

NOTICE

Notice is hereby give that the 13th Annual General Meeting of the members of the company will be held at the Registered office of the Company on 29th September. 2007 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS :

1. To receive consider and adopt the Audited Profit & Loss for the Period ended 31st March 2007 of the company and Balance Sheet as at 31st March, 2007 and the Reports of the Directors and Auditors there on.
2. To appoint M/S KPSJ & Associates Retiring Auditors as Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors of the Company and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the company.
3. To appoint Director in place of Mr. Vinod B. Agrawal who retire by rotation and being eligible offers himself for reappointment.

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The instrument of proxy should be deposited at the Registered office of the company not less 48 hours before the commencement of the meeting.
3. The register of member and share transfer Book of the company shall remain closed, from 22/9/2007 to 29/9/2007 [both days inclusive].
4. Members are requested to notify immediately change in their address, if any, at the registered office of the company, quoting their folio numbers.

BY THE ORDER OF THE BOARD.

Place : Ahmedabad

[**MANAGING DIRECTOR**] [**DIRECTOR**]

Date : 04/09/2007

DIRECTOR'S REPORT

To,
The Member's
KRISHNA CAPITAL & SECURITIES LIMITED

Your directors submit the Annual Report of the company along with the audited accounts for the March 2007.

FINANCIAL RESULT :

	(IN LACS)	
	31.03.2007	31.03.2006
TOTAL INCOME	179.63	389.22
NET PROFIT BEFORE TAXATION	15.23	-03.78
NET PROFIT AFTER TAX	13.48	-04.16
BALANCE B/F. FROM LAST YEAR	14.10	18.27
PROFIT AVAILABLE FOR APPROPRIATION	27.58	14.10

DIVIDEND :

Keeping in the view the future plans the company, the Board of Directors do not recommend dividend for the financial year ended on 31st March, 2007.

OPERATION :

The performance of the company was satisfactory during the year under review. The Net Profit Before Tax is Rs. 15.23 Lacs.

PUBLIC DEPOSITS :

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

AUDITOR'S :

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

- a. In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit / loss of the company.
- c. The directors have been taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The directors have prepared the annual accounts on a going concern basis.

DIRECTORS:

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

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

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

PARTICULARS OF EMPLOYEES:

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

CORPORATE GOVERNANCE:

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

ACKNOWLEDGEMENTS:

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

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

Date : 04/09/2007

Place : Ahmedabad

[MANAGING DIRECTOR] [DIRECTOR]

CORPORATE GOVERNANCE REPORT

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

COMPANY'S PHILOSOPHY

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

The Board of Directors:

1. Composition of Board

The Board of Directors has an optimum combination of Executive and Non-executive Directors with 75% of the Directors being Non-executive Directors. During the year under consideration Shri Rajesh Jindal Resigned as Director and Mr. Manish Patel was appointed as an independent Director on the Board. The composition of the Board of Directors of the company as on 31st March, 2007 is as under:

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

2. Attendance record of each Director

Five Board Meetings were held during the year 2006- 2007. These meetings were held on, 10.05.2006, 27.06.2006, 08.08.2006, 10.08.2006, 28.10.2006, 20.01.2007 and 23.01.2007

Name	No. of BOD Meetings held	No. of BOD Meetings attended	Attendance at last AGM
Mr. Ashok Kumar Agrawal	7	7	YES
Mr. Vinod B. Agrawal	7	7	YES
Mr. Tarun Garg	7	7	YES
Mr. Manish Patel	7	Nil	NO

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

4. Remuneration of Directors

Details of Remuneration paid/payable to the Directors for the year ended 31.3.2007 are as under :

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

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

Committees of the Board

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

1. Audit Committee:

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

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

b)

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

2. Investor's Grievances & Share Transfer committee

a) Terms of reference:

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

b) Composition

The Committee comprises of 1 Executive Director Mr. Ashok Kumar Agarwal and 2 Non-Executive Directors Mr. Manish Patel and Mr. Tarun Garg.

Details on General Meetings:

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

Financial Year	Location	Date	Time
2005-06	Shahibaug, Ahmedabad	29/08/2006	11.00 A.M.
2004-05	Shahibaug, Ahmedabad	28/08/2005	11.00 A.M.
2003-04	Shahibaug, Ahmedabad	28/08/2004	11.00 A.M.

No resolution was passed last year by Postal Ballot.

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

Means of Communication

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

Disclosures**Related Party Transaction**

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

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

Management

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

Risk Management

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

Shareholding Pattern as on 31st March 2007.

