

# KLG CAPITAL SERVICES LIMITED

**Registered Office:** SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai - 400 023.

CIN: L67120MH1994PLC218169; Tel: 022-6619 9000; Fax: 022-2269 6024

E-mail: [company.secretary@klgcapital.com](mailto:company.secretary@klgcapital.com); Website: [www.klgcapital.com](http://www.klgcapital.com)

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September 30, 2016

To,  
The Manager,  
Listing Department,  
BSE Ltd.  
P J Towers, Dalal Street,  
Mumbai -400001, India

**BSE Security Code: 530771**

Dear Sir,

**Sub: Submission of Annual Report in terms of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of KLG Capital Services Limited for the financial year 2015-2016. The same has been approved and adopted in the 22<sup>nd</sup> Annual General Meeting of the members of the Company as per the provisions of the Companies Act, 2013.

Thanking you,

For KLG Capital Services Limited



**Akshika Thakkar**  
Company Secretary

Encl: a/a

# **KLG CAPITAL SERVICES LIMITED**

**22<sup>nd</sup> ANNUAL REPORT**  
**2015 - 2016**

## ANNUAL GENERAL MEETING

**Date :** September 27, 2016

**Day :** Tuesday

**Time :** 1615 Hours

**Place:** Babasaheb Dahanukar Hall,  
Oricon House, 12, K. Dubhash Marg,  
Kala Ghoda, Fort, Mumbai - 400 001.

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## BOARD OF DIRECTORS

- |                              |             |
|------------------------------|-------------|
| 1. Ms. Gayathri Ramachandran | Chairperson |
| 2. Mr. Nikhil Gandhi         | Director    |
| 3. Mr. V. Ramanan            | Director    |
| 4. Mr. Nilesh Mehta          | Director    |

## MANAGER

Mr. Chakradhar Das

## CHIEF FINANCIAL OFFICER

Mr. Ankit Pratap Singh

## COMPANY SECRETARY

Ms. Akshika Thakkar

## REGISTERED AND CORPORATE OFFICE

SKIL House, 209, Bank Street Cross Lane,  
Fort, Mumbai - 400 023  
CIN: L67120MH1994PLC218169  
Ph: 022 - 6619 9000  
Fax: 022 - 2269 6024  
Email: [company.secretary@klgcapital.com](mailto:company.secretary@klgcapital.com)  
Website: [www.klgcapital.com](http://www.klgcapital.com)

## STATUTORY AUDITORS

M/s. NBS & Co.,  
Chartered Accountants, Mumbai

## REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited  
44, Community Centre,  
2<sup>nd</sup> Floor, Naraina Industrial Area,  
Phase-1, Near PVR Naraina,  
New Delhi – 110 028  
Ph: 011 - 41410592/93/94  
Fax: 011 - 41410591  
Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

## BANKERS

Central Bank of India  
Kotak Mahindra Bank

## NOTICE

**NOTICE** is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of KLG Capital Services Limited ('AGM') will be held on Tuesday, September 27, 2016 at 1615 hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400001 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements and the Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Auditors and Board of Directors thereon.
2. To appoint a Director in place of Mr. Nilesh Mehta (DIN: 02101502), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the Members of the Company at the 20<sup>th</sup> Annual General Meeting held on September 30, 2014; the appointment of M/s. NBS & Co, Chartered Accountants (Firm Registration No. 110100W), as the Auditors of the Company for a term of three years i.e., till the conclusion of the 23<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2017; be and is hereby ratified at a remuneration mutually determined between the Auditors and the Board of Directors of the Company."

### SPECIAL BUSINESS:

4. To consider and, if thought fit, pass the following resolution regarding appointment of Mr. Chakradhar Das as Manager as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Chakradhar Das, as the Manager of the Company with effect from February 13, 2016 for a period of two years on the terms and conditions of appointment as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting.  
**RESOLVED FURTHER THAT** the terms and conditions of the appointment may be altered and varied from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amount payable to the Manager in accordance with Schedule V to the Companies Act 2013, other relevant provision of the Companies Act, 2013 and subject to such other modifications/amendments made there under.  
**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable for giving effect to this resolution."

#### Registered Office:

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 Email: company.secretary@klgcapital.com  
 Website: www.klgcapital.com

**By Order of the Board of Directors**

**Akshika Thakkar**  
**Company Secretary**

**Place: Mumbai**

**Date: August 08, 2016**

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act"), setting out material facts concerning the business under Item No. 4 is annexed hereto.
2. Pursuant to the requirements on Secretarial Standards-2 ("SS-2") and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief profile of the Director and Manager proposed to be reappointed and appointed respectively are given in the Exhibit to Notice.
3. **PROXIES**
  - a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY(IES) SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXY(IES) IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. ONLY DULY COMPLETED, SIGNED AND STAMPED PROXY WILL BE CONSIDERED VALID. A PROXY FORM IS ATTACHED HERewith.**

- b. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case of a Member who is holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a company, society, partnership firm, etc., it shall be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation. The Proxy-holder shall prove his identity at the time of attending the Meeting.
- c. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Member would be entitled to inspect the proxies lodged, at any time during the business hours at the Registered Office of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
5. Members/ Proxies/ Representatives are requested to bring their copies of the Annual Reports and the Attendance Slips sent herewith to attend the AGM.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts and Arrangements in which directors are interested maintained under Section 170 and Section 189 of the Companies Act, 2013 respectively, will be available for inspection by the members at the AGM.
8. The Register of Members and Transfer Books of the Company shall remain closed from Wednesday, September 21, 2016 to Tuesday, September 27, 2016, both days inclusive, for the purpose of the AGM of the Company.
9. The Members of the Company are requested to:
  - i. Notify immediately any change in their addresses/other contact details to the Company's Registrars and Share Transfer Agents, M/s. Link Intime India Private Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi – 110 028 ("RTA") for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
  - ii. Quote the Ledger Folio or Client ID and DP ID Numbers in all Communications with the Company/RTA.
  - iii. Approach the Company for consolidation of folios, if shareholdings are under multiple folios.
  - iv. Register their e-mail address, if not already registered, so that they can receive the Annual Report and other communication from the Company electronically.
  - v. Submit Permanent Account Number (PAN) to their Depository Participants with whom they are maintaining their demat accounts in case of members holding shares in electronic form and with the Company/ RTA in case of members holding shares in physical form as Securities and Exchange Board of India has mandated the submission of PAN by every participant in securities market.
10. Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least seven working days in advance of the AGM so that the information required can be made readily available at the meeting.
11. Copies of the Annual Report for FY 2015-2016 along with the Notice of the AGM, Attendance Slip and Proxy Forms are being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company / Depository Participant(s) ("DPs") for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report, etc., are being sent by the permitted mode. The Annual Report are being sent to the Members, as ibid, whose names shall appear in the Register of Members or in case of shares held in electronic form, who were the beneficial owners as on Friday, August 26, 2016. However, if such a person is not a Member on the cut-off date of Tuesday, September 20, 2016; such person shall not be eligible to vote via remote e-voting or at AGM and may treat this Notice for information purpose only. Members may also note that the Annual Report of the Company is also available for download from the website of the Company i.e. [www.klgcapital.com](http://www.klgcapital.com)
12. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company between 11:00 a. m. to 1:00 p. m. on all working days up to the date of the AGM. Copies thereof shall also be made available for inspection at the Meeting.
13. In compliance with provisions of Section 108 of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), SS-2 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to all Members of the Company to enable them to cast their votes electronically on the items/resolutions mentioned in this Notice. The facility of casting the votes by the Members using remote e-voting will be provided by Central Depository Services (India) Limited

('CSDL'). The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Friday, September 23, 2016 at 0900 hours and ends on Monday, September 26, 2016 at 1700 hours. During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, September 20, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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 voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p><b>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</b></p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p><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.</b></p> <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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number ("EVSN" i.e. "160822001") for KLG Capital Services Limited.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - 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.

