in their meeting held on 21/06/2021 pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder.

Your directors would like to appreciate the services rendered by outgoing directors during their tenure as directors and welcome the newly appointed directors.

Your directors would further like to confirm that the Company has received declaration from all the Independent Directors confirming their independence as well as confirmation that "he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgment and without any external influence". Accordingly requirement of Section 149(6) of the Companies Act, 2013 are duly complied with. None of the director of the Company, is debarred from holding the office of director pursuant to any SEBI order.

Your directors would like to confirm that as per opinion of the Board of Directors, all the Independent Directors of the Company meet the requirement of integrity, expertise and experience (including the proficiency) required for their appointment.

### Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. Ashok Agrawal, Chairman & Managing Director, Mr. Vinod Agrawal, CFO & Director and Shweta Saparia Company Secretary. During the year, there has been no change in the Key Managerial Personnel.

### COMPOSITION OF BOARD OF DIRECTORS AND ITS COMMITTEES:

#### Composition of Board

The Board of Directors has an optimum combination of Executive and Non-Executive Directors and Independent Directors in accordance with the provisions of the Act. The composition of the Board of Directors of the Company as on **March 31, 2021** is as under:

No	Name	Designation	Executive/Non Executive
1.	Mr. Ashok Agrawal	Chairman & Managing Director	Executive
2.	Mr. Vinod Agrawal	Director & CFO	Non-Executive
3.	Mr. Arpita Mehta*	Independent Director	Non-Executive
4.	Mr. Kalpesh Mehta	Independent Director	Non-Executive
5.	Mr. Narendra Agrawal	Independent Director	Non-Executive



\*Mrs. Arpita Mehta had, after the close of the financial year, resigned as director w.e.f June 21, 2021 and Mrs. Meenu Maheshwari was appointed as an additional independent woman director in her place.

Seven Board meetings were held during the year. The details of Board Meetings and attendance of Directors are given below:

Date of Meeting	No. of Directors Present
29/06/2020	05
14/08/2020	05
27/08/2020	05
28/10/2020	05
31/12/2020	07
28/01/2021	06
31/03/2021	05

#### **Audit Committee:**

The Company during the year there was re-composition of Audit Committee as under:

No.	Name	Designation	Position in Committee
1.	Mr. Kalpesh Mehta	Director	Chairman & Member
2.	Mr. Narendra Agrawal	Director	Member
3.	Mr. Vinod Agrawal	Director	Member

During the year, Mr. Pramod Agrawal has resigned as the Chairman and member of the Company whereas Mr. Kalpesh Mehta has been appointed as the Chairman of the Committee. The composition of committee inter alia meets with the requirement of Section 177 of the Companies Act, 2013.

#### **Functions and Powers of Audit Committee:**

The Committee shall have discussions with the auditors periodically about internal control systems, the scope of audit including observation of the auditors and review of financial statement before their submission to the Board and discuss any related issue with internal and statutory auditors and the management of the Company.

In discharging the function of the Audit Committee, the committee shall have the authority to investigate into any matter in relating to any terms specified in Section 177 or referred to it by the Board.

#### **Responsibility of the Committee:**

The Committee may assign any matter of importance nature relating to the accounts, finance, taxation, inspection and investigation from time to time and may require submitting a report to the Board on such matters within the stipulated time.

The committee on any matter relating to financial management including audit report shall submit a report to the Board from time to time.

The Board has accepted all the recommendation made by the Audit Committee.

Six Audit Committee meetings were held during the year. The details of Meetings and attendance of Directors are given below:

Date of Meeting	No. of Directors Present
25/06/2020	03
07/08/2020	03
21/08/2020	03
20/10/2020	03
23/01/2021	03
31/03/2021	03

#### Nomination and Remuneration Committee:

The company has the Nomination and Remuneration Committee. The Composition of Committee is as under:

No.	Name	Designation	Position in Committee
1.	Mr. Narendra Agrawal	Director	Chairman & Member
2.	Mr. Kalpesh Mehta	Director	Member
3.	Mr. Vinod Agrawal	Director	Member

\* Mr. Kalpesh Mehta was appointed as the Member of the Committee. Whereas

\* Mr. Pramod Agrawal resigned as the Member of the Committee.

Two NRC meeting were held during the year. The details of Meeting and attendance of Directors are given below:

Date of Meeting	No. of Directors Present
25/12/2020	03
25/03/2021	03

The Committee has been formed in terms of Section 178 of the Companies Act, 2013. The Committee shall have at least the following basic responsibilities:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To formulate and review criteria that must be followed for determining qualification for determining qualifications, positive attributes and independence of Director.
- To recommend the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees and to ensure compliance with the remuneration policy set forth by the Company.
- To propose to the Board, the members that must form part of the Committee.
- To report on the systems and on the amount of the annual remuneration of Directors and senior management.

The Remuneration Policy has been posted on the website of the Company.

#### Stakeholders Relationship Committee

The composition of Stakeholders Relationship Committee is in accordance with the Companies Act, 2013. The Composition of the Committee is as under:

No.	Name	Designation	Position in Committee
1.	Mr. Narendra Agrawal	Director	Chairman
2.	Mr. Vinod Agrawal	Director	Member
3.	Mrs. Arpita Mehta*	Director	Member

\*Mrs. Sneha Gupta has resigned as the director and members of committees. Subsequently Mrs. Arpita Mehta was appointed in her place as a Member of the Committee. After the close of the financial year, Mrs. Arpita Mehta had resigned w.e.f. 21/06/2021 and Mrs. Meenu Maheshwari was appointed as member of the Committees in her place.

#### Basic Responsibilities of the Committee:

- Considering and resolving the grievance of shareholders of the Company with respect to transfer of shares, non-receipt of annual report etc.
- Ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee.
- Evaluating performance and service standards of the Registrar & Share Transfer Agent of the Company.
- Providing guidance and making recommendation to improve service levels for investors.

Four SRC Committee meetings were held during the year. The details of Meetings and attendance of Directors are given below:

Date of Meeting	No. of Directors Present
29/06/2020	03
12/10/2020	03
28/01/2021	03
30/03/2021	03

#### Separate Meeting of Independent Directors:

A meeting of Independent Directors was held without the attendance of Non independent Directors and the members of Management. All independent Directors were present at the meeting. The following issues were discussed in detail;

- Reviewed the performance of non-independent Directors and the Board as a whole.
- Reviewed the performance of the Chairperson of the Company taking into account the views of executive Directors and non-executive Directors.

#### Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committee.

Various aspects of the Board's functioning were evaluated such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

**Cost Audit and Cost Audit Report:**

The provisions of Section 148 of the Companies Act, 2013 relating to maintenance of Cost Records and appointment of Cost auditors are not applicable to the Company.

**Prevention of Sexual Harassment at Work Place:**

Your company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has also established an Internal Committee. This year, the focus was on increasing the awareness around POSH and the working of the internal committee. During the year the company has not received any complaint.

**Conservation of energy, technology absorptions and foreign exchange earnings and outgo are as follows:**

Though the operations of the Company are not energy intensive, the Company has taken adequate measures to conserve energy and optimize its use by using energy efficient computers and equipment with latest technology. The Company has not brought any technology. There is no foreign exchange earnings or outgo during the year.

**Annual Return:**

The extract of the Annual Return in Form No. MGT 9 is annexed to the report as Annexure-A and the Annual Return of the Company has been placed on the website of the Company and can be accessed at [www.kcsl.co.in](http://www.kcsl.co.in).

**Particulars of Employees and Other Related disclosures:**

The Company has no employee drawing the remuneration in excess of limits prescribed under the Act.

The Company has few employees on its payroll. Details of remuneration paid to Directors, Non-Executive Directors and Independent Directors are disclosed in the Form MGT 9 annexed as Annexure A to the Board Report. Further there are no other employees on the payroll of the Company.

**Compliance of Secretarial Standards:**

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India.

**Deposits:**

Your Company has not accepted any deposits which fall under Chapter V and Section 73 to Section 76 of the Companies Act, 2013.

**General Shareholders Information:**

<b>27<sup>th</sup> Annual General Meeting</b>	
<b>Venue</b>	Not applicable for this meeting as the meeting will be held through Conferencing or other Audio Visual Means.
<b>Date</b>	Friday September 17 2021.
<b>Time</b>	4.00p.m.
<b>Book Closure</b>	From 10/09/2021 to 17/09/2021 (both days inclusive)

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at their meeting held separately. The Directors expressed their satisfaction with the evaluation process.

#### **Vigil Mechanism (Whistle Blower):**

Company has vigil mechanism in force to deal with instances of fraud and mismanagement if any. The mechanism ensures that strict confidentiality is maintained whilst dealing with the concern and also that no discrimination will be meted to any person for a genuinely raised concern. The Chairman of the Audit Committee may also be contacted by employees to report any suspected or concerned incident of fraud / misconduct.

The detail of the Policy has been posted on the website of the Company.

#### **Share Capital, Employee Stock Option etc.:**

The paid up equity share capital of the Company as on **March 31, 2021** is Rs. 3,15,84,000/- During the year there are no issue of equity shares with differential rights, no issue of sweat equity shares, no issue of employee stock options and no provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of the employees, the details required to be given under various rules issued under the Companies Act 2013 is NIL.

#### **Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Bipin L. Makwana, Practicing Company Secretary to conduct Secretarial Audit for the financial year 2020-2021. The secretarial Audit Report (Annexure-C) for the financial year is annexed herewith which forms a part of this report. The Secretarial Audit Report (Annexure-C) does not contain any qualification, reservation or adverse market.

#### **Auditors & Auditor's Report:**

M/s. Rinkesh Shah & Co., Chartered Accounts (FRN: 129690W) have been appointed as Statutory Auditors for a period of five years and there is no change in the same. M/s. Rinkesh Shah & Co., have given their consent to act as statutory auditors of the Company. The requirement of ratification of auditors have been withdrawn by the Companies (Amendment) Act, 2015 and hence this item was dropped from the agenda of the forthcoming annual general meeting.

M/s. Rinkesh Shah & Co. has audited the books of accounts of the Company for the financial year ended **March 31, 2021** and has issued the Auditors' Report thereon. There are no qualifications or reservations on adverse remarks or disclaimers in the said report and do not call for any further explanation or comments U/s 134 (3 (f) of the Companies Act, 2013.

#### **Particulars of Loans given, Investment made, Guarantee given and Securities provided:**

Pursuant to the provisions of Section 186 of the Act, the disclosure regarding particulars of loan given, guarantee given and security are given in notes to the financial statement.

**Listing of Shares:**

The securities of the Company are listed at BSE and Ahmedabad Stock Exchange. ISIN of the Company is **INE897B01019**. The Company has paid listing fee for the year 2020-2021.