Particulars	Equity Shares	
	No. of Shares	Percentage
Directors & their Relatives	1283000	40.63
NRI	77300	2.45
Bodies Corporate	209600	6.64
Others	1588500	50.28
Total :	3158400	100

Distribution of Equity Shares as on 31st March, 2007

Sr. No.	Range	No. of Shares hold	% to Capital	No. of Shares holders	% of total holders
1	000001 To 005000	610600	19.33	5281	92.18
2	005001 To 010000	136000	4.31	161	2.81
3	010001 To 020000	139100	4.40	91	1.59
4	020001 To 030000	76100	2.41	31	0.54
5	030001 To 040000	91600	2.90	26	0.45
6	040001 To 050000	177800	5.63	37	0.65
7	050001 To 100000	404500	12.81	54	0.94
8	Above 100001	1522700	48.21	48	0.84
	Total	3158400	100	5729	100

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

General Shareholder Information

13th Annual General Meeting

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

Date : 29TH September, 2007

Time : 11.00 A.M.

Book Closure:

The Register of Members and Share Transfer books of the company shall remain close from 22/09/2007 to 29/09/2007 (both days inclusive).

Financial Calendar - 1st April to 31st March

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

Listing on Stock Exchange and Stock Code and ISIN No.

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

The Company has paid annual listing fees to The Stock Exchange, Ahmedabad for the financial year 2006 - 2007.

Market Price Data

The company's Shares have not been traded on the Stock Exchange during the financial year 2006-2007

Dematerialisation of shares

The shares of the Company fall under the category of compulsory delivery in dematerialized mode by all categories of investors'. The company has agreements with National Securities Depository Limited and Central Depositories Services (India) Limited. Nearly 16.92% of the share capital of the company has been dematerialized as on 31st March 2007. The company also offers simultaneous transfer cum demat facility to its investors'.

Registers and Share Transfer Agents

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

Share Transfer System

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

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

Address for correspondence

In Respect of Shares
MCS Limited

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

MANAGEMENT DISCUSSION & ANALYSIS

Business Overview

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

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

OPPORTUNITIES:

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

THREATS:

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

OUTLOOK-FUTURE PROSPECTUS

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

INTERNAL CONTROL

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

RISK :

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

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT:

There has been no material development on the Human Resource/Industrial Relations Front during the year. Employee relation at all levels continues to remain cordial. The company had 5 employees as on March 31st, 2007

ANNEXURE III

LIMITED REVIEW REPORT

We have reviewed the accompanying statement of unaudited financial result of **KRISHNA CAPITAL & SECURITIES LIMITED** for the period ended on 30/06/2007. The statements is the responsibility of the Company's Management and has been approved by the Board of Directors.

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

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

For, **KPSJ & ASSOCIATES**
Chartered Accountants

Place: Ahmedabad
Date: 04/09/2007

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

COMPLIANCE CERTIFICATE

To the Board of Directors of Krishna Capital & Securities Limited

We have examined the compliance of conditions of Corporate Governance by Krishna Capital & Securities Limited., for the year ended on 31st March 2007, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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

We further state that such compliance is neither an assurance as to the viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For and on behalf of
KPSJ & ASSOCIATES
Chartered Accountants

[KEDAR RAM LADDHA]
PARTNER
M.NO. 101886

Place : Ahmedabad
Date : 04/09/2007

AUDITOR'S REPORT

TO THE MEMBERS OF KRISHNA CAPITAL & SECURITIES LIMITED

1. We have audited the attached Balance Sheet of KRISHNA CAPITAL & SECURITIES LIMITED as at 31st March 2007 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by managements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Audit Report) Order, 2003 issued by the Central govt. of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in the said Order.
4. Further our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

(e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us, and subject to

- 1) No Provision has been made in the accounts for book debts of Rs. 19,01,351/- considered doubtful. Hence the profit and Assets are over stated by this amount.
- 2) No provision has been made for diminution in value of the long term Quoted shares Of Rs. 1500000/- Hence the profit and Assets are over stated by this amount.
- 3) Balances in the accounts of debtors, creditors and Loans and Advances are subject to confirmation by the parties and our notes on accounts the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2007.
 - (ii) in the case of the Profit and Loss Account of the Profit for the year ended on that date; and
 - (iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

For, **KPSJ & ASSOCIATES**
Chartered Accountants

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

Place: Ahmedabad
Date: 04/09/2007

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of even date.

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

Loan Granted (During year) to 1 parties	Amount	233.18	Lacs
Loan Taken (During year) From 2 Party	Amount	83.44	Lacs
 - (b) The rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, are prima facie not prejudicial to the interest of the company;
 - (c) Payment of the principal amount and interest are also regular;
 - (d) there are no overdue amount. More than 1.00 lac
- (iv) there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.

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

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

For. **KPSJ & ASSOCIATES**
Chartered Accountants

Place: Ahmedabad
Date: 04/09/2007

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

KRISHNA CAPITAL & SECURITIES LTD.