## KLG Capital Services Limited

- 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). You may also contact Mr. Rakesh Dalvi, Deputy Manager, CDSL, 17th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001, Email ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), Phone No. (toll free): 1800-200-5533.
- In case if a person acquires shares and becomes Member of the Company after dispatch of this Notice/Annual Report, they may obtain the User ID and Password/Sequence Number by sending a request to RTA at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in).
14. The Company has appointed Ms. Bhavika Aashish Bhatt (C.P. No. 13376), Company Secretary in Practice, Mumbai, as Scrutinizer for conducting the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than forty eight hours of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or person so authorised who shall countersign the same and declare the result of the voting forthwith.
15. The results declared along with the Scrutinizer’s Report will be posted on the Company’s website i.e. [www.klgcapital.com](http://www.klgcapital.com) and on CDSL’s website and shall also be communicated to the BSE Limited, where the shares of the Company are listed.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to Special Business mentioned in the accompanying Notice:

#### Item No. 4

The Board of Directors of the Company at its meeting held on February 13, 2016 has, subject to the approval of members, appointed Mr. Chakradhar Das as the Manager for a period of 2 (two) years from February 13, 2016 on the terms and conditions of appointment as contained in the draft agreement.

Copy of the Agreement would be available for inspection without any fee by the members at the Registered Office of the Company during any time between 11:00 a.m. to 1: 00 p.m. on all working day upto and including the date of the AGM. Copies thereof shall also be made available for inspection at the Meeting.

Mr. Chakradhar Das satisfies all the conditions set out in Part-I of the Schedule V to the Act also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. The details of the appointee are given in the Exhibit to Notice.

The Board recommends the resolution set out at item No. 4 of the Notice for the approval by the Members by way of ordinary resolution.

Except Mr. Chakradhar Das, being an appointee, none of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

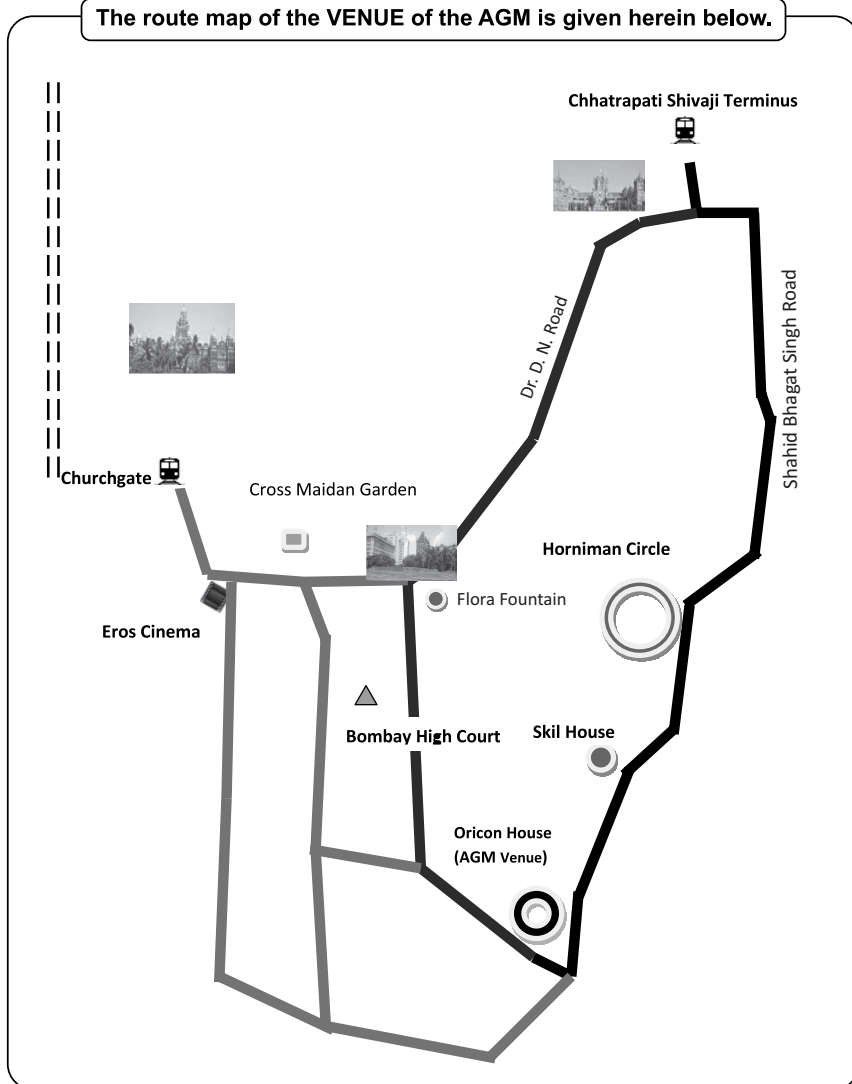
### EXHIBIT TO NOTICE

Pursuant to Secretarial Standards-2 and Regulation 36 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, following information is furnished in respect of Director/Manager proposed to be re-appointed / appointed:

Name of the Director/Manager	Mr. Nilesh Mehta (Director) (DIN: 02101502)	Mr. Chakradhar Das (Manager)
Date of Birth	May 10, 1968	September 09, 1990
Age	48 years	26 years
Nationality	Indian	Indian
Date of Appointment	September 29, 2009	February 13, 2016
Designation	Non-Executive, Non-Independent Director	Manager
Brief Profile including nature of Expertise in specific functional areas, qualification and experience	Mr. Nilesh Mehta is a post graduate in Commerce and is a Fellow Member of the Institute of Company Secretaries of India and Associate Member of Institute of Costs & Works Accountants of India. He has handled wide range of responsibilities including Corporate Laws, Legal affairs, Corporate Restructuring and Corporate Finance.	Mr. Chakradhar Das has done MBA (Finance). He has an experience of nearly one and a half years.
Directorships held in other Companies as on March 31, 2016	<ul style="list-style-type: none"><li>• Metrotech Technology Park Pvt. Ltd.</li><li>• KLG Stock Brokers Private Limited</li><li>• SKIL Midivisana Engineering Private Limited</li></ul>	NIL

Number of Board Meetings attended during the year	4 Meetings	N.A.
Memberships/ Chairmanships of committees of other public companies (Audit and Stakeholders' Relationship Committee) as on March 31, 2016	NIL	NIL
Shareholding in the Company as on March 31, 2016	3000 shares	NIL
Remuneration	NIL	NIL
Inter-se relationship with other Directors and Key Managerial Personnel	None	None

The route map of the VENUE of the AGM is given herein below.





**DIRECTORS' REPORT**

**Dear Members,**

Your directors have pleasure in presenting their 22<sup>nd</sup> Annual Report of the Company together with the Audited Financial Statement for the year ended March 31, 2016.

**Financial Highlights (Standalone)**

During the year under review, performance of your company as under:

(Rupees in Lacs)

<b>Particulars</b>	<b>2015-2016</b>	<b>2014-2015</b>
Total Income	21.72	48.67
Less: Expenditure	14.28	28.05
Profit before Depreciation & Tax	7.44	20.62
Less: Depreciation	0.02	0.17
Profit before Tax	7.42	20.45
Less: Taxes	2.89	5.38
Profit after Tax	4.52	15.07
Less: Transfer to Statutory Reserve Account as per Section 45-IC of Reserve Bank of India Act, 1934	0.90	3.01
Balance carried forward to Balance Sheet	3.62	12.06

*Note: Previous year's figures are regrouped/rearranged, wherever necessary.*

**Review of Company's Affairs**

Your Company is a Non-deposit taking Non-Banking Financial Company. During the year under review, the Company has earned total income of Rs. 21.72 Lacs as compared to the income of Rs. 48.67 Lacs during the previous financial year. The profit after tax as on March 31, 2016 amounted to Rs. 4.52 Lacs as against profit of Rs. 15.07 Lacs during the previous financial year.

**Dividend**

With a view to conserve resources, your Directors do not recommend dividend for the year under review.

**Reserves:**

During the year under review, Rs. 0.90 Lacs (Previous year Rs. 3.01 Lacs) is transferred to Statutory Reserve Account as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profits after taxes for the year.

**Extract of Annual Return**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return for the Financial Year 2015-16 in Form MGT-9 is annexed to herewith as '**Annexure I**'.

**Material Changes and Commitments:**

No material changes and commitments have occurred between the end of financial year of the company and the date of this report affecting the financial position of the Company as at March 31, 2016.