**Registrar and Share Transfer Agents: (R & T)**

The Company has appointed MCS Share Transfer Agents Ltd., 101, Shatdal Complex, Opp. Bata Showroom, Ashram Road, Ahmedabad: 380009 as Registrar and Transfer Agents for electronics shares. The average time taken in transfer of shares is 15 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.

**Acknowledgment:**

Your Directors wish to place on record their deep sense of gratitude to the Shareholders, bankers, Government Institutions and regulatory bodies for their continued assistance, support and cooperation. Our sincere thanks are also due to our esteemed other business constituents and finally to employees of the Company for their untiring efforts and commitment to their duties.

By Order of the Board  
For, **Krishna Capital & Securities Ltd**

SD/-

**Ashok Agrawal**

Chairman & Managing Director  
DIN 00944735

**Registered Office:**

403, Mauryansh Elanza,  
B/h. Parekh Hospital,  
Shyamal Cross Road  
Satellite,  
Ahmedabad: 3800 15

Place: Ahmedabad

Date: 17/08/2021



**Annexure-A to Board Report  
Form No. MGT -9**

Extract of Annual Return as on Financial Year ended on **March 31, 2021**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L67120GJ1994PLC023803
2.	Registration Date	7 <sup>th</sup> December, 1994
3.	Name of the Company	Krishna Capital and Securities Limited
4.	Category / sub Category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of Regd. Office and Contact details	<b>Registered Address:</b> 403, Mauryansh Eianza, B/h Parekh's Hospital, Shyamal Cross Road, Satellite, Ahmedabad: 380015. Landline No: + 91 (079) 26768572,26768573 Email Id : ksbspl@yahoo.in Website : www.kcsl.co.in
6.	Whether listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited Address: 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad: 380009 Landline No. : +91 (079) 26582880 Email Id : mcsahmd@gmail.com Website : www.mcsdel.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Financial and Related Services	9971	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company.	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Palco Metals Limited B-209, 2nd Floor, Mondeal Square Nr. Prahaldnagar Garden, Prahaldnagar Ahmedabad: 380015	L27310GJ1960PLC000998	Associate	34%	2 (6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### 1. Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promoter and Promoter Group<sup>P2</sup></b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	994166	-	994166	31.48	994166	-	994166	31.48	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	359726	-	359726	11.39	359726	-	359726	11.39	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (1)</b>	<b>1353892</b>	<b>-</b>	<b>1353892</b>	<b>42.87</b>	<b>1353892</b>	<b>-</b>	<b>1353892</b>	<b>42.87</b>	<b>-</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Non-Resident Individuals /	-	-	-	-	-	-	-	-	-
(b)	Other-Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/ FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter (A)= (A) (1) + (A) (2)</b>	<b>1353892</b>	<b>-</b>	<b>1353892</b>	<b>42.87</b>	<b>1353892</b>	<b>-</b>	<b>1353892</b>	<b>42.87</b>	<b>-</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Bank/ Financial Institutions	-	-	-	-	-	-	-	-	-



(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Other (specify)	-	-	-	-	-	-	-	-	-
(2)	<b>Non-Institutions</b>									
(a)	Bodies Corporate	25602	267000	292602	9.26	25602	267000	292602	9.26	-
(b)	Individual	-	-	-	-	-	-	-	-	-
	I. Individual Shareholders holding nominal share capital up to Rs.2 lakhs.	400695	979600	1380295	43.70	380276	971000	1351276	42.78	(0.91)
	II. Individual Shareholders holding nominal share capital in excess of Rs.2 lakh.	20100	27900	48000	1.52	57436	27900	48336	2.70	1.18
(c)	Others	-	-	-	-	-	-	-	-	-
	i) Hindu undivided Families	23909	-	23909	0.76	15594	-	15594	0.49	(0.27)
	ii) Non Resident Individual	-	59700	59700	1.89	-	59700	59700	1.89	-
	<b>Sub-Total (B)(2)</b>	<b>470308</b>	<b>1334200</b>	<b>1804508</b>	<b>57.13</b>	<b>478908</b>	<b>1325600</b>	<b>1804508</b>	<b>57.13</b>	<b>-</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>470308</b>	<b>1334200</b>	<b>1804508</b>	<b>57.13</b>	<b>478908</b>	<b>1325600</b>	<b>1804508</b>	<b>57.13</b>	<b>-</b>
	<b>TOTAL (A)+(B)</b>	<b>1824200</b>	<b>1334200</b>	<b>3158400</b>	<b>100.00</b>	<b>1824200</b>	<b>1334200</b>	<b>3158400</b>	<b>100.00</b>	<b>-</b>

(C)	Shares held by Custodians for GDRs/ ADRs	-	-	-	-	-	-	-	-	-
	Promoter & Promoter Group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A)+(B)+(C)</b>	<b>1824200</b>	<b>1334200</b>	<b>3158400</b>	<b>100.00</b>	<b>1832800</b>	<b>1325600</b>	<b>3158400</b>	<b>100.00</b>	<b>-</b>

#### i) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year.			% Change In Share holding During the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Ankit Kirankumar Agrawal	194800	6.17	-	194800	6.17	-	-
2	Ashok B. Agrawal HUF	74000	2.34	-	74000	2.34	-	-
3	Ashok Babulal Agrawal	202100	6.40	-	202100	6.40	-	-
4	Jitendra A Agrawal HUF	766	0.02	-	766	0.02	-	-
5	Jitendra Ashok Agrawal	500	0.02	-	500	0.02	-	-
6	Kamladevi Babulal Agrawal	17100	0.54	-	17100	0.54	-	-
7	Kirankumar B. Agrawal HUF	31200	0.99	-	31200	0.99	-	-
8	Kirankumar Babulal Agrawal	34200	1.08	-	34200	1.08	-	-
9	Krishna Sharebroking Ser. (P) Ltd	70500	2.23	-	70500	2.23	-	-
10	Megha Pankaj Agrawal	1000	0.03	-	1000	0.03	-	-
11	Nidhi Ankit Agrawal	1000	0.03	-	1000	0.03	-	-
12	Pankaj Vinod Agrawal	89300	2.83	-	89300	2.83	-	-
13	Radius Global Private Ltd	289226	9.16	-	289226	9.16	-	-
14	Rahul Vinodkumar Agrawal	1000	0.03	-	1000	0.03	-	-
15	Rajkumar Ashok Agrawal	41100	1.30	-	41100	1.30	-	-
16	Rakhi Jitendra Agrawal	10000	0.32	-	10000	0.32	-	-
17	Rakhi Tarun Garg	101000	3.20	-	101000	3.20	-	-
18	Santosh Vinod Agrawal	22100	0.70	-	22100	0.70	-	-
19	Urmila Kirankumar Agrawal	80000	2.53	-	80000	2.53	-	-
20	Vinod B. Agrawal HUF	13000	0.41	-	13000	0.41	-	-
21	Vinod Babulal Agrawal	80100	2.54	-	80100	2.54	-	-
	<b>TOTAL</b>	<b>1353892</b>	<b>42.87</b>	<b>-</b>	<b>1353892</b>	<b>42.87</b>	<b>-</b>	<b>-</b>

ii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
01	At the beginning of the year	1353892	42.87	1352892	42.87
	Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.)	No change during the year	No change during the year	No change during the year	No change during the year
	At the End of the year	1353892	42.87	1353892	42.87

iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (as on 31/03/2021)

Sl. No.	Name of the Shareholder	For Each of the Top Ten Shareholders of the Company	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	M/s. Tirupatl Finlease Limited	At the beginning of the year	268000	8.48	268000	8.48
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	268000	8.48	268000	8.48
2.	Mrs. Savitaben Danaram Medtiya	At the beginning of the year	-	-	-	-
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	37336	1.18	37336	1.18
		At the End of the year	37336	1.18	37336	1.18

3.	Mrs. Aruna M. Shah	At the beginning of the year	27900	0.88	27900	0.88
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	27900	0.88	27900	0.88
4.	Mr. Rajendra Babulal Shah	At the beginning of the year	20100	0.64	20100	0.64
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	20100	0.64	20100	0.64
5.	Mr. Uday H Vora	At the beginning of the year	16700	0.52	16700	0.52
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	16700	0.52	16700	0.52
6.	Mr. Kamalkishore D Jain	At the beginning of the year	15700	0.50	15700	0.50
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	15700	0.50	15700	0.50
7.	Mr. Rajesh Natvarlal Leuva	At the beginning of the year	13850	0.44	13850	0.44
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	1205	0.04	1205	0.04
		At the End of the year	15055	0.48	15055	0.48

8.	Mrs. Minaxi Shah	At the beginning of the year	15000	0.47	15000	0.47
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	15000	0.47	15000	0.47
9.	Mrs. Durgadevi B Goyal & Prakashkumar Kohla	At the beginning of the year	14200	0.45	14200	0.45
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	14200	0.45	14200	0.45
10.	Mr. Kailesh Desai	At the beginning of the year	14000	0.44	14000	0.44
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	14000	0.44	14000	0.44

iv) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	For Each of the Top Ten Shareholders of the Company	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Ashok Agrawal (Managing Director)	At the beginning of the year	202000	06.40	202000	06.40
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	202000	06.40	202000	06.40

2.	Mr. Vinod Agrawal (Director & Chief Finance Officer)	At the beginning of the year	80100	2.54	80100	2.54
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	80100	2.54	80100	2.54
3.	Mr. Narendra Agrawal	At the beginning of the year	-	-	-	-
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	-	-	-	-
4.	Mr. Kalpesh Mehta	At the beginning of the year	-	-	-	-
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	-	-	-	-
5.	Mrs. Arpita Mehta	At the beginning of the year	-	-	-	-
		Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	-	-	-	-
6.	Mrs. Meenu Maheshwari	At the beginning of the year	-	-	-	-
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for Increase / decrease (e.g. allotment / Transfer / bonus/ sweat equity etc.):	No change during the year	No change during the year	No change during the year	No change during the year
		At the End of the year	-	-	-	-

B. Remuneration to Other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			(Amount in Rs.) Total Amount
		Mr. Kalpesh Mehta	Mr. Narendra Agrawal	Mrs. Arpita Mehta	
1.	<b>Independent Directors</b>	-	-	-	-
	For attending board / committee meetings	15000	-	15000	30000
	Commission	-	-	-	-
	Other, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2.	<b>Other Non-Executive Directors</b>	-	-	-	-
	For attending board/ committee meetings	-	-	-	-
	Commission	-	-	-	-
	Other, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	15000	-	15000	30000
	<b>Total Managerial Remuneration</b>	15000	-	15000	30000