BALANCE SHEET AS ON 31ST MARCH, 2007

PARTICULARS	SCHEDULE	31-03-2007 Rs.	31-03-2006 Rs.
SOURCE OF FUNDS :			
SHARE HOLDERS FUND			
Share Capital	1	31,584,000	31,584,000
Reserves & Surplus		2,758,769	1,410,445
LOAN FUNDS			
Unsecured Loans	2	9,551,909	2,815,696
TOTAL		43,894,678	35,810,141
APPLICATION OF FUNDS :			
FIXED ASSETS	3		
Gross Block		2,014,030	1,730,049
Less :Depreciation		1,272,198	1,222,606
Net Block		741,832	507,443
INVESTMENTS	4	13,610,000	24,110,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		3,397,833	4,139,254
Sundry Debtors	5	1,901,351	1,906,301
Cash & Bank Balance	6	142,225	354,462
Loans & Advances	7	24,297,294	4,971,009
		29,738,703	11,371,026
CURRENT LIABILITIES & PROVISIONS	8		
Current Liabilities		27,770	161,529
Provision		182,000	23,439
		209,770	184,968
NET CURRENT ASSETS		29,528,933	11,186,058
Deferred Tax Assets		13,913	6,640
TOTAL		43,894,678	35,810,141

ACCOUNTING POLICIES & NOTES TO ACCOUNT SCH. 16
AS PER OUR AUDIT REPORT OF EVEN DATE

FOR KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR KRISHNA CAPITAL & SECURITIES LIMITED

[KEDAR RAM LADDHA]
PARTNER
M.NO. 101886

[MANAGING DIRECTOR] [DIRECTOR]

PLACE : AHMEDABAD
DATE : 04/09/2007

PLACE : AHMEDABAD
DATE : 04/09/2007

KRISHNA CAPITAL & SECURITIES LTD.

PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH, 2007

PARTICULARS	SCH Nos.	31-03-2007 Rs.	31-03-2006 Rs.
A INCOME :			
Income From Operations	9	17,963,083	38,922,351
Increase/Decrease in stock	10	(741,421)	2,260,404
Other Income	11	51,969	2,226,696
TOTAL [A]		17,273,631	43,409,451
B EXPENDITURE :			
Purchases		13,687,193	41,302,395
Provision & Payment to employees	12	294,000	170,500
Administrative & Selling Expenses	13	967,382	1,430,729
Financial Expenses	14	699,567	738,611
Depreciation		122,438	145,491
TOTAL [B]		15,750,580	43,787,726
C Net Profit Before Tax [A - B]		1,523,051	(378,275)
Provision for Tax			
Current Tax 160000			
Fringe Benefit Tax 22000			
Deferred Tax -7273		174,727	38,530
D Net Profit After Tax		1,348,324	(416,805)
Add : Bal. Brought Forward From L. Y.		1,410,445	1,827,250
Profit Available For Appropriation			
Carried To Balance Sheet		2,758,769	1,410,445
E.P.S. (Nominal Per Share Rs.10)	15	0.427	(0.120)
D.E.P.S. (Nominal Per Share Rs. 10)		0.427	(0.120)

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

FOR KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR KRISHNA CAPITAL & SECURITIES LIMITED

[KEDAR RAM LADHA]
PARTNER
M.NO. 101886

[MANAGING DIRECTOR] [DIRECTOR]

PLACE : AHMEDABAD
DATE : 04/09/2007

PLACE : AHMEDABAD
DATE : 04/09/2007

KRISHNA CAPITAL & SECURITIES LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET 2006-2007

SCHEDULE :- 1 :- SHARE CAPITAL

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
AUTHORISED SHARE CAPITAL : 40,00,000(P.Y.40,00,000)Equity Shares of Rs. 10/- Each,	40,000,000	40,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL : 31,58,400 Equity Shares of Rs. 10/- Each Fully Paid up (Previous Year 31,58,400 Shares of Rs. 10 Each Fully Paid)	31,584,000	31,584,000
TOTAL	31,584,000	31,584,000

SCHEDULE :- 2 :- UNSECURED LOAN

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
From Corporate Bodies	8,344,041	2,815,696
From Others	1,207,868	-----
TOTAL	9,551,909	2,815,696

KRISHNA CAPITAL & SECURITIES LTD.