**Particulars of Loan, Guarantees and Investments under Section 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Also, pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the particulars of Loans/Advances given to Subsidiaries have been disclosed in the notes to the Financial Statements.

**Particulars of Contracts or Arrangements with Related Parties**

None of the transactions with related parties falls under the scope of section 188(1) of the Companies Act, 2013. Hence, the Company has nothing to report in Form AOC-2 and the same is not annexed. The details of other related party transactions are given in the Notes to the Financial Statement.

**Deposits**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder.

**Details of Subsidiary Company**

During the year, the Company had one wholly owned subsidiary namely KLG Stock Brokers Private Limited ("KSBPL"). KSBPL is a Deposit Based Trading Member of Cash and Equity Derivatives Segment of BSE Limited. KSBPL had made an application to BSE Ltd. for surrender of such membership and on completion of all formalities, KSBPL would cease to be a subsidiary of the Company. However, it has withdrawn the application for surrender of such membership and would continue with such membership as hitherto. Therefore, KSBPL shall continue as a wholly owned subsidiary of the Company. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013.

The performance and financial position of the subsidiary company included in the consolidated financial statement is provided in accordance with the provisions of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 as a separate statement annexed to the Notes to Financial Statements in Form AOC – 1 and hence not repeated here for the sake of brevity. The Contribution of the subsidiary to the overall performance of the Company is reflected through the Consolidated Financial Statements.

Further, during the financial year under review, none of the Companies became or ceased to be the Subsidiary or Associate of the Company.

**Details of Directors and Key Managerial Personnel**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Nilesh Mehta (DIN: 02101502) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Mr. Milan Mandani ceased to be Whole-time Key Managerial Personnel of the Company under the category of Manager with effect from February 03, 2016 pursuant to which Mr. Chakradhar Das was appointed in the said category with effect from February 13, 2016.

Mr. Mitul Shah ceased to be Whole-time Key Managerial Personnel of the Company under the category of Chief Financial Officer with effect from May 25, 2015 pursuant to which Mr. Ankit Pratap Singh was appointed in the said category with effect from November 05, 2015.

Ms. Nishita Nagrecha ceased to be Whole-time Key Managerial Personnel of the Company under the category of Company Secretary with effect from September 25, 2015 pursuant to which Ms. Akshika Thakkar was appointed in the said category with effect from February 13, 2016.

Brief profile of Director/Manager proposed to be re-appointed/appointed as aforesaid is provided in the Exhibit in the Notice of Annual General Meeting.

**Declaration by Independent Directors**

The Company has received necessary declaration from each Independent Directors under section 149(7) of the Act that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

**Independent Directors' Meeting:**

The Independent Directors met on February 14, 2016, without the attendance of Non- Independent Directors and members of the Management. The Independent Directors, inter alia, reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Performance Evaluation**

The Companies Act, 2013 stipulates the performance evaluation of the Directors, Board and its Committees. The Company has devised the criteria based on which the annual performance evaluation of the Directors, Board and Board Committees has been carried out.

The criteria for performance evaluation of Independent Directors are mainly devised based upon the parameter for professional conduct, role, functions and duties laid under Schedule IV of the Companies Act, 2013. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and its Committees, participation in discussions, etc. Performance evaluation of individual Directors was on parameters such as attendance, contribution, constructive and active participation etc.

The Independent Directors, at their separate Meeting, evaluated the performance of Non - Independent Directors including Chairperson of the Company and the Board as a whole; the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties. The performance of all directors was also evaluated by the Nomination and Remuneration Committee.

The Board of Directors considered the performance evaluation of the Directors, Board and Board Committees. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the concerned Director being evaluated.

**Directors Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit and loss of the Company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the asset 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; and
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Board and it's Committees**

The details of the Board and its' Committees, the number of meetings held during the year under review and the number of meetings attended by each director are given below. Here, (i) No. of Board/Committee Meetings held reflects the no. of meetings held in the tenure of the concerned Director in financial year 2015-16 (ii) Due to business exigencies, certain resolutions were passed through circulation and the said resolutions have been noted at the subsequent Board/Committee Meetings.

**i. Board**

Your Company's Board of Directors met four times during the financial year under review. The meetings of the Board were held on May 28, 2015, August 12, 2015, November 05, 2015 and February 13, 2016. The intervening gap between the two Meetings was within the period prescribed under the Companies Act, 2013. Further, a meeting was held in each calendar quarter in compliance with Secretarial Standards.

The attendance of each Director at the said Board Meetings is given below:

Name of the Directors	No. of Board Meetings Held	No. of Board Meetings attended
Ms. Gayathri Ramachandran	4	4
Mr. Nikhil Gandhi	4	2
Mr. V. Ramanan	4	4
Mr. Nilesh Mehta	4	4

**ii. Audit Committee**

The Audit Committee comprises Mr. V. Ramanan (Chairman), Ms. Gayathri Ramachandran and Mr. Nilesh Mehta as Members. All the recommendations made by the Audit Committee were accepted by the Board.

The Audit Committee met four times during the financial year under review. The meetings of the Committee were held on May 28, 2015, August 12, 2015, November 04, 2015 and February 13, 2016.

The attendance of each Director at the said Committee Meetings is given below:

Name of the Directors	No. of Committee Meetings Held	No. of Committee Meetings attended
Mr. V. Ramanan	4	4
Ms. Gayathri Ramachandran	4	4
Mr. Nilesh Mehta	4	4

**iii. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises Ms. Gayathri Ramachandran (Chairperson), Mr. V. Ramanan and Mr. Nikhil Gandhi as Members.

The Nomination and Remuneration Committee met twice during the financial year under review. The meeting of the Committee was held on November 04, 2015 and February 13, 2016.

The attendance of each Director at the said Committee Meetings is given below:

Name of the Directors	No. of Committee Meetings Held	No. of Committee Meetings attended
Ms. Gayathri Ramachandran	2	2
Mr. V. Ramanan	2	2
Mr. Nikhil Gandhi	2	1

**iv. Stakeholders Relationship Committee**

During the financial year 2015-16, no meeting of the Stakeholders Relationship Committee was held.

**Statutory Auditors**

In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every AGM. At the AGM held on September 30, 2014, M/s. NBS & Co., Chartered Accountants (ICAI Registration No. 110100W), were appointed as the Statutory Auditors of the Company to hold office until the conclusion of the 23rd AGM to be held in the calendar year 2017. At the 21<sup>st</sup> AGM held on September 25, 2015, the Company ratified such appointment. Accordingly, the appointment of M/s. NBS & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders in the ensuing AGM.

In this regard, the Company has obtained a written consent under Section 139 of the Companies Act, 2013 from the Auditors to such continued appointment and also a certificate from them to the effect that their appointment, if ratified, would be in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made thereunder, as may be applicable.

**Auditors' Report**

The Auditors' Report to the Members on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, does not contain any qualification, reservation, adverse remark or disclaimer. No frauds have been reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013.

**Secretarial Auditor:**

Pursuant to Section 204 of the Companies Act 2013, the Board has appointed Ms. Bhavika Aashish Bhatt, Company Secretary in Practice, Mumbai, as its Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2015-16.

The Secretarial Audit Report for the financial year ended March 31, 2016, does not contain any qualification, reservation and adverse remark and is annexed to this report as '**Annexure II**'.

## Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review as stipulated under Listing Regulations forms part of this Annual Report.

### Adequacy of Internal Financial Control with reference to the Financial Statements

The Company has in place adequate internal financial controls with reference to financial statements. During the year, no reportable material weakness in the design or operation was observed in the internal financial controls.

### Managerial Remuneration

Disclosures of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as '*Annexure III*'.

None of the Directors of the Company are in receipt of any commission from the Company or from any Subsidiary of the Company. The details of remuneration paid to the Directors of the Company are given in '*Annexure I*' to this Report.

### Risk Management Policy

Pursuant to the requirement of Section 134 of the Companies Act, 2013, the Company has already in place a Risk Management Policy. The Company has a robust Risk Management framework to identify and evaluate business risks and opportunities. The framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage.

### Significant & material orders passed by the regulators or courts or tribunal

There are no significant material orders passed by the regulators or courts or tribunals which would impact the going concern status and company's operations in future.