Note: Mr. Narendra Agrawal had voluntarily desired not to accept sitting fees

C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			(Amount in Rs.) Total
		Mr. Vinod Agrawal CFO	Ms. Shweta Saparia (Company Secretary)*		
1	Gross salary	-	408000		408000
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-		-
(b)	Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-		-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	-as % of Profit	-	-		-
	-Other (Specify)	-	-		-
5	Others Please specify	-	408000		408000
	<b>Total (C)</b>	-	408000		408000



**Note:** During the year, Mr. Pramod Agrawal and Mrs. Sneha Gupta resigned as directors of the company. After the close of the financial year Mrs. Arpita Mehta also resigned as Director w.e.f 21/06/2021 and Mrs. Meenu Maheshwari was appointed as Independent director in her place

**v) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
1. Principal Amount	-	-	-	-
2. Interest due but not paid				
3. Interest accrued but not due				
<b>Total (1+2+3)</b>	-	-	-	-
<b>Change in indebtedness during the financial year</b>				
Addition				
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
1. Principal Amount	-	-	-	-
2. Interest due but not paid				
3. Interest accrued but not due				
<b>Total (1+2+3)</b>	-	-	-	-

**vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		Mr. Ashok Agrawal	
1	Gross Salary		
(a)	Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	600000	600000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	-as % of Profit	-	-
	-Other (Specify)	-	-
5	Others Please specify	-	-
	<b>Total (A)</b>	<b>600000</b>	<b>600000</b>
	<b>Ceiling as per the Act</b>	Below the limit prescribed under Schedule V of the Act.	Below the limit prescribed under Schedule V of the Act.





vii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(Amount In Rs.)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees Imposed	Authority RD / NCLT / COURT	Appeal made, If any (give Details)
<b>A. COMPANY</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board  
For, Krishna Capital & Securities Ltd  
sd/-  
**Ashok Agrawal**  
Chairman & Managing Director  
DIN 00944735

**Registered Office :**

403, Mauryansh Elanza,  
B/h. Parekh Hospital,  
Shyamal Cross Road, Satellite,  
Ahmedabad: 380015

Place: Ahmedabad

Date: 17/08/2021



Annexure: B to the Board Report  
FORM NO: AOC-1

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures  
(Pursuant to first provision to sub-section (3) section 129 read with rule 5 of Companies (Accounts) Rules, 2014

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with Amount in Rs.)

01.	Serial No	N.A.
02.	Name of the Subsidiary	N.A.
03.	Reporting period for the Subsidiary concerned, if different from the holding Company's reporting period	N.A.
04.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.
05.	Share Capital	N.A.
06.	Reserve & Surplus	N.A.
07.	Total Assets	N.A.
08.	Total Liabilities	N.A.
09.	Investments	N.A.
10.	Turnover	N.A.
11.	Profit Before Taxation	N.A.
12.	Provision for Taxation	N.A.
13.	Profit after Taxation	N.A.
14.	Proposed Dividend	N.A.
15.	% of Shareholding	N.A.

**Part "B": Associates and Joint-Ventures-**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

01.	Name of Associate / Joint Ventures	Palco Metals Limited
02.	Latest Audited Balance Sheet Date	31/03/2021
03.	Shares of Associates / Joint Ventures held by the Company on the Year End	
	No of Shares	13,60,000 Shares
	Amount of Investment in Associates / Joint Venture	19,00,000.00
	Extend of Holding	Nil
04.	Description of how there is significant influence	Holding of 34%
05.	Reason why the Associate / Joint Venture is not Consolidate d	N.A.
06.	Networth Attributable to Shareholding as per Latest Audited Balance Sheet	79210187/-
07.	Profit / Loss For The year	104430/-
	Considered in Consolidation	Yes
	Not Considered in Consolidation	N.A.



**Notes:**

1. Names of Associates or Joint Ventures which are yet to commence operations. Nil
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year. Nil

**By Order of the Board  
For, Krishna Capital & Securities Ltd**

**Sd/-**

**Ashok Agrawal  
Managing Director  
DIN 00944735**

**Sd/-**

**Vinod Agrawal  
Director & CFO  
DIN 00413378**

**Sd/-**

**Shweta Saparia  
Company Secretary  
Membership No: A57041**

**Registered Office :**  
403, Mauryansh Elanza,  
B/h. Parekh Hospital,  
Shyamal Cross Road, Satellite,  
Ahmedabad: 380015

Place: Ahmedabad  
Date: 17/08/2021

**For, Rinkesh Shah & Co.  
(Chartered Accountants)  
FRN: 129690W**

**Sd/-**

**CA Rinkesh Shah  
(Partner)  
Membership No: 131783**



**Annexure C- Board report**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT For the financial year ended 31st March, 2021**

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,

**Krishna Capital and Securities Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **KRISHNA CAPITAL AND SECURITIES LIMITED** (hereinafter called 'the Company') for the audit period covering the financial year ended on **31st March, 2021**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanation and clarification given to me and the representation made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021**, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on **31st March, 2021** according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable during audit period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ; (Not applicable during audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during audit period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during audit period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during audit period);
- vi. Other Laws applicable specifically to the Company namely.
- a. Reserve Bank of India Act, 1934.
  - b. Gujarat State Tax on Professions, Trade, Callings and Employment Act, 1976.
  - c. Gujarat Shops & Establishment Act, 1976.

I have also examined compliance with the applicable clauses of the following;

- i. Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs;
- ii. The Listing Agreement entered into by the Company with BSE Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that based on the information provided by the Company, its officers there exists adequate systems, process and control commensurate with the size and operation of the Company to monitor and ensure compliance of other laws. I have not reviewed the compliance by the company of applicable financial laws like direct and indirect tax laws as the same has been reviewed and compliance thereof reported by the other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. No changes in the composition of the Board of Directors have taken place during the period under review.



Adequate notice was given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board meetings were taken unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to above.

I further report that during the audit period there were no other specific event/action in pursuance to the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

**SD/-**

**Bipin L. Makwana**

Copmany Secretary in Practice

ACS 15650 / C. P. No.5265

UDIN: A015650C000392246

**Registered Office :**

403, Mauryansh Elanza,  
B/h. Parekh Hospital,  
Shyamal Cross Road, Satellite,  
Ahmedabad: 380015

Place: Ahmedabad

Date: 29/05/2021

**Note:** This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.



**Annexure I**

**[To the Secretarial Audit Report for the Financial Year ended 31st March, 2021]**

To,  
The Members,

**Krishna Capital and Securities Limited**

My Report of even date is to be read along with this letter

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are responsibility of management of the Company. My responsibility is to express an opinion on these Secretarial records and compliance based on my audit.
2. I have followed audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide reasonable basis for my opinion.
3. I have not verified correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

**Sd/-**

**Bipin L. Makwana**

Company Secretary in Practice

ACS 15650/ C. P. No.5265

UDIN: A015650C000392246

Place: Ahmedabad

Date: 29/05/2021



**KRISHNA CAPITAL AND SECURITIES LIMITED**

[CIN: L67120GJ1994PLC023803]

Regd. Office: 403, Mauryansh Elanza, B/h Parekh Hospital, Shyamal Cross Roads, Satellite, Ahmedabad: 380015

Phone: 26768572, Fax: 26768572/ 73,

Email: ksbspl@yahoo.in, Website: www.kcsl.co.in

**Annexure-D to Board Report – Disclosure on Managerial Remuneration**

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

1	No of Permanent Employees on the rolls of the Company	02		
2	The percentage increase in the median remuneration of employees in Current Financial Year.	There is no change in percentage as there is no increase in remuneration during the year.		
3	Relationship between the average increase in remuneration and the Company's performance	Not applicable as there is no increase in remuneration of employees.		
4	Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration.	There is no increase in remuneration of employees, managerial personnel and KMP		
5	Percentage increase in the remuneration of each Director and key managerial personnel in the Current Financial Year.	<b>Names</b>	<b>Designation</b>	<b>Increase in Remuneration</b>
		Mr. Ashok Agrawal	Managing Director	Nil
		Miss. Shweta Saparia	Company Secretary	Nil
		Further details are given in MGT-9.		
6	Remuneration of each Director to the median employees' remuneration (times)	<b>Name</b>	<b>Designation</b>	<b>Remuneration of Directors' to median employees' remuneration (times)</b>
		Mr. Ashok Agrawal	Managing Director	1.47
		Miss. Shweta Saparia	Company Secretary	1.00
		Market Capitalization 2,36,22,200/- and PE ratio 7.48 for the current year and previous year PE ratio 15.28 and market capitalization 4,82,53,333/-		
7	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year			



8	Key parameters for any variable component of remuneration availed by the Directors	Sitting Fees of Rs. 15000 each was paid to Mr. Kalpesh Mehta & Mrs. Arpita Mehta, Non-Executive Independent Directors for Board meetings/Committee Meeting. The component involved in remuneration of executive Director / KMP are Salary, Perquisites and annual bonus if any. The Company does not have Stock Option Scheme.
9	Employees (who are not Directors) who received remuneration in excess of the highest paid Director of the Company during the year.	There are no employees (who are not Directors) who received remuneration in excess of the highest paid Director of the Company during the year.

Details of remuneration as required under Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

Nil as there is no employee drawing the remuneration in excess of limits prescribed under the aforesaid Rules.

By Order of the Board  
**For, Krishna Capital & Securities Ltd**  
sd/-  
**Ashok Agrawal**  
Chairman & Managing Director  
DIN 00944735

**Registered Office :**  
403, Mauryansh Elanza,  
B/h. Parekh Hospital,  
Shyamal Cross Road, Satellite,  
Ahmedabad: 380015

Place: Ahmedabad  
Date: 17/08/2021



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

### **KRISHNA CAPITAL & SECURITIES LIMITED**

Ahmedabad

### **Report on the Standalone Financial Statements**

#### **Opinion**

- 1 We have audited the accompanying Standalone Financial Statements of **Krishna Capital & Securities Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2021**, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the state of affairs of the Company as at **March 31, 2021** its profits (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion.**

- 3 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information other than the Standalone Financial Statements and Auditor's Report thereon.**

- 4 The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements.**

- 5 The company's board of directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair of the financial position, financial performance including other comprehensive Income, cash flows and changes in equity of the company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent and the design implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to preparation and presentation of the Standalone Financial Statements that give true and fair view and are free from material misstatement, whether due to fraud or error.
- 6 In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements.**

- 8 Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
- 9 As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - a Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - b Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - c Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - e Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - f Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work, and (ii) to evaluate the effect of any identified misstatements.
- 10 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 11 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 12 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

- 13 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act & on the basis of such checks of books & records of the company as we consider appropriate and according to the information and explanation given to us, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- 14 As required by section 143(3) of the Act, we report that:
- a We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from the examination of those books;
  - c The balance sheet, the statement of profit and loss including the statement of other Comprehensive Income, cash flow statement and statement of changes in Equity dealt with in this Report are in agreement with the

books of accounts;

- d In our opinion, the aforesaid Standalone Financial Statements comply with accounting Standards specified under section 133 of the Act.
- e On the basis of written representations received from the directors as on **31st March, 2021** and taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2021** from being appointed as a directors in terms of sections 164(2) of the act;
- f With respect to the adequacy of the internal financial controls over Financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in the "Annexure 2" to this report;
- g In our opinion, the managerial remuneration for the year ended **March 31, 2021** has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit And Auditors) Rules, 2014 in our opinion and to the best of our Information and according to the explanations given to us:
  - I The Company does not have any pending litigation that have impact on its financial position in its Standalone Financial Statements:
  - ii The Company did not have any material foreseeable losses in long term contract including derivative contracts during the year ended **March 31, 2021**.
  - iii There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

**For RINKESH SHAH & Co.**  
Chartered Accountants  
FRN 129690W

**SD/-**

**CA RINKESH SHAH**

Partner

M. No.: 131783

UDIN:21131783AAAABD4006

Place : Ahmedabad

Date : 29-05-2021

### ANNEXURE-1 TO INDEPENDENT AUDITOR'S REPORT

Annexure-1 referred to in Paragraph 14 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended **March 31, 2021**.