Assessment Year : 2007-2008

Acct. Year : 31/03/2007

SCHEDULE : 3 : FIXED ASSETS

Particulars	GrossBlock			Depreciation				NetBlock	
	Opening Balance	Addition (Deletion)	Ason 31/3/2007	Opening Balance	During the year	Sale/ Adjustment	Ason 31/3/2007	Ason 31/3/2007	Ason 31/3/2006
Furniture	16,076	-----	16,076	14,299	322	-----	14,621	1,455	1,777
Fax Machine	17,500	-----	17,500	14,387	433	-----	14,820	2,680	3,113
Motor Car	1,136,434	-----	1,136,434	806,395	85,447	-----	891,842	244,592	330,039
Cellular Phone	38,215	-----	38,215	28,534	1,347	-----	29,881	8,334	9,681
Computer	181,544	-----	181,544	152,335	11,684	-----	164,019	17,525	29,209
Office Premises	216,325	315,000	531,325	93,978	20,400	-----	114,378	416,947	122,347
Pager	16,295	-----	16,295	12,787	488	-----	13,275	3,020	3,508
Television	11,000	-----	11,000	9,743	175	-----	9,918	1,082	1,257
E P B X System	23,814	-----	23,814	17,302	906	-----	18,208	5,606	6,512
Scooter	-----	41,827	41,827	-----	1,237	-----	1,237	40,590	-----
TOTAL RS ..	1,657,203	356,827	2,014,030	1,149,760	122,438	-----	1,272,198	741,832	507,444
Previous Year	(1,730,049)	-----	(1,730,049)	(1,077,115)	(145,491)		(1,222,606)	(507,443)	(652,935)

SCHEDULE :- 4 :- INVESTMENT

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
Long Term Investment (At Cost)		
E.Q.Share (Quoted -Fully Paid Up)		
150000 E.S of Rs.10 each of Tirupati Finlease Ltd (Kindly refer to note no. 2 to Auditors report)	1,500,000	1,500,000
390000(390000)E.S. of Rs.10 each of Palco Metal Limited (company under the same management)	3,900,000	3,900,000
2 E.Q.Share (Unquoted -Fully Paid Up)at cost		
51000 E.S of Rs.10 each of Krishna worldwide P.Ltd (company under the same management)	510,000 —	510,000
100000 E.S of Rs.10 each of Dev Stock Broking Ltd	1,000,000	1,000,000
160000 E.S. of Rs.10 each of Krishna Share Broking Ser. Ltd (company under the same management)	1,600,000 —	1,600,000
	8,510,000	8,510,000
Aggregate Book Value Quoted	5,400,000	5,400,000
Aggregate Market Value Quoted	*	*
Aggregate Book Value Unquoted	3,110,000	3,110,000
* Quotation Note Available		
3 Preferential Share (Unquoted -Fully Paid Up)		
1 460000(0) 8.5% Non Cumulative Pref. shares of Rs.10 each of Palco Metal Ltd (company under the same management)	4,600,000	-----
Total Investment in Shares	13,110,000	8,510,000
4 Immovable Property		
1 Investment in Office Premises	500,000	500,000
5 Share Application Money	-----	15,100,000
	500,000	15,600,000
TOTAL	13,610,000 /	24,110,000

SCHEDULE :-5 :- SUNDRY DEBTORS

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
(unsecured considered good except otherwise stated)		
Debts outstanding for a period Exceeding six months:	1,901,351	1,906,301
Other debts:		
TOTAL	1,901,351	1,906,301
Out of the above debts :-		
Considered good		
Considered Doubtful (No Provision made)	1,901,351	1,901,351
(Kindly refer note no.2 to Auditor's report)		

SCHEDULE :- 6 :- CASH & BANK BALANCE

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
Cash on hand	2,930	15,148
Balance with Scheduled Banks		
In Current Accounts	139,295	339,314
TOTAL	142,225	354,462

SCHEDULE :- 7 :- LOANS & ADVANCES

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
Recoverable in cash or kind for the value to be received (unsecured considered good except otherwise stated)		
Loan to companies under the same management (Maxi. Bal. O.S.During the year Rs19147627/-(14597627/-)	23,310,540	1,173,562
Other Loan	114,270	3,113,479
Deposits	5,000	20,000
Cheque on Hand		32,964
Freeze Benefit Tax	14,748	20,585
Freeze Benefit Tax Refund	3,505	
TDS On Interest	230,812	
I.Tax Refundable A.Y.2006-07(F.Y. 2005-06)	418,598	418,598
I.Tax Refundable A.Y.2005-06(F.Y. 2004-05)	42,416	42,416
I.Tax Refundable A.Y.2004-05(F.Y. 2003-04)	149,405	149,405
TOTAL	24,297,294	4,971,009

SCHEDULE :- 8 :- CURRENT LIABILITIES & PROVISIONS

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
CURRENT LIABILITIES :		
Other Liabilities	27,770	161,529
	27,770	161,529
PROVISION		
Provision for F.B.T	22,000	23,439
Provision for Taxation	160,000	-----
	182,000	23,439