### Nomination & Remuneration Policy

The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee is duly approved by the Board of Directors of the Company and is annexed to this Report as '*Annexure IV*'.

The Company doesn't pay remuneration to Non-Executive Director except for the sitting fees being paid to the Non-Executive Independent Directors. The sitting fee has been paid within the limit prescribed under the Companies Act, 2013.

### Vigil Mechanism/Whistle Blower Policy

The Company has implemented the Vigil Mechanism/Whistle Blower Policy which encourages the Whistle Blower to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of Whistle Blower who avail of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases.

The details of Vigil Mechanism/Whistle Blower Policy are available on the website of the Company at <http://www.klgcapital.com/images/pdf/Policies-Codes/Whistle-Blower-Policy-Vigil-Mechanism.pdf>

### Sexual Harassment

During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Particulars of Employees

In terms of Section 136 of the Companies Act, 2013, the Annual Report and Financial Statements are being sent to the Members of the Company and others entitled thereto excluding the information pursuant to Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. These particulars will be made available for inspection by the Members at the Registered Office of the Company between 1100 hours to 1300 hours on all working days, except Saturday, up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard. Upon such request, the information will be made available.

### Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

Considering the nature of the business of the Company, there are no particulars to be disclosed relating to the Conservation of Energy, Research and Development and Technology Absorption as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, during the year under review.

There was no Foreign Exchange Earnings and Outgo during the year under review.

### Appreciations and Acknowledgment

The Board of Directors wishes to express its sincere appreciation and thanks to all Members, Employees, Bankers, Clients, Advisors, Vendors, Government Authorities and other regulatory authorities for their consistent support and co-operation and look forward to their continued support and co-operation in future.

#### Registered Office:

SKIL House, 209, Bank Street Cross Lane,  
Fort, Mumbai - 400 023  
CIN: L67120MH1994PLC218169  
Ph: 022 - 6619 9000 Fax: 022 - 2269 6024  
Email: [company.secretary@klgcapital.com](mailto:company.secretary@klgcapital.com)  
Website: [www.klgcapital.com](http://www.klgcapital.com)

By Order of the Board of Directors

**Gayathri Ramachandran**  
Chairperson  
DIN: 02872723

Place: Mumbai

Date: August 08, 2016

**Annexure I to Directors' Report  
FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on March 31, 2016**

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

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L67120MH1994PLC218169
ii	Registration Date	February 15, 1994
iii	Name of the Company	KLG CAPITAL SERVICES LIMITED
iv	Category/ Sub-Category of the Company	Company Limited by Shares, Non-Govt. Company
v	<b>Address of the Registered office &amp; contact details</b>	
	Address	209, SKIL House, Bank Street Cross Lane, Fort
	Town / City	Mumbai - 400 023
	State	Maharashtra
	Country Name	India
	Telephone (with STD Code)	022 6619 9000
	Fax Number	022 2269 6024
	Email Address	<a href="mailto:company.secretary@klgcapital.com">company.secretary@klgcapital.com</a>
	Website, if any	<a href="http://www.klgcapital.com">www.klgcapital.com</a>
vi	Whether listed company	Yes
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA	Link Intime India Private Limited
	Address	44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina
	Town / City	New Delhi
	State	Delhi
	Pin Code:	110 028
	Telephone	011 - 41410592/93/94
	Fax Number	011 - 41410591
	Email Address	<a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

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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	Consultancy & Arrangement fees	702	70.67
2	Interest on ICD	649	29.33

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

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	Awaita Properties Private Limited 209, SKIL House, Bank Street Cross Lane, Fort, Mumbai - 400 023	U45102MH-1995PTC084308	HOLDING	60.46	2(46)
2	KLG Stock Brokers Private Limited 209, SKIL House, Bank Street Cross Lane, Fort, Mumbai - 400 023	U74120MH-2010PTC207363	SUBSIDIARY	100	2(87)

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

## i. 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. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	1936075	0	1936075	60.46	1936075	0	1936075	60.46	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (A) (1)</b>	<b>1936075</b>	<b>0</b>	<b>1936075</b>	<b>60.46</b>	<b>1936075</b>	<b>0</b>	<b>1936075</b>	<b>60.46</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI - Individual	0	0	0	0	0	0	0	0	0.00
b) Other - Individual	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Others	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>1936075</b>	<b>0</b>	<b>1936075</b>	<b>60.46</b>	<b>1936075</b>	<b>0</b>	<b>1936075</b>	<b>60.46</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	0	0	0	0	0	0	0	0	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	574698	0	574698	17.95	562639	0	562639	17.57	-0.38
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	403909	2933	406842	12.70	372509	2933	375442	11.64	-0.98
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	268632	0	268632	8.39	260228	0	260228	8.13	-0.26
c) Others (specify)									
c-i) Clearing Member	3538	0	3538	0.11	16239	0	16239	0.51	0.40
c-ii) Non resident Indians (Repat)	8477	0	8477	0.26	8292	0	8292	0.26	0.00
c-iii) Non resident Indians (Non Repat)	638	0	638	0.02	626	0	626	0.02	0.00
c-iv) Directors / Relatives	3500	0	3500	0.11	3500	0	3500	0.11	0.00
c-v) HUF	0	0	0	0	39359	0	39359	1.23	1.23
<b>Sub-total (B)(2)</b>	<b>1263392</b>	<b>2933</b>	<b>1266325</b>	<b>39.54</b>	<b>12,63,392</b>	<b>2,933</b>	<b>12,66,325</b>	<b>39.54</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1263392</b>	<b>2933</b>	<b>1266325</b>	<b>39.54</b>	<b>1263392</b>	<b>2933</b>	<b>1266325</b>	<b>39.54</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>3199467</b>	<b>2933</b>	<b>3202400</b>	<b>100</b>	<b>3199467</b>	<b>2933</b>	<b>3202400</b>	<b>100.00</b>	<b>0.00</b>

**KLG Capital Services Limited**
**ii Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	Awaita Properties Pvt. Ltd.	1936075	60.46	0.00	1936075	60.46	0.00	0.00
	<b>TOTAL</b>	<b>1936075</b>	<b>60.46</b>	<b>0.00</b>	<b>1936075</b>	<b>60.46</b>	<b>0.00</b>	<b>0.00</b>

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

	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
At the beginning of the year	1936075	60.46	1936075	60.46
Changes during the year	-	-	1936075	60.46
At the End of the year	1936075	60.46	1936075	60.46

**iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Name of the Shareholder	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	
<b>1. Ranveer Infrastructure Pvt. Ltd.</b>					
At the beginning of the year	103500	3.23	103500	3.23	
Changes During the Year	-	-	103500	3.23	
<b>At the End of the year</b>			103500	3.23	
<b>2. Parag Infrastructure Pvt. Ltd.</b>					
At the beginning of the year	103000	3.22	103000	3.22	
Changes During the Year	-	-	103000	3.22	
<b>At the End of the year</b>			103000	3.22	
<b>3. Manish Infrastructure Pvt. Ltd.</b>					
At the beginning of the year	102000	3.19	102000	3.19	
Changes During the Year	-	-	102000	3.19	
<b>At the End of the year</b>			102000	3.19	
<b>4. Verona Capital Ltd.</b>					
At the beginning of the year	95998	3.00	95998	3.00	
Changes During the Year	-	-	95998	3.00	
<b>At the End of the year</b>			95998	3.00	
<b>5. Hansa Infrastructure Pvt. Ltd.</b>					
At the beginning of the year	85000	2.65	85000	2.65	
Changes During the Year	-	-	85000	2.65	
<b>At the End of the year</b>			85000	2.65	
<b>6. Suchitra G. Shanbhag</b>					
At the beginning of the year	40192	1.26	40192	1.26	
Changes During the Year					
Increase					
Date	Reason				
08.05.2015	Purchase	3057	0.10	43249	1.35
15.05.2015	Purchase	5951	0.19	49200	1.54
05.06.2015	Purchase	10000	0.31	59200	1.85
26.06.2015	Purchase	1200	0.04	60400	1.89
<b>At the End of the year</b>			60400	1.89	
<b>7. Prabhat Infrastructure Pvt. Ltd.</b>					
At the beginning of the year	54928	1.72	54928	1.72	
Changes During the Year	-	-	54928	1.72	
<b>At the End of the year</b>			54928	1.72	
<b>8. Priyanka Singhvi</b>					
At the beginning of the year	28673	0.90	28673	0.90	
Changes During the Year	-	-	28673	0.90	
<b>At the End of the year</b>			28673	0.90	