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipments;
- (b) All Property Plant & Equipments have been physically verified by the management during the year, there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;
- (c) According to the information and explanations given by the management, the title deeds of Immovable properties included in property, plant and equipment are held in the name of the Company.
- 2 The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- 3 According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in register maintained under section 189 of companies Act, 2013. Accordingly, the provision of clause 3(iii) (a), (b), and (c) of the order is not applicable to the company and hence not commented upon.
- 4 In our opinion and according to the information and explanations gives to us, the Company has complied provisions of section 185 and 186 of The Companies Act, 2013 wherever applicable in transactions of advancing any loans or investments, giving guarantees, and providing any securities during the year.
- 5 In our opinion and according to the information and explanations gives to us , the Company has not accepted any deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of deposits) Rules, 2014 (as amended) framed there under. Accordingly, the provisions of this clause of the order are not applicable.
- 6 The central government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013.
- 7 (a) The Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, goods and service tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales-tax, duty of custom, duty of excises, value added tax, cess and other statutory dues were outstanding, at the year end for a period of more than six months from date they became payable.
- 8 Based on audit procedures and according to the information and explanations given by the management the company has not defaulted in repayment of loans or borrowing to a bank.
- 9 The Company has not raised any money by way of Initial public offer / further public offer/debt instruments and term loans hence reporting under this clause of the order is not applicable to the Company and hence not commented upon.
- 10 Based on audit procedure performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud



by the Company or no fraud /material fraud on the Company by the officer and employees of the Company has been noticed or reported during the year.

- 11 According to the information and explanations given by the management, the managerial remuneration has been paid /provided in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- 12 As the Company is not a Nidhi Company Consequently the Nidhi Rules, 2014 are not applicable to it, the provisions of this Clause of the Order are not applicable to the Company.
- 13 The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required under Ind AS.
- 14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of this Clause of the Order are not applicable to the Company.
- 15 According to the information and explanations given by the management, the Company has not entered into any non cash transactions with its Directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, the provisions of this Clause of the Order are not applicable to the Company.
- 16 The Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

**For RINKESH SHAH & Co.**  
Chartered Accountants  
FRN 129690W

**SD/-**

**CA RINKESH SHAH**  
Partner  
M. No.: 131783

Place : Ahmedabad  
Date : 29-05-2021

## ANNEXURE-2 TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Krishna Capital & Securities Limited on the standalone financial statements for the year ended **March 31, 2021**.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

- 1 We have audited the internal financial controls over financial reporting of Krishna Capital & Securities Limited as of **March 31, 2021** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Opinion

- 2 In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2021**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls.

- 3 The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, 2013.

### Auditors' Responsibility

- 4 Our responsibility is to express an opinion on the Company's internal financial controls over financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards On Auditing deemed to be prescribed under section 143(10) of the Act, 2013 to the extent applicable to the audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- 5 Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone Financial Statements.**

- 7 A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Standalone Financial Statements.**

- 8 Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For RINKESH SHAH & Co.**  
Chartered Accountants  
FRN 129690W

SD/-

**CA RINKESH SHAH**  
Partner  
M. No.: 131783

Place : Ahmedabad  
Date : 29-05-2021



**BALANCE SHEET (STANDALONE)**  
As At End of Current Reporting Period 31st March, 2021

Particulars	Note No	As at 31-03-2021	As at 31-03-2020
<b>ASSETS</b>			
<b>I. Financial Assets</b>			
(a) Cash and Cash Equivalents	7	2,73,392	1,14,923
(b) Trade Receivables	8	19,01,351	20,96,324
(c) Short-Term Loans and Advances	9	3,78,33,537	3,53,73,241
(d) Investments	10	55,93,330	55,52,030
<b>II Non Financial Assets</b>			
(a) Inventories	11	77,175	8,22,000
(b) Property, Plant & Equipment	12	71,756	75,420
<b>Total</b>		<b>4,57,50,541</b>	<b>4,40,33,938</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I LIABILITY</b>			
<b>Financial Liabilities</b>			
-			
<b>Non Financial Liabilities</b>			
(a) Current Tax Liabilities	13	2,92,954	1,05,588
(b) Deferred Tax Liabilities		3,375	2,629
<b>II EQUITY</b>			
<b>Shareholder's Funds</b>			
(a) Equity Share Capital	14	3,15,84,000	3,15,84,000
(b) Other Equity	15	1,38,70,212	1,23,41,721
<b>Total</b>		<b>4,57,50,541</b>	<b>4,40,33,938</b>

The Accompanying Notes form an integral part of these Financial Statements.

As per our report of even date

For, Rinkesh Shah & Co.  
(Chartered Accountants)  
FRN: 129690W

SD/-  
CA Rinkesh Shah  
(Partner)  
Membership No: 131783

Place: Ahmedabad

Date: 29-05-2021

For and on Behalf of the Board of Directors  
Krishna Capital & Securities Limited

SD/-	SD/-
Ashok Agrawal	Vinod Agrawal
Managing Director	Director & CFO
DIN No: 00944735	DIN No: 00413378

SD/-  
Shweta Arvindbhai Saparia  
Company Secretary  
Membership No: A57041



Krishna Capital & Securities Limited, Ahmedabad

**STATEMENT OF PROFIT & LOSS (STANDALONE)**

**For The Current Reporting Period Ended on 31st March, 2021**

Particulars	Note No	As at 31-03-2021	As at 31-03-2020
(I) Revenue From Operations			
Interest Income	16	31,65,876	40,12,234
Dividend Income		100	130
Net Gain on Fair Value Changes	17	1,34,017	-
Sales		15,24,753	13,461
<b>Total Income</b>		<b>48,24,746</b>	<b>40,25,825</b>
(II) Expenses:			
Net loss on Fair Value Changes	17	-	14,28,066
Purchase of Stock-In-Trade	18	2,61,072	8,90,300
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	7,44,825	(7,33,444)
Employee Benefit Expense	20	12,15,000	10,08,000
Depreciation and Amortization Expense	12	3,664	3,852
Other Expenses	21	7,77,994	7,52,205
<b>Total Expenses</b>		<b>30,02,555</b>	<b>33,48,979</b>
(III) Profit Before Exceptional Items and Tax		18,22,191	6,76,846
(IV) Exceptional Items		-	-
(V) Profit Before Tax (V - VI)		18,22,191	6,76,846
(VI) Tax Expense:			
(1) Current tax		2,92,954	1,05,588
(2) Deferred tax		746	616
(VII) Profit(Loss) For the Period (PAT)		15,28,491	5,70,642
(VIII) Other Comprehensive Income (OCI)		-	-
(IX) Total Comprehensive Income for the Period		15,28,491	5,70,642
(X) Earning Per Equity Share:			
(1) Basic		0.48	0.18
(2) Diluted		0.48	0.18

The Accompanying Notes form an integral part of these Financial Statements.

As per our report of even date

For, Rinkesh Shah & Co.  
(Chartered Accountants)  
FRN: 129690W

SD/-  
CA Rinkesh Shah  
(Partner)  
Membership No: 131783

Place: Ahmedabad

Date: 29-05-2021

For and on Behalf of the Board of Directors  
Krishna Capital & Securities Limited

SD/- SD/-  
Ashok Agrawal Vinod Agrawal  
Managing Director Director & CFO  
DIN No: 00944735 DIN No: 00413378

SD/-  
Shweta Arvindbhai Sapatia  
Company Secretary  
Membership No: A57041



**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2021**

Particulars	F.Y. 2020-2021	F.Y. 2019-2020
<b>(A) Cash Flow From Operating Activities</b>		
Net Profit / (Loss) For The Period (After Tax)	15,28,491	5,70,642
Adjustment For Non Cash Items		
Deferred Tax Assets / Liability Created	746	616
Depreciation	3,664	3,852
Dividend Income Earned	(100)	(130)
Income Tax Provision	2,92,954	1,05,588
Interest Received on Loan	(31,65,876)	(40,12,234)
Gain / (Loss) on Mark to Market of Investment	(41,300)	32,940
<b>Cash Flow Before Change in Working Capital</b>	<b>(13,81,421)</b>	<b>(32,98,726)</b>
Change in Working Capital		
Increase / Decrease In Trade Receivable	1,94,973	11,40,642
Increase / Decrease in Loans & Advances	(24,60,298)	(4,95,477)
Increase / Decrease In Inventories	7,44,825	(7,33,444)
Increase / Decrease In Other Liability	1,87,366	(4,30,279)
Increase / Decrease In Trade Payable	-	-
Cash Flow Before Tax	<b>(27,14,555)</b>	<b>(38,17,284)</b>
Tax Paid	(2,92,954)	(1,05,588)
<b>Net Cash Flow From Operating Activities</b>	<b>(30,07,509)</b>	<b>(39,22,872)</b>
<b>(B) Cash Flow From Investing Activities</b>		
Interest Received	31,65,876	40,12,234
Dividend Income Earned	100	130
<b>Net Cash Flow From Investing Activities</b>	<b>31,65,976</b>	<b>40,12,364</b>
<b>(C) Cash Flow From Financing Activities</b>		
<b>Net Cash Flow From Financing Activities</b>	-	-
<b>Net Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,58,469</b>	<b>89,492</b>
Cash & Cash Equivalents as at 1st April (Opening Balance)	1,14,923	25,431
Cash & Cash Equivalents as at 31st March (Closing Balance)	2,73,392	1,14,923
	<b>1,58,469</b>	<b>89,492</b>
<b>Breakup of Cash &amp; Cash Equivalents as on 31st March</b>	<b>Rs</b>	<b>Rs</b>
Balance with Banks		
HDFC Bank Limited	2,51,191	1,00,622
Cash In Hand	22,201	14,301
<b>Total</b>	<b>2,73,392</b>	<b>1,14,923</b>