SCHEDULE :- 9 :- SALES & OTHER REVENUE

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
Sales	16,920,064	37,037,911
From Interest on Deposits	1,043,019	1,884,440
(TDS Rs.230812/-P.Y.Rs 418598/-)	17,963,083	38,922,351

SCHEDULE :- 10 :- INCREASE/DECREASE IN STOCK

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
Closing Stock	3,397,833	4,139,254
Less: Opening Stock	4,139,254	1,878,850
	(741,421)	2,260,404

SCHEDULE :- 11 :- OTHER INCOME

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
Dividend Income	42,387	25,858
Kasar	623	838
Income tax refund	8,959	-----
Profit on Sale of Shares	-----	2,200,000
	51,969	2,226,696

SCHEDULE :- 12 :- PROVISION & PAYMENT TO EMPLOYEES

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
Salary Expenses	294,000	170,500
	294,000	170,500

SCHEDULE :- 13 :- ADMINISTRATIVE & SELLING EXPENSE

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
Telephone Expenses	85,791	34,235
Petrol & Vehicle Expenses	5,982	9,839
Broker Charges	350	-
Stationary & Printing Expenses	21,539	22,490
Loss on sale of immovable Property	-	694,859
Municipal Tax	7,299	4,358
Directors Remuneration	420,000	180,000
Electricity Expenses	69,937	35,596
Professional Charges	35,886	93,813
Professional Tax (Company)	1,000	1,000
Insurance Expenses	21,420	25,244
Listing Fee	15,000	15,000
Office Expenses	19,345	19,702
Audit Fees	25,500	25,500
News Paper & Magazine Exp	1,509	575
Postage Exp	2,012	349
Software Exp	5,800	3,350
Tea & Others Exp	16,155	10,265
Motor Car Exp	185,482	235,244
Xerox Exp	2,554	1,801
Office Main. Cont. Charges	35,831	11,985
TOTAL	967,382	1,430,729

SCHEDULE :- 14 :- FINANCIAL EXPENSES

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
Interest Expenses	698,878	735,864
Bank Charges	689	2,747
TOTAL RS....	699,567	738,611

SCHEDULE :- 15 :- EARNING PER SHARE

PARTICULARS	31/3/2007 Rs.	31/3/2006 Rs.
Net Profit After Tax	1,348,324	(378,275)
Weighted No. of Equity Shares (Basic & Diluted)	3,158,400	3,158,400
Earning Per Share	0.427	(0.120)

SCHEDULE : INVENTORY

(at cost or Market Value which ever is less)

SR. NO	PARTICULAR	FACE VALUE Rs.	AS AT QTY. 31.03.07	AS AT QTY. 31.03.06	AMOUNT AS ON 31.03.07	AMOUNT AS ON 31.03.06
1	AASHI PHARMA LIMITED	10.00	800	800	600.00	600.00
2	ASIATIC INFRA & SHEL LIMITED	10.00	1500	1500	2550.00	2550.00
3	ASIATIC FOODS EXPORTS LIMITED	10.00	4000	4000	12400.00	12400.00
4	AMGF Intercorp Limited	10.00	1400	1400	17780.00	17780.00
5	ADVANCE BIOCOAL LIMITED	10.00	5000	5000	2500.00	2500.00
6	AKASH AGRO IND. LIMITED	10.00	1000	1000	800.00	800.00
7	AJAY HOME PRODUCTS LIMITED	10.00	19500	19500	113100.00	113100.00
8	ASIAN AGALITE LIMITED	10.00	1000	1000	3000.00	3000.00
9	AFTEK INFOTEK LIMITED	10.00	500	0	32800.00	0.00
10	BARAR INDUSTRIES LIMITED	10.00	200	200	800.00	800.00
11	BHAGIRATHA CHEM. IND. LTD	10.00	1793	1793	168542.00	258192.00
12	BSEL INFRASTRUCTURE LIMITED	10.00	0	10000	0.00	409500.00
13	BISLERI GUJART LIMITED	10.00	2000	0	1560.00	0.00
14	COMET GLASS LIMITED	10.00	1000	1000	1450.00	1450.00
15	CITIZEN YARNS LIMITED	10.00	2700	2700	540.00	540.00
16	CENTURY ENKA LIMITED	10.00	300	0	37455.00	0.00
17	DEVIKA FINSTOCK LIMITED	10.00	8500	8500	12750.00	12750.00
18	ESSAR STEEL LIMITED	10.00	2000	0	73900.00	0.00
19	FISCHER CHEMIC LIMITED	10.00	1300	1300	8840.00	8840.00
20	FINE AGROMATICS LIMITED	10.00	1000	1000	11000.00	11000.00
21	GROWMORE SOLVANT LIMITED	10.00	1500	1500	1425.00	1425.00
22	HANI INDUSTRIES LIMITED	10.00	12900	12900	32250.00	32250.00
23	HINDUSTAN FINSTOCK LIMITED	10.00	1400	1400	3500.00	3500.00
24	HOUSE OF FASHION PEA. LIMITED	10.00	100	0	33685.00	0.00
25	INDO MEXWELL LIMITED	10.00	1300	1300	975.00	975.00
26	INDO CREDIT CAPITAL LIMITED	10.00	3900	3900	4095.00	4095.00
27	I C P SECURITIES LTD	10.00	1800	1800	2700.00	2700.00
28	ISPAT INDUSTRIES LIMITED	10.00	1000	1000	13340.00	28500.00
29	ITI LIMITED	10.00	5000	5000	189250.00	344000.00
30	JINDAL LEASEFIN LIMITED	10.00	3300	3300	4125.00	4125.00