Name of the Shareholder		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
<b>9. Puneeta Garg</b>					
At the beginning of the year		24000	0.75	24000	0.75
Changes During the Year		-	-	24000	0.75
<b>At the End of the year</b>				24000	0.75
<b>10. V P Dharmarajan</b>					
At the beginning of the year		15000	0.47	15000	0.47
Changes During the Year					
Increase					
Date	Reason				
15.05.2015	Purchase	3000	0.09	18000	0.56
29.05.2015	Purchase	2000	0.06	20000	0.62
19.06.2015	Purchase	500	0.02	20500	0.64
Decrease					
Date	Reason				
26.06.2015	Transfer	50	0.00	20450	0.64
Increase					
Date	Reason				
29.01.2016	Purchase	2550	0.08	23000	0.72
<b>At the End of the year</b>				23000	0.72
<b>11. Sushila Garg</b>					
At the beginning of the year		24000	0.75	24000	0.75
Changes During the Year		-	-	-	-
Decrease					
Date	Reason				
05.06.2015	Transfer	3014	0.09	20986	0.66
30.06.2015	Transfer	50	0.00	20936	0.65
<b>At the End of the year</b>				20936	0.65

v **Shareholding of Directors and Key Managerial Personnel:**

Name of the Shareholders	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	
<b>Nilesh Mehta (Director)</b>					
At the beginning of the year	3000	0.09	3000	0.09	
Changes During the Year	-	-	-	-	
<b>At the End of the year</b>		3000	0.09	3000	0.09

Note : Except as above, none of the Directors or Key Managerial Personnels hold shares of the Company during the above stated period.

V **INDEBTEDNESS**

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

	Secured Loans excluding Deposits	Unsecured Deposits	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>		-	-	-
<b>Change in Indebtedness during the financial year</b>				
i) Addition	-	-	-	-
ii) Reduction	-	-	-	-
<b>Net Change</b>		-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>		-	-	-

The Company has not availed any loan during the year under review except from the Holding Company.



**KLG Capital Services Limited**
**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration of Managing Director (MD), Whole-time Director (WTD) and/or Manager:**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Milan Mandani Manager (upto 03.02.2016)	Mr. Chakradhar Das (appointed w.e.f. 13.02.2016)	
1	Gross salary	-	-	-
	(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	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)			

**B. Remuneration to other directors:**

1	Independent Directors	Ms. Gayathri Ramachandran	Mr. V. Ramanan	Total Amount
	Particulars of Remuneration			
	Fee for attending board/committee meetings	55,000	55,000	1,10,000
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	<b>55,000</b>	<b>55,000</b>	<b>1,10,000</b>
2	Other Non-Executive Directors	Mr. Nikhil Gandhi	Mr. Nilesh Mehta	Total Amount
	Particulars of Remuneration			
	Fee for attending board/committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>55,000</b>	<b>55,000</b>	<b>1,10,000</b>
	<b>Total Managerial Remuneration</b>	<b>55,000</b>	<b>55,000</b>	<b>1,10,000</b>

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mitul Shah Chief Financial Officer (CFO) (upto 25.05.2015)	Ankit Pratap Singh Chief Financial Officer (CFO) (appointed w.e.f. 05.11.2015)	Nishita M. Nagrecha Company Secretary (CS) (upto 25.09.2015)	Akshika Thakkar Company Secretary (CS) (appointed w.e.f. 13.02.2016)	
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	62,164	22,207	84,371
	(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	-	-	93,247	33,310	1,26,557
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	-	-	1,55,411	55,517	2,10,928

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

**Annexure II to Directors' Report**  
**Secretarial Audit Report**

for the financial year ended 31<sup>st</sup> March, 2016

*[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,**  
**KLG Capital Services Limited**  
**Mumbai**

Dear Sir(s)/ Madam

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **KLG Capital Services Limited** (hereinafter called "the Company"). 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, minutes 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, I hereby report that in my opinion, the Company has, during the financial year ended 31<sup>st</sup> March, 2016, 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 maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2016, 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, Overseas Direct Investment and External Commercial Borrowings – Not Applicable;
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable :-
  - 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, 1992 till May 14, 2015 and thereafter The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Following regulations and guidelines as prescribed under the SEBI Act were not applicable to the Company during the financial year under report:-

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
- 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;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions related to NBFCs and as applicable to the Company;

I have also examined compliances with applicable clauses of:

- I. Secretarial Standards issued by the Institute of the Company Secretaries of India w.e.f 1st July, 2015 for General Meetings, Board and Committees Meetings (i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee); and
- II. The Listing Agreement entered into by the company with BSE Limited till November 30, 2015 and thereafter The Securities and Exchange Board of India (Listing Obligations and Discloser Retirements) Regulations, 2015.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice, agenda and detailed notes were given to all Directors to schedule the Board Meetings 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.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee of the Board accordingly.

I have relied on the representation made by the Company and its Officers for adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws.

I further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- (i) Appointment and Resignation of Key Managerial Personnel(s)

**Place: Mumbai**  
**Date: August 08, 2016**

**Bhavika Aashish Bhatt**  
**ACS No.: 36181, COP No.: 13376**  
**(ICSI Unique Code I2014MH1174400)**

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

## APPENDIX A

To,  
The Members,  
**KLG Capital Services Limited**

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

1. The responsibility of maintaining Secretarial record is of the management and based on my audit, I have expressed our opinion on these records.
2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the Secretarial records were reasonable for verification on test check basis.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. 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.

**Place: Mumbai**  
**Date: August 08, 2016**

**Bhavika Aashish Bhatt**  
**ACS No.: 36181, COP No.: 13376**  
**(ICSI Unique Code I2014MH1174400)**

**Annexure III to Directors' Report  
Managerial Remuneration**

**Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i) Ratio of remuneration of each Director to median remuneration of Employees of the Company for FY 2015-2016: Median remuneration of Employees of the Company for FY 2015-2016 is NIL.
- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in FY 2015-2016:

<b>Name</b>	<b>Designation</b>	<b>Percentage increase in Remuneration during FY 2015-16</b>
Mr. Nikhil Gandhi	Director	0.00
Mr. Nilesh Mehta	Director	0.00
Mr. Milan Mandani (upto 03.02.2016)	Manager	0.00
Mr. Chakradhar Das (appointed w.e.f. 13.02.2016)	Manager	NA*
Mr. Mitul Shah (upto 25.05.2015)	Chief Financial Officer	0.00
Mr. Ankit Pratap Singh (appointed w.e.f. 05.11.2015)	Chief Financial Officer	NA*
Ms. Nishita Nagrecha (upto 25.09.2015)	Company Secretary	NA#
Ms. Akshika Thakkar (appointed w.e.f. 13.02.2016)	Company Secretary	NA*

Note:

\* Mr. Chakradhar Das, Mr. Ankit Pratap Singh and Ms. Akshika Thakkar were appointed during the FY 2015-16 and hence, comparative figures are not mentioned.

# Percentage increase in Remuneration during FY 2015-16 is not applicable as during FY 2014-15, Ms. Nishita Nagrecha drew her remuneration from the Holding Company, in which she was a Key Managerial Personnel under the category of Company Secretary under section 203 of the Companies Act, 2013.

- iii) The percentage increase in the median remuneration of employee(s) in the financial year: Not Applicable.
- iv) The number of permanent employees on the roll of the Company: As on March 31, 2016, there was 1 permanent employee on the pay roll of the Company.
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable
- vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: Remuneration paid by the Company is as per the Remuneration Policy.

## Annexure IV to Directors' Report

### NOMINATION, REMUNERATION & EVALUATION POLICY

#### LEGAL FRAMEWORK

This Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company in accordance with the requirement of revised Clause 49 of the Listing Agreement and the provisions of Section 178 of the Companies Act, 2013 read with the Rules thereunder.