**Note:** Previous Year's Figure have been Regrouped / Rearranged where ever considered necessary.

As per our report of even date

**For, Rinkesh Shah & Co.**  
**(Chartered Accountants)**  
**FRN: 129690W**

SD/-  
**CA Rinkesh Shah**  
**(Partner)**  
**Membership No: 131783**

Place: Ahmedabad

Date: 29-05-2021

**For and on Behalf of the Board of Directors**  
**Krishna Capital & Securities Limited**

SD/-  
**Ashok Agrawal**  
**Managing Director**  
**DIN No: 00944735**

SD/-  
**Vinod Agrawal**  
**Director & CFO**  
**DIN No: 00413378**

SD/-  
**Shweta Arvindbhal Saparia**  
**Company Secretary**  
**Membership No: A57041**



**Statement of Change in Equity For the Year Ended March 31, 2021**

**A. Share Capital**

Particulars	As at	Issued During the Year	As at	Issued During the Year	As at
	01-04-2019		31-03-2020		31-03-2021
No of Shares	31,58,400	-	31,58,400	-	31,58,400
Amount	3,15,84,000	-	3,15,84,000	-	3,15,84,000

**B. Other Equity**

Particulars	Statutory Reserves	Surplus in Profit & Loss	Total
<b>Balance as at 01/04/2019</b>	44,69,614	73,01,465	1,17,71,079
Additions During the Year	1,35,369	-	1,35,369
Profit During the Year	-	5,70,642	5,70,642
Transferred to Statutory Reserves	-	(1,35,369)	(1,35,369)
<b>Balance as at March 31, 2020</b>	46,04,983	77,36,738	1,23,41,721
<b>Balance as at 01/04/2020</b>	46,04,983	77,36,738	1,23,41,721
Additions During the Year	3,64,438	-	3,64,438
Profit During the Year	-	15,28,491	15,28,491
Transferred to Statutory Reserves	-	(3,64,438)	(3,64,438)
<b>Balance as at March 31, 2021</b>	49,69,421	89,00,791	1,38,70,212

As per our report of even date

For, Rinkesh Shah & Co.  
(Chartered Accountants)  
FRN: 129090W

SD/-  
CA Rinkesh Shah  
(Partner)  
Membership No: 131783

Place: Ahmedabad  
Date: 29-05-2021

For and on Behalf of the Board of Directors  
Krishna Capital & Securities Limited

SD/- Ashok Agrawal Managing Director DIN No: 00944735	SD/- Vinod Agrawal Director & CFO DIN No: 00413378
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SD/-  
Shweta Arvindbhai Saparfa  
Company Secretary  
Membership No: A57041



**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED ON MARCH 31, 2021

**1 CORPORATE INFORMATION**

**Krishna Capital & Securities Limited** ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited. The registered office of the company is located at Satellite, Ahmedabad. The Company is engaged in the business of lending of capital and trading of securities. The Company Non - Banking Finance Company (NBFC) (Non Deposit Taking Company) registered with the Reserve Bank of India and Ministry of Corporate Affairs. The registration details are as follows: RBI01.00176 Corporate Identity Number (CIN) L67120GJ1994PLC023803.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors at its meeting held on May 29, 2021.

**2 BASIC OF PREPARATION**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated. The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities, Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

**3. PRESENTATION OF FINANCIAL STATEMENT**

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i The normal course of Business.
- ii The event of Default.
- iii The event of insolvency or bankruptcy of the Company and/or its counterparties.

Derivative assets and liabilities with master netting arrangements (eg. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

**4 STATEMENT OF COMPLIANCE**

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

## 5 SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Financial Instruments

#### i Classification of Financial Instruments

The Company classifies its financial assets into the following measurement categories:

- \* Financial assets to be measured at amortised cost.
- \* Financial assets to be measured at fair value through other comprehensive income.
- \* Financial assets to be measured at fair value through profit or loss account.

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

#### Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- \* How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- \* The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- \* How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)\*
- \* The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward

#### The Solely Payments of Principal and Interest (SPPI) Test.

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities

**ii Financial Assets Measured at Amortised Cost**

Debt instruments- These financial assets comprise bank balances, Loans, investments and other financial assets. Debt instruments are measured at amortised cost where they have:

- a contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding and;
- b are held within a business model where objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

**iii Financial Assets Measured at fair value through other Comprehensive Income**

**Debt Instruments.**

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

- a contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

As at reporting date, there are no debt instruments measured at FVOCI.

**Equity Instruments.**

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 "Business Combination applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at FVOCI.

**iv Items at fair value through Profit or Loss**

Items at fair value through profit or loss comprise:

- \* Investments (including equity shares) held for trading;
- \* Items specifically designated as fair value through profit or loss on initial recognition; and;
- \* debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

**Financial instruments held for Trading.**

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.



Trading derivatives and trading securities are classified as held for trading and recognised at fair value. Financial instruments designated as measured at fair value through profit or loss. Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- \* if a host contract contains one or more embedded derivatives; or
- \* if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

#### **v Derivatives**

A derivative is a financial instrument or other contract with all three of the following characteristics:

- \* Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- \* It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- \* It is settled at a future date.

Changes in the fair value of derivatives are included in net gain on fair value changes.

#### **vi Debt Securities and Other Borrowed Funds**

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR). There are no Debt securities and borrowed funds in the company at the reporting date.

#### **vii Financial Guarantees**

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- \* The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

#### viii Reclassification of Financial Assets and Liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2018-19 and until the year ended **March 31, 2020**.

#### ix Recognition and Derecognition of Financial Assets and Liabilities

##### Recognition:

- a Loans and Advances are initially recognized when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.
- b Investments are initially recognised on settlement date.
- c Debt securities, deposits and borrowings initially recognised when funds reach Company.
- d Other Financial assets and liabilities initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place

##### Derecognition of Financial Assets other than due to Substantial Modification

##### a Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- i The Company has transferred its contractual rights to receive cash flows from the financial asset, or
- ii It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- i The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- ii The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- iii The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either.

- i The Company has transferred substantially all the risks and rewards of the asset, or
- ii The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

- b Financial Liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and loss. As at the reporting date the company does not have any financial liabilities which have been derecognised.

#### **x Impairment of Financial Assets**

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination,

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

##### **Stage:1**

All exposures where there has not been a significant increase in credit risk since initial recognition or that has

low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

**Stage:2**

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

**Stage:3**

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

**Financial Guarantee Contracts**

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognized in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the company has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

**xi Write-offs**

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

**xii Fair Value Measurement:**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- \* In the principal market for the asset or liability, or
- \* In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level:1**

Quoted(unadjusted)market prices in active markets for identical assets or liabilities.

**Level:2**

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level:3**

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 5.2 Revenue from operations

i Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed.

- a As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b By considering all the contractual terms of the financial instrument in estimating the cash flows
- c Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

ii Dividend Income

Dividend income is recognised

- a When the right to receive the payment is established,
  - b It is probable that the economic benefits associated with the dividend will flow to the entity and.
  - c The amount of the dividend can be measured reliably.
- iii Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain /loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognized in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured and debt instruments measured at FVOCI.

### 5.3 Expenses

i Finance Costs

Finance costs represents Interest expense recognize by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed.

- a As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

ii Other Income & Expenses

All Other income and expense are recognized in the period they occur.

iii Impairment of non-financial assets.

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets,

net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

iv Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of Profit and Loss is recognized outside the statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

*Recognition of Deferred tax assets and liabilities.*

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments

5.4 Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

5.5 Cash and cash equivalent:

Cash and cash equivalent in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

5.6 Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalisation criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significantly parts of fixed assets are required to be replaced at intervals, the company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major overhauling is performed, its cost is recognised in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the statement of Profit and Loss for the period during which such expenses are incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable. Company has only one fixed assets which is office building having useful life of 60 years.

The Company calculates depreciation on items of property, plant and equipment on a Written Down Value using the rates defined under Schedule II of the Companies Act 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised

#### 5.7 Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable Estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain, the expense relating to a provision is presented in the consolidated statement of Profit and loss net of any reimbursement.

#### 5.8 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### 5.9 Earnings per share:

Basic Earnings per Share is calculated by dividing the net profit/ loss for the year attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit/ loss for the period attributable to ordinary equity holders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any;



## **6 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTION**

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

### **6.1 Business Model Assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

### **6.2 Fair value measurement:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments

### **6.3 Effective Interest Rate (EIR) method**

The Company's EIR methodology, recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/ expense that are integral parts of the instrument.

### **6.4 Other Estimates:**

These include contingent liabilities, useful lives of tangible and intangible assets etc.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Note 7:- Cash &amp; Cash Equivalents</b>		
Balance with Banks		
HDFC Bank Limited	2,51,191	1,00,622
Cash in Hand	22,201	14,301
<b>Total</b>	<b>2,73,392</b>	<b>1,14,923</b>
<b>Note 8:- Trade Receivables</b>		
Unsecured Considered Goods Except Otherwise Stated		
ASE Capital Markets Limited	-	1,94,973
Tirupati Finlease Limited	19,01,351	19,01,351
<b>Total</b>	<b>19,01,351</b>	<b>20,96,324</b>
<b>Note 9:- Short Term Loans, Advances &amp; Deposits</b>		
Unsecured Loans		
Manidhari Realtors Private Limited	3,73,00,453	3,49,72,018
Balance With Revenue Authority		
TDS on Interest	2,37,441	4,01,223
TDS on Dividend	8	-
Income Tax Refund A.Y. 2020-2021	2,95,635	-
<b>Total</b>	<b>3,78,33,537</b>	<b>3,53,73,241</b>
<b>Note 10:- Non-Current Investments</b>		
Investment in Equity Instruments		
<b>A. Quoted &amp; Fully Paid up Investments</b>		
<b>Other Than Associate &amp; Subsidy</b>		
Tirupati Finlease Limited	15,60,000	15,00,000
(1,50,000 Equity Shares) (At Fair Value Through Porfit or Loss)		
<b>Associate</b>		
Palco Metals Limited	19,00,000	19,00,000
(13,60,000 Equity Shares) (34%) (At Cost)		
<b>Unquoted &amp; Fully Paid up Investments</b>		
<b>Other Than Associate &amp; Subsidy</b>		
Radius Global Private Limited	5,06,430	5,06,430
(51,000 Equity Shares) (At Fair Value Through Porfit or Loss)		
Krishna Sharebroking Services Private Ltd	16,26,900	16,45,600
(1,10,000 Equity Shares) (At Fair Value Through Porfit or Loss)		
<b>Total</b>	<b>55,93,330</b>	<b>55,52,030</b>