SR. NO.	PARTICULAR	FACE VALUE Rs.	AS AT QTY. 31.03.07	AS AT QTY. 31.03.06	AMOUNT AS ON 31.03.07	AMOUNT AS ON 31.03.06
31	JCT LIMITED	10.00	0	10000	0.00	133100.00
32	KRYSTAL KNITWARE LIMITED	10.00	2000	2000	11000.00	11000.00
33	KOLUTHARA EXPORTS LIMITED	10.00	700	700	1575.00	1575.00
34	KESHARIYA SPINNERS LIMITED	10.00	8900	8900	31150.00	31150.00
35	KARISHMA FLORICULTURE LTD	10.00	200	200	200.00	200.00
36	KALPATARU PAPERS LIMITED	10.00	0	10002	0.00	330066.00
37	KARWA SECURITIES LTD	10.00	8100	8100	14175.00	14175.00
38	LESHA STEEL LIMITED	10.00	900	900	855.00	855.00
39	MAHASAGAR TRAVELS LIMITED	10.00	1000	1000	1500.00	1500.00
40	MARK LEASING LIMITED	10.00	1000	1000	2000.00	2000.00
41	MIG - WELD & MACHINE LIMITED	10.00	1200	1200	1500.00	1500.00
42	MAARS SOFTWARES LIMITED	10.00	25000	15000	94000.00	70350.00
43	MAZDA LIMITED	10.00	1700	0	141100.00	0.00
44	MTZ POLYFILMS LIMITED	10.00	1000	1000	1890.00	3530.00
45	M C S LIMITED	10.00	500	0	11200.00	0.00
46	NAHAR SPINNING LIMMS LIMITED	10.00	1000	1000	116000.00	280000.00
47	PATEL'S WIDECOM LIMITED	10.00	4800	4800	12000.00	12000.00
48	PUNJAB WIRELESS SYSTEM LIMITED	10.00	100	100	7040.00	7040.00
49	PRETTO LEATHER INDUSTRIES LTD	10.00	800	800	1080.00	1080.00
50	PALCO METALS LIMITED	10.00	17940	17940	358800.00	358800.00
51	PASVNATH DEVELOPERS LTD	10.00	400	0	103600.00	0.00
52	RAJADHIRAH INDUSTRIES LTD	10.00	2000	2000	3000.00	3000.00
53	RELIANCE CAPITAL VENTURE LIMITED	10.00	1500	1500	33150.00	42750.00
54	RADHE DEVELOPERS LIMITED	10.00	400	0	8300.00	0.00
55	RASHTRIYA CHEMICALS LTD	10.00	2050	0	71750.00	0.00
56	SHREE ARAVALI FINLEASE LTD	10.00	2000	2000	3000.00	3000.00
57	SOMANI STRIPS LIMITED	10.00	1000	1000	1800.00	1800.00
58	SWET - CHEM ANTIBIOTICS LTD	10.00	200	200	600.00	600.00
59	SEEMAX INDUSTRIES LTD	10.00	100	100	205.00	205.00
60	SINGHAL OVERSEAS LIMITED	10.00	1800	1800	4050.00	4050.00
61	SONEL CLOCKS & GIFTS LTD	10.00	6700	6700	10385.00	10385.00
62	SECURE INDUSTRIES LTD	10.00	1300	1300	1235.00	1235.00

SR. NO.	PARTICULAR	FACE VALUE Rs.	AS AT QTY. 31.03.07	AS AT QTY. 31.03.06	AMOUNT AS ON 31.03.07	AMOUNT AS ON 31.03.06
63	SHALIN HOTEL LIMITED	10.00	900	900	4050.00	4050.00
64	SCINTILLIA SOFTWARE LIMITED	10.00	2000	2000	1080.00	1080.00
65	SOUTHER PETROCHEM LIMITED	10.00	0	5000	0.00	141500.00
66	SHARYANS RESOURTS LIMITED	10.00	3813	5381	903681.00	1054676.00
67	TIRUPATI FINLEASE LIMITED	10.00	5800	5800	0.00	0.00
68	TATA IRON & STEEL CO. LTD	10.00	675	0	303480.00	0.00
69	TATA TELESERVICES MH. LTD	10.00	2000	0	42200.00	0.00
70	TORRENT POWER AEC LIMITED	10.00	1500	0	89250.00	0.00
71	VXL INSTRUMENTS LIMITED	10.00	6600	6600	154440.00	333630.00
72	ZYDEN GENTEC LIMITED	10.00	2000	0	63800.00	0.00
	TOTAL RS...		202271	219716	3397833.00	4139254.00

KRISHNA CAPITAL & SECURITIES LTD.