This policy is intended to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management and other employees.

#### DEFINITIONS

1. **"Act"** means Companies Act, 2013 & rules made thereunder, including any modifications, clarifications, amendments, circulars or re-enactment thereof.
2. **"Board of Directors"** or **"Board"** means the Board of Directors of the Company, as constituted from time to time.
3. **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
4. **"Independent Director"** means a director who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
5. **"Key Managerial Personnel"** in relation to a company, means—
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed;
6. **"Policy"** means this Policy, as may be amended from time to time.
7. **"Senior Management"** means Senior Management means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

#### MEMBERSHIP

- i) The Committee shall consist of a minimum 3 Non-Executive Directors, majority of them being Independent.
- ii) A minimum of two (2) Members shall constitute a quorum for the Committee Meeting.
- iii) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### CHAIRPERSON

- i) The Chairperson of the Committee shall be an Independent Director.
- ii) The Chairperson of the Company (whether executive or non-executive) may be appointed as a Member of the Committee but shall not chair the Committee.
- iii) In the absence of the Chairperson, the Members of the Committee present at the Meeting shall choose one amongst them to act as Chairperson.
- iv) The Chairperson of the Committee could be present at the Annual General Meeting or may nominate some other Member to answer the shareholders' queries.

#### FREQUENCY OF MEETINGS

The Meeting of the Committee shall be held at such regular intervals as may be required.

#### ROLE/TERMS OF REFERENCE OF THE COMMITTEE

The role/terms of reference of the Committee include:

- i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, KMP and other employees;
- ii) Formulation of criteria for evaluation of Independent Directors and the Board;
- iii) Devising a policy on Board diversity;
- iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- v) Carrying out other functions as may from time to time be required under any statutory, contractual or other regulatory requirement.

#### POLICY FOR APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

##### I) General appointment criteria:

- i) The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii) The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel does not stand disqualified under the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.

- iii) The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the applicable provisions of the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.

**II) Other appointment criteria:**

Enhancing the competency of the Board and attracting as well as retaining talented employees for role of KMP/ Senior Management Personnel shall be the basis for the Committee to select a candidate for his/her appointment. When recommending a candidate for appointment, the Committee shall be:

- i) Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits in diversifying the Board;
- ii) The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing Directors/ KMP/ Senior Management Personnel and enhance the efficiency of the Company;
- iii) The qualification, skills and experience that the appointee brings to the designated role and how an appointee will enhance the skill sets and experience of the Board/Company as a whole;
- iv) The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- v) The appointment of Independent Directors shall be subject to compliance of provisions of Listing Regulations and Section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder.

**III) Term / Tenure of appointment of Managing Director/Whole-Time Director/ Manager and Independent Director:**

**i) Managing Director/Whole-time Director/Manager (Managerial Person):**

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/ Manager who is below the age of 21 years or who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**ii) Independent Director**

- a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- b) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**IV) Evaluation**

The evaluation/assessment of the Directors of the Company is to be conducted on an annual basis as per the requirements of the Companies Act, 2013 and the Listing Regulations.

**V) Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**VI) Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the Company's rules and as per applicable provisions of the Companies Act, 2013, wherever applicable.

**POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT/OTHER EMPLOYEES**

**I) Remuneration to Directors, KMP and Senior Management:**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management.

The Directors, KMP and other Senior Management's salary shall be based & determined on the individual person's responsibilities, performance, experience, leadership abilities, initiative taking abilities and knowledge base and also in accordance with the limits as prescribed statutorily, if any.

The remuneration to Directors, KMP and other Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

While recommending the remuneration, the Committee shall take into account the relevant factors such as market, business performance and practices in comparable companies, financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

## II) Remuneration to Non-executive / Independent Director:

The remuneration to Non-executive / Independent Director shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee. The Non-Executive / Independent Director may receive Commission within the monetary limit approved by shareholders.

An Independent Director shall not be entitled to any stock option of the Company.

## III) Remuneration to other employees

The authority to determine remuneration and terms of appointment of other employees stands delegated to the Whole Time Director/ Manager/ or any other person authorised in this regard by the Board of the Company.

### **DUTIES IN RELATION TO NOMINATION MATTERS**

The duties of the Committee in relation to nomination matters include:

- i) Ensuring that there is an appropriate induction in place for new Directors and Members of Senior Management and reviewing its effectiveness;
- ii) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- iii) Determining the appropriate size, diversity and composition of the Board;
- iv) Developing a succession plan for the Board and Senior Management;
- v) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- vi) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- vii) Recommend any necessary changes to the Board; and
- viii) Considering any other matters, as may be requested by the Board.

### **DUTIES IN RELATION TO REMUNERATION MATTERS**

The duties of the Committee in relation to remuneration matters include:

- i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- ii) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii) The remuneration to Directors, KMP and Senior Management of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- iv) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### **COMMITTEE MEMBERS' INTERESTS**

- i) A Member of the Committee is not entitled to be present when his or her own remuneration is discussed at a Meeting or when his or her performance is being evaluated.
- ii) The Committee may invite such executives, as it considers appropriate, to be present at the Meetings of the Committee.

### **VOTING**

- i) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- ii) In the case of equality of votes, the Chairman of the Meeting will have a casting vote.

### **DISCLOSURES**

As per the Companies Act, 2013, this Policy shall be disclosed in the Board's Report of the Company.

### **MISCELLANEOUS**

Any terms used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Regulations or any other relevant legislation / law applicable to the Company.

### **AMENDMENT**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any subsequent amendment/modification in the Listing Regulations, the Companies Act, 2013 and/or other applicable laws in this regard shall automatically apply to this Policy.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

During the financial year 2015-16 the global economy witnessed significant volatility with the overhang of uncertainty regarding a recovery of economic growth. The risk of extreme events persisted and the economic scenario remained weak.

With domestic indicators advancing in positive territory, Indian economic growth has picked up and is expected to cross 7% in FY16 and FY17. The fiscal deficit and retail inflation remain in check.

According to an RBI report (*Report on Trend and Progress of Banking in India 2014-2015*), NBFC sector has become a critical player in the Indian financial system particularly in terms of its size, spread and niche areas of operation. In FY15, there were 11,622 Non-Deposit-taking NBFCs (NBFC-ND) and 220 Deposit-taking NBFCs (NBFC-D) in India with balance sheet sizes of Rs. 14,166 billion and Rs. 1,925 billion, respectively. NBFCNDs have posted a balance sheet growth of more than 15% in 2015 over 2014.

India, with its huge population, has a relatively low penetration of banking services. Maximum financial inclusion remains the key fuel for economic growth. While the Government has made ambitious and significant efforts to achieve greater penetration of financial services with programs like the Pradhan Mantri Jan Dhan Yojna, access for households and small & medium size enterprises to integrated financial solutions and services remains limited. This is the specific area, which the NBFCs have begun to make a rather remarkable contribution in, with significant potential for future growth.

Over the longer run, the costs of higher regulations will be outweighed by the vast opportunities that the sector presents in being part of a financial system that can potentially reach a billion people.

### 2. OPPORTUNITIES AND THREATS

Government has announced a slew of policy measures to achieve a higher GDP growth, including de-bottlenecking of large infrastructure projects, increasing FDI limits in Insurance, Railways, Defence manufacturing and Aerospace. Given these recent initiatives, NBFCs can also look for growth in various areas of project financing.

Your Company is examining various new avenues of business in financial activities. The present business of your Company is investment and financing. The Company intends to diversify its activities into financing of some of the above sectors.

The biggest challenge before NBFCs is the stiff competition from banks and financial institutions, due to their ability to raise low cost funds which enables them to provide funds at much cheaper rate. Besides, increased purview of monitoring by regulatory authorities increase the threat of losing the essence of NBFCs.

### 3. SEGMENT WISE PERFORMANCE

The Company operates in single segment.

### 4. FUTURE PROSPECTS & OUTLOOK

In the forthcoming year, the Company envisages to identify new avenues of business activities and make use of opportunities available, besides strengthening its present operations.

### 5. RISK AND CONCERNS

General risks associated with the financial services sector in the normal course of business that we are in, apply to the Company also.