<b>Note 11:- Inventories</b>		
Stock In Trade	77,175	8,22,000
<b>Total</b>	<b>77,175</b>	<b>8,22,000</b>
<b>Note 12:- Property, Plant &amp; Equipments</b>		
Tangible Assets	75,420	79,272
Less: Depreciation	3,664	3,852
<b>Total</b>	<b>71,756</b>	<b>75,420</b>

Note - 12

Particulars of Depreciation Allowable as per the Companies Act, 2013

A.Y. 2021-2022

Sr. No	Description of Fixed Assets	Expected Life of an Assets	Rate %	Opening Balance of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
					Opening Balance as at 01/04/2020	Addition During The Year	Deduction / Adjustment During The Year	As at 31/03/2021	Depreciation upto 31/03/2020	Provided During The Year	Deduction / Adjustment During The Year	UPTD 31/03/2021	As at 01/04/2021	As at 31/03/2021
<b>Tangible Assets</b>														
1	Office Building	60 Years	4.07%	1,50,000	1,50,000	-	-	1,50,000	74,500	9,694	-	74,244	71,796	75,420
	<b>Total C.Y.</b>			<b>1,50,000</b>	<b>1,50,000</b>	<b>-</b>	<b>-</b>	<b>1,50,000</b>	<b>74,500</b>	<b>9,694</b>	<b>-</b>	<b>74,244</b>	<b>71,796</b>	<b>75,420</b>

A.Y. 2020-2021

Sr. No	Description of Fixed Assets	Expected Life of an Assets	Rate %	Opening Balance of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
					Opening Balance as at 01/04/2019	Addition During The Year	Deduction / Adjustment During The Year	As at 31/03/2020	Depreciation upto 31/03/2019	Provided During The Year	Deduction / Adjustment During The Year	UPTD 31/03/2020	As at 01/04/2020	As at 31/03/2020
<b>Tangible Assets</b>														
1	Office Building	60 Years	4.07%	1,50,000	1,50,000	-	-	1,50,000	71,728	8,262	-	74,580	75,420	79,272
	<b>Total C.Y.</b>			<b>1,50,000</b>	<b>1,50,000</b>	<b>-</b>	<b>-</b>	<b>1,50,000</b>	<b>71,728</b>	<b>8,262</b>	<b>-</b>	<b>74,580</b>	<b>75,420</b>	<b>79,272</b>

Depreciation As Per Income Tax Act, 1961

A.Y. 2021-2022

Sr. No	Description of Fixed Assets	Rate %	Opening WDV	Addition During The Year		Depreciation	Closing WDV 31/03/2021	Block Nil (Yes/No)
				180 Days & Above	Less Than 180 Days			
1	Buildings	10.00%	65,307	-	-	6,531	58,776	No
	<b>Total: C.Y.</b>		<b>65,307</b>	<b>-</b>	<b>-</b>	<b>6,531</b>	<b>58,776</b>	<b>No</b>

Depreciation As Per Income Tax Act, 1961

A.Y. 2020-2021

Sr. No	Description of Fixed Assets	Rate %	Opening WDV	Addition During The Year		Depreciation	Closing WDV 31/03/2020	Block Nil (Yes/No)
				180 Days & Above	Less Than 180 Days			
1	Buildings	10.00%	72,563	-	-	7,256	65,307	No
	<b>Total: C.Y.</b>		<b>72,563</b>	<b>-</b>	<b>-</b>	<b>7,256</b>	<b>65,307</b>	<b>No</b>

DEFERRED TAX CALCULATION

Deferred Tax Liability / Deferred Tax Assets	31-03-2021		31-03-2020	
Opening Balance Deferred Tax Liability		2,629		2,013
Add: DTL on Difference of Depreciation				
WDV As Per Companies Act.	71,756		75,420	
WDV As Per Income Tax Act.	58,776		65,307	
Difference	12,980		10,113	
Closing Balance of DTL		3,375		2,629
Transfer to Profit & Loss Statement		746		616
IND AS Transition Adjustment: Balance Sheet Approach For DTA/DTL for PPE		-		-

<b>Note 13:- Short Term Provisions</b>		
Provision For Income Tax	2,92,954	1,05,588
<b>Total</b>	<b>2,92,954</b>	<b>1,05,588</b>

**Note 14: Equity Share Capital**

**A. Share Capital**

Balance	Amount
As at 01st April, 2019	3,15,84,000
Issue of Equity Share Capital	-
<b>As at 31st March, 2020</b>	<b>3,15,84,000</b>
As at 01st April, 2020	3,15,84,000
Issue of Equity Share Capital	-
<b>As at 31st March, 2021</b>	<b>3,15,84,000</b>

- No Shares had been Alloted as Fully Paid up Pursuant to Contract(s) without Payment being received in Cash during the Period of Five Years immediately preceding the Balance Sheet Date.
- No Shares had been Alloted as fully paid up by way of Bonus Shares During the Period of Five Years immediately preceding the Balance Sheet Date
- No Shares had been Bought Back During the Period of Five Years Immediately Preceding the Balance Sheet Date.
- Shares in the Company held By each Shareholders Holding more than 5% Shares.

Name of Shareholders	No. of Shares Held &	No. of Shares Held &
	(% age)	(% age)
	Current Year	Previous Year
Radius Global Private Limited	289226 (9.16%)	289226 (9.16%)
Tirupati Finlease Limited	250000 (7.91%)	250000 (7.91%)
Ashokkumar Babulal Agrawal	202000 (6.40%)	202000 (6.40%)
Ankit Kirankumar Agrawal	194800 (6.17%)	194800 (6.17%)

**Note 15:- Other Equity**

Particulars	Statutory Reserves	Surplus In Profit & Loss	Total
<b>Balance as at April 01, 2019</b>	44,69,614	73,01,465	1,17,71,079
Additions During the Year	1,35,369	-	1,35,369
Profit During the Year	-	5,70,642	5,70,642
Transferred to Statutory Reserves	-	(1,35,369)	(1,35,369)
<b>Balance as at March 31, 2020</b>	<b>46,04,983</b>	<b>77,36,738</b>	<b>1,23,41,721</b>
<b>Balance as at April 01, 2020</b>	46,04,983	77,36,738	1,23,41,721
Additions During the Year	3,64,438	-	3,64,438
Profit During the Year	-	15,28,491	15,28,491
Transferred to Statutory Reserves	-	(3,64,438)	(3,64,438)
<b>Balance as at March 31, 2021</b>	<b>49,69,421</b>	<b>89,00,791</b>	<b>1,38,70,212</b>

**Nature and Purpose of Reserves**

**Statutory Reserves:**

Pursuant to Section 45-IC of Reserve Bank of India Act, 1934 (1) every non-banking financial company to create a reserve fund to transfer a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

**Surplus in Profit & Loss:**

Surplus in Profit & Loss are profits that the company has earned till date, less any transfer to statutory reserves or any other reserves.

<b>Note 16:- Interest Income</b>		
Interest on Loans (On Financial Assets Measured at Amortised Cost)	31,65,876	40,12,234
<b>Total</b>	<b>31,65,876</b>	<b>40,12,234</b>
<b>Note 17:- Net Gain/ (Loss) on Fair Value Changes</b>		
<b>Net gain/ (loss) on financial instruments at fair value through profit or loss</b>		
(i) On Trading Portfolio Derivatives	92,717	(13,95,126)
(ii) On Financial Instruments Designated at Fair Value through Profit or Loss	41,300	(32,940)
<b>Total</b>	<b>1,34,017</b>	<b>(14,28,066)</b>
<b>Fair Value Changes:</b>		
Realised	92,717	(13,95,126)
Unrealised	41,300	(32,940)
<b>Note 18:- Purchase of Stock-in-Trade</b>		
Purchases	2,61,072	8,90,300
<b>Total</b>	<b>2,61,072</b>	<b>8,90,300</b>
<b>Note 19:- Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade</b>		
Opening Stock	8,22,000	88,556
(-) Closing Stock	77,175	8,22,000
<b>Total</b>	<b>7,44,825</b>	<b>(7,33,444)</b>
<b>Note 20:- Employee Benefits Expense</b>		
Director Salary	6,00,000	6,00,000
Salary Expenses	6,15,000	4,08,000
<b>Total</b>	<b>12,15,000</b>	<b>10,08,000</b>

<b>Note 21:- Other Expenses</b>		
Advertisement Expenses	45,803	37,972
Audit Remuneration	53,100	-
Bank Charges	1,770	270
Electricity Expenses	2,530	3,230
Municipal Tax	5,646	7,026
Office Expenses	12,100	15,518
Office Maintenance & Contract Charges	6,750	6,328
Postage & Courier Expenses	-	25,859
Printing & Stationery Expenses	16,500	1,10,700
Professional Charges	1,93,738	1,57,301
Professional Tax & Charges	2,000	2,000
Registration Fees	70,800	-
ROC Filing Fees	6,500	7,200
Share Trading Expenses	3,335	2,331
Software Expenses	3,422	7,670
Stock Exchange Listing Fees	3,54,000	3,65,800
Website Hosting Charges	-	3,000
<b>Total</b>	<b>7,77,994</b>	<b>7,52,205</b>

## 22 EARNING PER SHARES

Description		2020-2021	2019-2020
<b>Earning per share (Basic and Diluted)</b>			
Profit attributable to ordinary Equity Holders		15,28,491	5,70,642
<b>Total no. of equity shares at the end of the year</b>	<b>Nos.</b>	<b>31,58,400</b>	<b>31,58,400</b>
Weighted average number of equity shares		31,58,400	31,58,400
Nominal Value of equity share		10	10
<b>Basic earning per share</b>	<b>Rs.</b>	<b>0.48</b>	<b>0.18</b>

## 23 DISCLOSURE PURSUANT TO RELATED PARTIES

"As per Indian Accounting Standard on ""Related Party Disclosures"" (Ind AS 24), the related parties of the company are as follows:"

### a Name of the related parties and nature of relationship

#### Key Managerial Personnel

Ashok Agrawal

Vinod Agrawal

Shweta Saparia (Company Secretary)

#### Independent Directors

Narendra Agrawal

Kalpesh Mehta

Pramod Agrawal (upto 31/03/2021)

Sneh Gupta (upto 28/01/2021)

Arpita Mehta (upto 21/06/2021)

Meenu Maheshwari (w.e.f 21/06/2021)

#### Associate Company

Palco Metals Limited (34% Holding)



**b Related Party Transaction**

The Company Related Party Disclosure is as Follows

Name of Related Party	Nature of Relation	Nature of Transaction	2020-2021	2019-2020
Ashok Agrawal	Managing Director	Remuneration	6,00,000	6,00,000
Kalpesh mehta	Non Executive Independent Director	Sitting Fees	15,000	-
Arpita Mehta	Non Executive Independent Director	Sitting Fees	15,000	-
Shweta Saparia	Company Secretary	Salary	4,08,000	4,08,000

**24 DISCLOSURE OF SIGNIFICANT INTEREST IN ASSOCIATE AS PER PARAGRAPH 17 OF IND AS 27.**

Name of Entity	Relationship	Place of Business	Ownership %
Palco Metals Limited	Associates	Ahmedabad	34%

**Note:** Method of Accounting Investment in Associates is at cost.

**25 FAIR VALUE MEASUREMENT**

**25.1 Valuation Principle**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

**25.2 Valuation Techniques**

**Equity Instruments**

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee company.