ASST. YEAR : 2007 – 2008

ACCT. YEAR : 31/03/2007

SCHEDULE : 16 : NOTES OF ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES :

1. BASIS OF ACCOUNTING :

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

2. INVENTORIES :

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

3. REVENUE RECOGNISATION :

All Income & Expenses are accounted for on accrual basis.

4. FIXED ASSETS :

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

5. DEPRECIATION :

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

6. INVESTMENT :

Investment is for Long Term and stated at cost.

7. INCOME TAX :

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

II. NOTES OF ACCOUNTS :

1. Balance of sundry debtors, creditors, loans & advances are subject to confirmation.

2. Cash Balance & Closing Stock are Physically taken, Valued & Certified by the Management.

3. PAYMENT TO AUDITORS :

	31.03.2007	31.03.2006
For, Statutory Audit :	Rs. 10,000	10,000
For, Company Audit :	Rs. 5,000	5,000
For, Taxation :	Rs. 8,000	8,000
For, Service Tax :	Rs. 2,843	2,500
Total Rs.	Rs. <u>25,843</u>	<u>25,500</u>

4. Contingent Liabilities is NIL.
5. No Provision has been made in the accounts for book debts of Rs. 19,01,351/- considered doubtful.
6. The company's quoted Share's [Long Term Investment] quotation are not available. The company has not made provision for diminution of Rs 1500000/- in value of the shares and stated at cost.
7. No Provision has been made in the accounts for book debts of Rs. 1901351/- considered doubtful. Hence profit and Assets are over stated to that extent.
8. Figures of the previous period have been regrouped, wherever necessary, to make them comparable with the Current Year figures.
9. Based on the information available with the company there are no outstanding dues to small-scale undertaking as at the year end.
10. Director's Gross Remuneration Amounted to Rs. 420000/- (P.Y 180000)
11. Provision for tax is based on the assessable profits of the company computed in accordance with the income tax act, 1961.

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

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

	As at 31-03-2007		As at 31-03-2006	
	Qty (Nos.)	Amount Rs. (In Lacs)	Qty (Nos.)	Amount Rs. (In Lacs)
Opening Stock	219716	41.35	199090	18.79
Add : Purchases	100755	162.43	282863	127.23
Less : Sales	111200	169.39	262237	101.05
Closing Stock	209271	33.97	219716	41.35

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

(RS. IN LACS)

	Trading	Financial Services	Unallocated	Total
Revenue				
Segment Revenue	161.78	10.85	0.09	172.72
Result				
Segment Result	25.11	3.86	-13.74	15.23
Income Tax	0.00	0.00	1.72	1.72
Deferred Tax	0.00	0.00	0.21	0.21
Total Result	25.11	3.86	15.67	13.30
Capital Employed				
Segment Assets	52.99	234.32	153.66	440.97
Segment Liabilities	-	95.52	345.45	440.97
Net Segment Assets	52.99	138.80	(191.79)	0.00

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

Name of Related Party	Nature of Relation	Nature of Transaction	Volume of Transaction	Any o/s Liability	Amt. Written off
Krishna Share Broking Pvt. Ltd.	Same Management	Borrowed Money	157.45	32.60	0
Krishna World wide Pvt. Ltd.	Same Management	Borrowed Money	75.40	50.83	0
Palco Metal Ltd	Same Management	Lend Money	276.00	233.18	0
Krishna World Wide Pvt. Ltd	Same Management	Interest Paid	3.30	0.00	0
Krishna Share Broking Pvt. Ltd.	Same Management	Interest Paid	1.84	0.00	0
Palco Metal Ltd.	Same Management	Interest Recd.	9.99	0.00	0
Ashokkumar Agarwal	Managing Director	Director's Remuneration	4.20	0	0
Ashokkumar Agarwal		Advance For expense	0.70	0.00	
Kirankumar Agarwal		Lend Money	1.40	0.00	
Kirankumar Agarwal		Interest Recd.	0.02		

15. Earning Per Share :

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

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

Particulars	As at 31-03-2007	As at 31-3-2006
Depreciation & Preliminary Exp.	20553	2881