### 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal controls commensurate with its size and nature of operations. Besides, the Audit Committee reviews the internal controls in co-ordination with the Auditors.

### 7. FINANCIAL PERFORMANCE

- a) Share Capital: As on March 31, 2016, the Company's issued and subscribed share capital consists of Equity Share Capital only. The paid-up Share Capital of Company as at March 31, 2016, stood at Rs. 320.24 Lacs comprising of 32,02,400 Equity Shares of Rs. 10/- each (previous year Rs. 320.24 Lacs).

- b) Reserves and Surplus: During the year under review, the Reserves and Surplus stood at Rs. 342.28 Lacs (previous year Rs. 337.75 Lacs).
- c) Financial Result: During the year ended March 31, 2016, the Company has earned total income of Rs. 21.72 Lacs as compared to the income of Rs. 48.67 Lacs during the previous financial year. The profit after tax as on March 31, 2016 amounted to Rs. 4.52 Lacs as against profit of Rs. 15.07 Lacs during the previous financial year.

#### **8. HUMAN RESOURCE**

Human resource management is an important function in the Company. The Company's aim is to create a working environment that attracts, motivate and retains the best people.

#### **9. RISK MANAGEMENT FRAMEWORK**

The Company has in place mechanism to inform Board Members about the risk assessment and minimization procedures and ensure that risk is controlled through the means of a properly defined framework.

#### **10. CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. The important factors that could influence the Company's operations include change in government regulations, tax laws, economic developments, litigations, etc.

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF**

**KLG CAPITAL SERVICES LIMITED**

**1. Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **KLG CAPITAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Standalone Financial Statements.**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016.
- (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**5. Report on Other Legal and Regulatory Requirements**

- (i) 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 we give in the "**Annexure A**", statement on the matters specified in paragraphs 3 and 4 of the Order.
- (ii) 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 purposes of our audit.

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) 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 litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. Transfer to Investor Education and Protection Fund is not applicable to the company.

**For NBS & Co.**  
**Chartered Accountants**  
**Firm Reg. No.110100W**

**CA Devdas Bhat**  
**Partner**  
**Membership No. 048094**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2016**

### **Annexure A to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the members of **KLG CAPITAL SERVICES LIMITED** on the financial statements for the year ended March 31, 2016, we report that

- i) In respect of its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars of the fixed assets.
  - b) As informed to us, the management at reasonable intervals has physically verified the fixed assets. We have been informed that the discrepancies noticed on physical verification were not material.
- ii) In respect of its inventories
  - a) There are no inventories held by the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the company has not given any loan, guarantee or provided any security or made any investments as per the provisions of Section 185 and 186 of the Act.
- v) The Company has not accepted any deposits during the year from public.
- vi) The Central Government has not prescribed maintenance of Cost records under Section 148 (1) of the Act.
- vii) a) According to information and explanation given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities. According to the information and explanation given to us, there are no undisputed amounts in respect of sale tax, income-tax, customs duty, service tax, excise duty and Cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2016 for a period of more than six months from the date they became payable, except the dues mentioned below:

## KLG Capital Services Limited

Particulars	Amount
Income Tax	Rs. 3,14,14,967/-
Service tax.	Rs. 91,56,869/-

- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- viii) The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x) According to the information and explanation given to us no fraud on or by the company has been noticed or reported during the course of our audit.
- xi) According to the information and explanation given to us and based on our examination of the records of the company has not paid/provided for managerial remuneration during the period under audit. Hence provisions of section 197 of the Act read with Schedule V to the Act are not applicable.
- xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly paragraph 3 (xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us and based on our examination of the records of the company examined by us, the company is registered under section 45 –IA of the Reserve Bank of India Act, 1934 and the certificate of registration has been obtained.

**For NBS & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 110100W**

**CA Devdas Bhat**  
**Partner**  
**Membership No. 048094**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2016**

### **Annexure B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **KLG CAPITAL SERVICES LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financials.

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

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 Companies Act, 2013.

### **Auditors' Responsibility**

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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.

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 financial statements, whether due to fraud or error.

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**

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 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 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 financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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.

### **Opinion**

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 31 March 2016, 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.

**For NBS & Co.  
Chartered Accountants  
Firm Reg. No.110100W**

**CA Devdas Bhat  
Partner  
Membership No. 048094**

**Place : Mumbai  
Date : 26<sup>th</sup> May, 2016**

**BALANCE SHEET AS AT MARCH 31, 2016**

Particulars	Note No.	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>I EQUITY &amp; LIABILITIES:</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
Share Capital	2	32,024,000	32,024,000
Reserves and Surplus	3	34,227,782	33,775,408
		<b>66,251,782</b>	<b>65,799,408</b>
<b>(2) NON-CURRENT LIABILITIES</b>			
Deferred Tax Liabilities (Net)	4	-	-
		-	-
<b>(3) CURRENT LIABILITES</b>			
Short-term Borrowings	5	54,893,752	5,878,390
Other Current Liabilities	7	9,409,571	9,800,755
Short-term Provisions	8	31,486,925	31,853,527
		<b>95,790,248</b>	<b>47,532,672</b>
<b>TOTAL</b>		<b>162,042,030</b>	<b>113,332,080</b>
<b>II ASSETS:</b>			
<b>(1) NON-CURRENT ASSETS</b>			
Fixed Assets	9		
-Tangible Assets		5,646	1,588
		5,646	1,588
Deferred Tax asset		2,594	2,742
Non-Current Investments	10	99,495,600	99,495,600
		<b>99,495,600</b>	<b>99,495,600</b>
<b>(2) CURRENT ASSETS</b>			
Current Investments	11	774,090	970,081
Trade Receivables	12	7,059,200	8,758,376
Cash and Cash Equivalents	13	131,613	103,694
Short-term Loans, Advances and Deposit	14	54,573,287	4,000,000
		62,538,190	13,832,150
<b>TOTAL</b>		<b>162,042,030</b>	<b>113,332,080</b>
See accompanying notes forming part of the financial statements	1 to 24		

IN TERMS OF OUR REPORT ATTACHED

For and on behalf of the Board of Directors

For NBS & Co.  
Chartered Accountants  
Firm Reg. No. 110100W

Ankit Pratap Singh  
Chief Financial Officer

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Devdas Bhat  
Partner  
Membership No. 48094

Akshika Thakkar  
Company Secretary

Place: Mumbai  
Date : May 26, 2016

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Note No.	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Revenue from Operations	15	2,172,310	4,460,000
Other Income	16	-	407,200
<b>Total Revenue</b>		<b>2,172,310</b>	<b>4,867,200</b>
<b>Expenditure</b>			
Employee Benefits Expenses	17	327,865	68,055
Depreciation and Amortization Expenses	9	1,943	16,932
Other Expenses	18	1,100,826	2,736,819
<b>Total Expenses</b>		<b>1,430,634</b>	<b>2,821,805</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>741,676</b>	<b>2,045,395</b>
Exceptional Items		-	-
<b>Profit/(Loss) before Extraordinary Items and Tax</b>		<b>741,676</b>	<b>2,045,395</b>
Extraordinary Items		-	-
<b>Profit/(Loss) before Tax</b>		<b>741,676</b>	<b>2,045,395</b>
<u>Tax Expenses</u>			
- Current Tax		289,157	543,000
- Deferred Tax		147	(4,817)
		<b>289,304</b>	<b>538,183</b>
<b>Profit/(Loss) for the period from Continuing Operations</b>		<b>452,372</b>	<b>1,507,212</b>
<b>Profit/(Loss) for the period from Discontinuing Operations (After Tax)</b>		-	-
<b>Profit/(Loss) for the period</b>		<b>452,372</b>	<b>1,507,212</b>
<b>Earnings Per Share (Basic and Diluted)</b> (Refer Note No. 23)		0.14	0.47
<b>See accompanying notes forming part of the financial statements</b>	<b>1 to 24</b>		

IN TERMS OF OUR REPORT ATTACHED

For and on behalf of the Board of Directors

For NBS & Co.  
Chartered Accountants  
Firm Reg. No. 110100W

Ankit Pratap Singh  
Chief Financial Officer

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Devdas Bhat  
Partner  
Membership No. 48094