**Mutual Funds.**

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

**Foreign Exchange Contracts.**

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.



26 **EVENTS OCCURRED AFTER THE BALANCE SHEET DATE:**

The company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the standalone financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the standalone financial statements. As of May 29 2021, there were no subsequent events to be recognized or reported that are not already previously disclosed.

**For, Rinkesh Shah & Co.  
(Chartered Accountants)  
FRN: 129690W**

**SD/-  
Rinkesh Shah  
(Partner)  
Membership No: 131783**

Place: Ahmedabad  
Date: 29-05-2021

**For and on Behalf of the Board of Directors  
Krishna Capital & Securities Limited**

**SD/-  
Ashok Agrawal  
Managing Director  
DIN No: 00944735**

**SD/-  
Vinod Agrawal  
Director & CFO  
DIN No: 00413378**

**SD/-  
Shweta Arvindbhal Saparia  
Company Secretary  
Membership No: A57041**





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## **CONSOLIDATED REPORT**

**For The Financial Year 2020-2021**

**For The Assessment Year 2021-2022**

**Rinkesh Shah & Co.**

**Chartered Accountants**

B/305-304, Fairdeal House,

Nr. Swastik Cross Road,

Navrangpura, Ahmedabad-380009.

Tel.+91-79 403 21 381/ +91-92 274 74 959



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

### KRISHNA CAPITAL & SECURITIES LIMITED

Ahmedabad

#### Report on the Consolidated Financial Statements

##### Opinion

- 1 We have audited the accompanying Consolidated Financial Statements of **Krishna Capital & Securities Limited** ("the Company") and its associate (together herein after referred as group), which comprise the Consolidated Balance Sheet as at **March 31, 2021**, the Consolidated Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as the consolidated Financial Statements").
- 2 In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the state of affairs of the Group as at **March 31, 2021** its profits (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

##### Basis for Opinion.

- 3 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statement.

##### Information other than the Consolidated Financial Statements and Auditor's Report thereon.

- 4 The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements.**

- 5 The company's board of directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statement that give a true and fair of the consolidated financial position, consolidated financial performance including other comprehensive Income, consolidated cash flows and consolidated changes in equity of the company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent and the design implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to preparation and presentation of the Consolidated Financial Statements that give true and fair view and are free from material misstatement , whether due to fraud or error.
- 6 In preparing the Consolidated Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the associate to cease operations, or has no realistic alternative but to do so.
- 7 Those respective Board of Directors are also responsible for overseeing the group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements.**

- 8 Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
- 9 As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - a Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - b Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - c Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - e Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - f Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work, and (ii) to evaluate the effect of any identified misstatements.
- 10 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 11 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 12 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

- 13 We did not audit the financial statements of the associate "Palco Metals Limited". These unaudited financial statements of associate "Palco Metals Limited" has been furnished to us by the management. Our opinion on consolidated Financial Statements and Report on other Legal and Regulatory Requirements below, is not been modified in above matter.

#### **Report on other Legal and Regulatory Requirements**

- 14 As required by section 143(3) of the Act, we report that:
- a We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from the examination of those books;
  - c The Consolidated balance sheet, the Consolidated statement of profit and loss including the statement of

- other Comprehensive Income, Consolidated cash flow statement and Consolidated statement of changes in Equity dealt with this Reports are in agreement with the books of accounts;
- d In our opinion, the aforesaid Consolidated Financial Statements comply with accounting Standards specified under section 133 of the Act.
  - e On the basis of written representations received from the directors as on **31st March, 2021** and taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2021** from being appointed as a directors in terms of sections 164(2) of the act;
  - f With respect to the adequacy of the internal financial controls over Financial reporting of the Group and operating effectiveness of such controls, refer to our separate Report in the Annexure to this report;
  - g In our opinion, the managerial remuneration for the year ended **March 31, 2021** has been paid / provided by the Group to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - h With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit And Auditors) Rules, 2014 in our opinion and to the best of our Information and according to the explanations given to us:
    - i The Group does not have any pending litigation that have impact on its financial position in its Consolidated Financial Statements:
    - ii The Group did not have any material foreseeable losses in long term contract including derivative contracts during the year ended **March 31, 2021**.
    - iii There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group.

**For RINKESH SHAH & Co.**  
Chartered Accountants  
FRN 129690W

**SD/-**  
**CA RINKESH SHAH**  
Partner

M. No.: 131783  
UDIN:21131783AAAABE1874

Place : Ahmedabad  
Date : 29-05-2021



## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Krishna Capital & Securities Limited on the Consolidated financial statements for the year ended **March 31, 2021**.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

- 1 We have audited the internal financial controls over financial reporting of Krishna Capital & Securities Limited ("the Company") as of **March 31, 2021** in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

#### **Opinion**

- 2 In our opinion and to the best of our information and according to explanation given to us and based on the matters given in other matter paragraph below the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2021**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Management's Responsibility for Internal Financial Controls.**

- 3 The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, 2013.

#### **Auditors' Responsibility**

- 4 Our responsibility is to express an opinion on the Company's internal financial controls over financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards On Auditing deemed to be prescribed under section 143(10) of the Act, 2013 to the extent applicable to the audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- 5 Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over

financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Consolidated Financial Statements.**

- 7 A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements.**

- 8 Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Other Matter**

- 9 Our opinion is not modified in respect of the adequacy and operating effectiveness of internal financial control with reference to financial statements relate to associate, which is company incorporated in India.

**For RINKESH SHAH & Co.**  
Chartered Accountants  
FRN 129690W  
SD/-  
**CA RINKESH SHAH**  
Partner  
M. No.: 131783

Place : Ahmedabad  
Date : 29-05-2021



## CONSOLIDATED BALANCE SHEET

**As At End of Current Reporting Period 31st March, 2021**

Particulars	Note No	As at 31-03-2021	As at 31-03-2020
<b>ASSETS</b>			
<b>I. Financial Assets</b>			
(a) Cash and Cash Equivalents	7	2,73,392	1,14,923
(b) Trade Receivables	8	19,01,351	20,96,324
(c) Short-Term Loans and Advances	9	3,78,33,537	3,53,73,241
(d) Investments	10	1,88,17,626	1,87,51,021
<b>II Non Financial Assets</b>			
(a) Inventories	11	77,175	8,22,000
(b) Property, Plant & Equipment	12	71,756	75,420
<b>Total</b>		<b>5,89,74,837</b>	<b>5,72,32,929</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I LIABILITY</b>			
<b>Financial Liabilities</b>			
-			
<b>Non Financial Liabilities</b>			
(a) Current Tax Liabilities	13	2,92,954	1,05,588
(b) Deferred Tax Liabilities		3,375	2,629
<b>II EQUITY</b>			
<b>Shareholder's Funds</b>			
(a) Equity Share Capital	14	3,15,84,000	3,15,84,000
(b) Other Equity	15	2,70,94,508	2,55,40,711
<b>Total</b>		<b>5,89,74,837</b>	<b>5,72,32,929</b>

The Accompanying Notes form an integral part of these Financial Statements.

As per our report of even date

**For, Rinkesh Shah & Co.**  
(Chartered Accountants)  
FRN: 129690W

SD/-

**CA Rinkesh Shah**  
(Partner)

Membership No: 131783

Place: Ahmedabad

Date: 29-05-2021

**For and on Behalf of the Board of Directors**  
**Krishna Capital & Securities Limited**

SD/-

**Ashok Agrawal**  
Managing Director  
DIN No: 00944735

SD/-

**Vinod Agrawal**  
Director & CFO  
DIN No: 00413378

SD/-

**Shweta Arvindbhal Saparia**  
Company Secretary  
Membership No: A57041





**CONSOLIDATED STATEMENT OF PROFIT & LOSS**  
**For The Current Reporting Period Ended on 31st March, 2021**

Particulars	Note No	As at 31-03-2021	As at 31-03-2020
(I) Revenue From Operations			
Interest Income	16	31,65,876	40,12,234
Dividend Income		100	130
Net Gain on Fair Value Changes	17	1,34,017	-
Sales		15,24,753	13,461
<b>Total Income</b>		<b>48,24,746</b>	<b>40,25,825</b>
(II) Expenses:			
Net loss on Fair Value Changes	17	-	14,28,066
Purchase of Stock-in-Trade	18	2,61,072	8,90,300
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	7,44,825	(7,33,444)
Employee Benefit Expense	20	12,15,000	10,08,000
Depreciation and Amortization Expense	12	3,664	3,852
Other Expenses	21	7,77,994	7,52,205
<b>Total Expenses</b>		<b>30,02,555</b>	<b>33,48,979</b>
(III) Profit Before Exceptional Items and Tax		18,22,191	6,76,846
(IV) Share Profit/(Loss) of an Associate		35,506	16,046
(V) Exceptional Items		-	-
(VI) Profit Before Tax (V - VI)		<b>18,57,697</b>	<b>6,92,892</b>
Tax Expense:			
(1) Current tax		3,03,154	1,09,668
(2) Deferred tax		746	616
(VII) Profit(Loss) For the Period (PAT)		<b>15,53,797</b>	<b>5,82,608</b>
(VIII) Other Comprehensive Income (OCI)		-	-
(IX) Total Comprehensive Income for the Period		<b>15,53,797</b>	<b>5,82,608</b>
(X) Earning Per Equity Share:			
(1) Basic		0.49	0.18
(2) Diluted		0.49	0.18

The Accompanying Notes form an integral part of these Financial Statements.