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

Signature of all Schedule "1" to "16"

AS PER OUR AUDIT REPORT OF EVEN DATE

FOR KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS

[KEDAR RAM LADHA]
PARTNER
M.NO. 101886

FOR KRISHNA CAPITAL & SECURITIES LIMITED

[MANAGING DIRECTOR] [DIRECTOR]

PLACE : AHMEDABAD
DATE : 04/09/2007

PLACE : AHMEDABAD
DATE : 04/09/2007

KRISHNA CAPITAL & SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2007

PARTICULARS	2006 - 2007	2005 -2006
A] CASH FLOW FROM OPERATING ACITIVITIES		
NET PROFIT BEFORE TAX & EXTRA-ORDINARY ITEMS	1523051	-378275
Adjustments for :-		
Depreciation	122438	14591
Income from Investment	0	-2200000
Loss on Sale of Immovable Property	0	694859
Amortisation of Misc. Exp.	0	
Interest (Paid / payable on loans, etc.)	698878	735864
Dividend Income	-42387	-25858
OPERATING PROFIT BEFORE WRK.CAPITAL CHANGES	2301980	-1027919
Adjustments for :-		
Trade & other receivables	4950	-4950
Inventories	741421	-2260404
Deposit	0	
Loans & advances	-19326285	11236129
Trade payables	-133759	-192238
Provision for Income Tax	-23439	-294734
CASH GENERATED FROM OPERATIONS	-16435132	7455884
CASH FLOW BEFORE EXTRA-ORDINARY ITEM	-16435132	7455884
Extra-ordinary item (Excess Tax Provision)	0	0
NET CASH FROM OPERATING ACTIVITIES	-16435132	7455884
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-356827	
Sale of Investment	10500000	-9797500
Loss On sale Of Immovable Property	0	-694859
Income from Investment	0	2200000
Dividend received	42387	25858
NET CASH FROM INVESTING ACTIVITIES	10185560	-8266501
C] CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loans	0	0
Unsecured Loans	6736213	1886153
Interest Paid		
NET CASH FROM FINANCING ACTIVITIES	6037335	1150289
NET INCREASE(DECREASE)IN CASH & CASH EQUIVALENTS.)A+B+C)	-212238	339672
CASH & CASH EQUIVALENTS AS AT 1ST APRIL (OPENING BALANCE)	354462	14789
CASH & CASH EQUIVALENTS AS AT 31ST MARCH (CLOSING BALANCE.)	142225	354462
	212238	-339672

KRISHNA CAPITAL & SECURITIES LTD.

ASST. YEAR : 2007 - 2008

ACCT. YEAR : 31/03/2007

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. REGISTRATION DETAILS :**

Registration No.	:	23803	State Code	:	04
Balance Sheet Date	:	31/03/2007			

I. REGISTRATION DETAILS :

Registration No.	:	23803	State Code	:	04
Balance Sheet Date	:	31/03/2007			

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

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

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT IN RS. THOUSAND) :

Total Liabilities	:	43,895	Total Assets	:	43,895
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SOURCES OF FUNDS :

Paid Up Capital	:	31,584	Reserves & Surplus	:	2,759	43,898
Secured Loans	:	0	Unsecured Loans	:	9,552	
			Deferred Tax Liability	:	3	

APPLICATIONS OF FUNDS :

Net Fixed Assets	:	742	Investments	:	13,610
Net Current Assets	:	29,529	Misc. Expenditure	:	0
Accumulated Losses	:	NIL	Deferred Tax Asset	:	0

IV. PERFORMANCE OF COMPANY [AMOUNT IN THOUSAND] :

Total Income	:	17,274	Total Expenditure	:	15,751
Profit Before Tax	:	1,523	Profit After Tax	:	1,348
Earnings Per Share [Rs]	:	0.427	Dividend Rate	:	NIL

[on annualised basis]

V. GENERAL NAME OF PRINCIPAL PRODUCT / Item Code No. : NIL**SERVICE OF THE COMPANY [AS PER MONETARY TERM]****PRODUCT DESCRIPTION :** Securities Trading & Financial Services.

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

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

For and on behalf of the Board

[MANAGING DIRECTOR] [DIRECTOR]

PLACE : AHMEDABAD

DATE : 04/09/2007

AUDITORS REPORT

We have verified the attached Cash Flow Statement of Krishna Capital & Securities Ltd, Derived from audited financial statement and the books and records maintained by the company for the year ended 31st March, 2007 and found the same in agreement therewith.

**For, KPSJ & ASSOCIATES
CHARTERED ACCOUNTANTS**

[KEDAR RAM LADDHA]

PARTNER

M.NO. 101886

PLACE : AHMEDABAD

DATE : 04/09/2007