As per our report of even date

**For, Rinkesh Shah & Co.**  
**(Chartered Accountants)**  
**FRN: 129690W**

SD/-  
**CA Rinkesh Shah**  
**(Partner)**  
**Membership No: 131783**

Place: Ahmedabad  
Date: 29-05-2021

**For and on Behalf of the Board of Directors**  
**Krishna Capital & Securities Limited**

SD/-	SD/-
<b>Ashok Agrawal</b>	<b>Vinod Agrawal</b>
<b>Managing Director</b>	<b>Director &amp; CFO</b>
<b>DIN No: 00944735</b>	<b>DIN No: 00413378</b>

SD/-  
**Shweta Arvindbhai Saparia**  
**Company Secretary**  
**Membership No: A57041**



### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2021

Particulars	F.Y. 2020-2021	F.Y. 2019-2020
<b>(A) Cash Flow From Operating Activities</b>		
Net Profit / (Loss) For The Period (After Tax)	15,53,797	5,82,608
Adjustment For Non Cash Items		
Deferred Tax Assets / Liability Created	746	616
Depreciation	3,664	3,852
Dividend Income Earned	(100)	(130)
Income Tax Provision	3,03,154	1,09,668
Interest Received on Loan	(31,65,876)	(40,12,234)
Increase In Carrying Amount of Investment Due to Share In Profit of Associate	(25,306)	(11,966)
Gain / (Loss) on Mark to Market of Investment	(41,300)	32,940
<b>Cash Flow Before Change In Working Capital</b>	<b>(13,71,221)</b>	<b>(32,94,646)</b>
Change In Working Capital		
Increase / Decrease In Trade Receivable	1,94,973	11,40,642
Increase / Decrease In Loans & Advances	(24,60,298)	(4,95,477)
Increase / Decrease In Inventories	7,44,825	(7,33,444)
Increase / Decrease In Other Liability	1,87,366	(4,30,279)
Increase / Decrease In Trade Payable	-	-
<b>Cash Flow Before Tax</b>	<b>(27,04,355)</b>	<b>(39,13,204)</b>
Tax Paid	(3,03,154)	(1,09,668)
<b>Net Cash Flow From Operating Activities</b>	<b>(30,07,509)</b>	<b>(39,22,872)</b>
<b>(B) Cash Flow From Investing Activities</b>		
Interest Received	31,65,876	40,12,234
Dividend Income Earned	100	130
<b>Net Cash Flow From Investing Activities</b>	<b>31,65,976</b>	<b>40,12,364</b>
<b>(C) Cash Flow From Financing Activities</b>		
<b>Net Cash Flow From Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,58,469</b>	<b>89,492</b>
Cash & Cash Equivalents as at 1st April (Opening Balance)	1,14,923	25,431
Cash & Cash Equivalents as at 31st March (Closing Balance)	2,73,392	1,14,923
	<b>1,58,469</b>	<b>89,492</b>
<b>Breakup of Cash &amp; Cash Equivalents as on 31st March</b>	<b>Rs</b>	<b>Rs</b>
Balance with Banks		
HDFC Bank Limited	2,51,191	1,00,622
Cash In Hand	22,201	14,301
<b>Total</b>	<b>2,73,392</b>	<b>1,14,923</b>

Note: Previous year's figure have been Regrouped / Rearranged where ever considered necessary.

For, Rinkesh Shah & Co.  
(Chartered Accountants)  
FRN: 129690W

SD/-  
CA Rinkesh Shah  
(Partner)  
Membership No: 131783

Place: Ahmedabad  
Date: 29-05-2021

For and on Behalf of the Board of Directors  
Krishna Capital & Securities Limited

SD/- Ashok Agrawal Managing Director DIN No: 00944735	SD/- Vinod Agrawal Director & CFO DIN No: 00413378
--	---

SD/-  
Shweta Arvindbhai Sapatia  
Company Secretary  
Membership No: A57041



**Statement of Change in Equity For the Year Ended March 31, 2021**

**A. Share Capital**

Particulars	As at	Issued During the Year	As at	Issued During the Year	As at
	01-04-2019		31-03-2020		31-03-2021
No of Shares	31,58,400	-	31,58,400	-	31,58,400
Amount	3,15,84,000	-	3,15,84,000	-	3,15,84,000

**B. Other Equity**

Particulars	Statutory Reserves	Surplus In Profit & Loss	Total
<b>Balance as at 01/04/2019</b>	45,19,280	2,04,38,823	2,49,58,103
Additions During the Year	1,38,578	-	1,38,578
Profit During the Year	-	5,82,608	5,82,608
Transferred to Statutory Reserves	-	(1,38,578)	(1,38,578)
<b>Balance as at March 31, 2020</b>	<b>46,57,858</b>	<b>2,08,82,853</b>	<b>2,55,40,711</b>
<b>Balance as at 01/04/2020</b>	46,57,858	2,08,82,853	2,55,40,711
Additions During the Year	3,71,539	-	3,71,539
Profit During the Year	-	15,53,797	15,53,797
Transferred to Statutory Reserves	-	(3,71,539)	(3,71,539)
<b>Balance as at March 31, 2021</b>	<b>50,29,397</b>	<b>2,20,65,111</b>	<b>2,70,94,508</b>

For, Rinkesh Shah & Co.  
(Chartered Accountants)  
FRN: 129690W

SD/-

CA Rinkesh Shah  
(Partner)

Membership No: 131783

Place: Ahmedabad

Date: 29-05-2021

For and on Behalf of the Board of Directors  
Krishna Capital & Securities Limited

SD/-

Ashok Agrawal  
Managing Director  
DIN No: 00944735

SD/-

Vinod Agrawal  
Director & CFO  
DIN No: 00413378

SD/-

Shweta Arvindbhal Saparia  
Company Secretary  
Membership No: A57041



## NOTES TO Consolidated Financial Statements

FOR THE YEAR ENDED ON MARCH 31, 2021

### 1 CORPORATE INFORMATION

**Krishna Capital & Securities Limited** ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and its associates (together herein after referred as group). Its shares are listed on BSE Limited. The registered office of the company is located at Satellite, Ahmedabad. The Company is engaged in the business of lending of capital and trading of securities. The Company Non - Banking Finance Company (NBFC) (Non Deposit Taking Company) registered with the Reserve Bank of India and Ministry of Corporate Affairs. The registration details are as follows: RBI 01.00176 Corporate Identity Number (CIN) L67120GJ1994PLCO23803.

The Consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors at its meeting held on May 29, 2021

### 2 BASIC OF PREPARATION

The Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated. The preparation of Consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities, Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

### 3 PRESENTATION OF FINANCIAL STATEMENT

The Consolidated financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being on tingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i The normal course of Business.
- ii The event of Default.
- iii The event of insolvency or bankruptcy of the Company and/or its counter parties.

Derivative assets and liabilities with master netting arrangements (eg. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

### 4 STATEMENT OF COMPLIANCE

These Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

## 5 SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Financial Instruments

#### i Classification of Financial Instruments

The Company classifies its financial assets into the following measurement categories:

- \* Financial assets to be measured at amortised cost.
- \* Financial assets to be measured at fair value through other comprehensive income.
- \* Financial assets to be measured at fair value through profit or loss account.

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

#### Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- \* How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- \* The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- \* How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- \* The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### The Solely Payments of Principal and Interest (SPPI) Test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

**ii Financial Assets Measured at Amortised Cost**

Debt instruments- These financial assets comprise bank balances, Loans, investments and other financial assets. Debt instruments are measured at amortised cost where they have:

- a contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding and
- b are held within a business model where objective is achieved by holding to collect contractual cash flows. These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

**iii Financial Assets Measured at fair value through other Comprehensive Income**

**Debt Instruments**

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

- a contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

As at reporting date, there are no debt instruments measured at FVOCI.

**Equity Instruments**

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 "Business Combination applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at FVOCI.

**iv Items at fair value through Profit or Loss**

Items at fair value through profit or loss comprise:

- \* Investments (including equity shares) held for trading;
- \* Items specifically designated as fair value through profit or loss on initial recognition; and
- \* debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

**Financial instruments held for Trading**

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value. Financial instruments designated as measured at fair value through profit or loss. Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- \* if a host contract contains one or more embedded derivatives; or
- \* if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

#### **V Derivatives**

A derivative is a financial instrument or other contract with all three of the following characteristics:

- \* Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- \* It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- \* It is settled at a future date.

Changes in the fair value of derivatives are included in net gain on fair value changes.

#### **vi Debt Securities and Other Borrowed Funds**

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR). There are no Debt securities and borrowed funds in the company at the reporting date.

#### **vii Financial Guarantees**

Financial guarantees are initially recognised in the Consolidated financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- \* The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

#### viii Reclassification of Financial Assets and Liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2018-19 and until the year ended **March 31, 2020**.

#### ix Recognition and Derecognition of Financial Assets and Liabilities

##### Recognition:

- a Loans and Advances are initially recognized when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.
- b Investments are initially recognised on settlement date.
- c Debt securities, deposits and borrowings initially recognised when funds reach Company.
- d Other Financial assets and liabilities initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

##### Derecognition of Financial Assets other than due to Substantial Modification

##### a **Financial Assets:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- i The Company has transferred its contractual rights to receive cash flows from the financial asset, or
- ii It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- i The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- ii The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- iii The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for derecognition if either:
  - i The Company has transferred substantially all the risks and rewards of the asset, or
  - ii The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**b Financial Liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and loss. As at the reporting date the company does not have any financial liabilities which have been derecognised.

**x Impairment of Financial Assets**

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination,

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

**Stage:1**

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances up to 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

**Stage :2**

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

**Stage :3**

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

**Financial Guarantee**

Contracts The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognized in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the company has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

**xi Write-offs**

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

**xii Fair Value Measurement:**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- \* In the principal market for the asset or liability, or;
- \* In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of

unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level: 1**

Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level: 2**

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level: 3**

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 5.2 Revenue from operations

i Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

- a As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

ii Dividend Income

Dividend income is recognised

- a When the right to receive the payment is established,
- b It is probable that the economic benefits associated with the dividend will flow to the entity and
- c The amount of the dividend can be measured reliably

iii Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognized in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured and debt instruments measured at FVOCI.

### 5.3 Expenses

i Finance Costs

Finance costs represents Interest expense recognize by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed.

- a As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b By considering all the contractual terms of the financial instrument in estimating the cash flows
- c Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

ii Other Income & Expenses

All Other income and expense are recognized in the period they occur.

iii Impairment of non-financial Assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

iv Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of Profit and Loss is recognized outside the statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Recognition of Deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

**5.4 Functional and presentational currency**

The Consolidated financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**5.5 Cash and cash equivalent:**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**5.6 Property, plant and equipment:**

Property, plant and equipment are stated at cost, net of recoverable taxes less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalisation criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significantly parts of fixed assets are required to be replaced at intervals, the company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major overhauling is performed, its cost is recognised in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable. Company has only one fixed assets which is office building having useful life of 60 years.