Akshika Thakkar  
Company Secretary

Place: Mumbai  
Date : May 26, 2016



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2016**

Particulars		Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>A. Cash flow from Operating Activities</b>			
Net Profit after Tax & Extraordinary Items		452,372	1,507,212
Adjustment for:			
Depreciation and Amortization Expenses		2,090	12,115
Dividend Income		-	(407,200)
<b>Operating Profit before Working Capital changes</b>		<b>454,462</b>	<b>1,112,127</b>
<b>Adjustment for Working Capital changes</b>			
(Increase)/Decrease in Trade Receivables		1,699,176	(664,896)
(Increase)/Decrease in Short-term Loans and Advance		(50,573,287)	-
Increase/(Decrease) in Trade and Other Payable		(391,184)	(4,958,532)
Increase/(Decrease) in Provisions		(366,602)	90,819
Cash generated from Operations		<b>(49,177,435)</b>	<b>(4,420,482)</b>
Direct taxes		-	-
Cash flow before Extraordinary Items		(49,177,435)	(4,420,482)
Extraordinary Items		-	-
<b>Cash flow from Operating Activities</b>	<b>(A)</b>	<b>(49,177,435)</b>	<b>(4,420,482)</b>
<b>B. Cash flow from Investing Activities</b>			
Purchase of Fixed Assets		(6,000)	-
(Increase)/Decrease in Investments		195,991	884,069
Dividend Income		-	407,200
Sale of Investment		-	-
<b>Net Cash used in Investment Activities</b>	<b>(B)</b>	<b>189,991</b>	<b>1,291,269</b>
<b>C. Cash flow from Financing Activities</b>			
Increase/(Decrease) in Short-term Borrowings		49,015,362	3,122,101
<b>Net Cash used in Financing Activities</b>	<b>(C)</b>	<b>49,015,362</b>	<b>3,122,101</b>
Net increase / decrease in Cash & Cash Equivalents	<b>(A+B+C)</b>	27,918	(7,112)
Cash & Cash Equivalents as at April 1, 2015		103,695	110,806
(Opening Balance) Cash in Hand & Balance with Banks			
Cash & Cash Equivalents as at March 31, 2016		<b>131,613</b>	<b>103,695</b>
(Closing Balance) Cash in Hand & Balance with Banks			
Note: Figures in brackets represent outflows			

IN TERMS OF OUR REPORT ATTACHED

For and on behalf of the Board of Directors

For NBS & Co.  
Chartered Accountants  
Firm Reg. No. 110100W

Ankit Pratap Singh  
Chief Financial Officer

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Devdas Bhat  
Partner  
Membership No. 48094

Akshika Thakkar  
Company Secretary

Place: Mumbai

Date : May 26, 2016

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016****NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES****a. Basis of preparation of Accounts**

The financial statements are prepared on accrual basis, following the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), which are consistently adopted by the Company, and in compliance with the Accounting Standard issued by the Institute of Chartered Accountants of India and provisions of the Companies Act, 2013, to the extent applicable.

**b. Use of Estimates**

The presentation of financial statements in conformity with GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Any differences between the actual results and the estimates are recognized in the period in which the results are known / materialized.

**c. Fixed Assets**

Fixed Assets are stated at cost of acquisition including expenses incidental to their acquisition less accumulated depreciation & impairment.

**d. Depreciation**

Depreciation on Fixed Assets is provided on the Written Down Value Method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 2013.

**e. Revenue Recognition**

All the incomes are accounted on accrual basis.

**f. Employee Benefits**

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account for the year in which the related service is rendered.
- ii) Post-employment and other long-term employee benefits are recognised as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post-employment and other long-term benefits are charged to the Profit & Loss Account.

**g. Retirement Benefits**

Company has policy of making provision for retirement benefits as and when the liability arises.

**h. Impairment of Assets**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**i. Derivative Instruments**

Derivative financial instruments are recorded at fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent Balance Sheet date. Changes in the fair value of derivatives are recorded in the Profit & Loss Account.

**j. Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961. Deferred tax resulting from "time differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on Balance Sheet date. The effect of deferred tax asset & liabilities of a change in tax rates is recognised in the Profit & Loss Account in the year of change.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 2 - SHARE CAPITAL</b>		
(a) <b>Authorised</b> 3,500,000 Equity Shares of Rs.10/- each (Previous Year 3,500,000)	35,000,000	35,000,000
(b) <b>Issued, Subscribed and Paid-up</b> 3,202,400 Equity Shares of Rs. 10/- each (Fully Paid-up) (Previous Year 3,202,400)	32,024,000	32,024,000
	<u><b>32,024,000</b></u>	<u><b>32,024,000</b></u>
(c) <b>Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>		
	<b>Current Year</b>	<b>Previous Year</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Equity Shares at the beginning of the year	3,202,400	3,202,400
Add: Issue of Shares during the year	-	-
No. of Shares at the end of the year	<u><b>3,202,400</b></u>	<u><b>3,202,400</b></u>
(d) <b>Details of Shareholder holding more than 5%</b>		
	<b>Current Year</b>	<b>Previous Year</b>
	<b>No. of Shares    % of Holding</b>	<b>No. of Shares    % of Holding</b>
<b>Equity Shares held by</b> Holding Company: -Awaita Properties Pvt. Ltd	1,936,075    60.46%	1,936,075    60.46%
<b>Particulars</b>		
	<b>Current Year</b>	<b>Previous Year</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>NOTE NO. 3 - RESERVES AND SURPLUS</b>		
(a) <b>General Reserve</b> Balance as per last Balance Sheet Add: Transfer from Profit & Loss Account	1,012,242 -	1,012,242 -
	<u><b>1,012,242</b></u>	<u><b>1,012,242</b></u>
(b) <b>Statutory Reserve Fund</b> Balance as per last Balance Sheet Add: Transfer from Profit & Loss Account	5,742,840 90,474	5,441,397 301,442
	<u><b>5,833,315</b></u>	<u><b>5,742,840</b></u>
(c) <b>Profit &amp; Loss Account</b> Balance as per last Balance Sheet Add: Profit & Loss during the Year Less: *Transfer to Statutory Reserve Account	27,020,327 452,372 90,474	25,814,557 1,507,212 301,442
	<u><b>27,382,225</b></u>	<u><b>27,020,327</b></u>
	<u><b>34,227,782</b></u>	<u><b>33,775,408</b></u>
*Rs. 90,474 (Previous Year: Rs. 3,01,442) to Statutory Reserve as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profits after taxes for the year.		
<b>NOTE NO. 4 - DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
(a) Fixed Assets (Impact of difference between tax depreciation and depreciation charged for financial reporting)	(2,594)	(2,742)
(b) Others Timing differences	-	-
	<u><b>(2,594)</b></u>	<u><b>(2,742)</b></u>
<b>Deferred Tax Assets</b>		
(a) Any disallowance under Income Tax Act/Others	-	-
<b>Net Deferred Tax Liabilities</b>	<u><b>(2,594)</b></u>	<u><b>(2,742)</b></u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016

**NOTE NO. 5 - SHORT-TERM BORROWINGS****Unsecured Loan**

-From Holding Company (Repayable on Demand)	54,893,752	5,878,390
	<u>54,893,752</u>	<u>5,878,390</u>

**NOTE NO. 6 - TRADE PAYABLES**

The Company does not have in its records any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amounts unpaid at the year end together with interest paid/payable as required under the said Act have not been furnished.

**NOTE NO. 7 - OTHER CURRENT LIABILITIES**

Creditors for Expenses	153,817	217,384
Others-Duties and Taxes	9,255,754	9,583,371
	<u>9,409,571</u>	<u>9,800,755</u>

**NOTE NO. 8 - SHORT-TERM PROVISIONS**

Provisions for Income Tax (Net)	31,486,925	31,853,527
	<u>31,486,925</u>	<u>31,853,527</u>

**NOTE NO. 9 - FIXED ASSETS**

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK				
	As at April 1, 2015	Additions during the year	Acquisitions through Business combinations	Deductions/ Adjustments during the year	As at March 31, 2016	Upto April 1, 2015	Provided during the year	Deductions/ Adjustments during the year	Upto March 31, 2016	Before Impairment as at March 31, 2016	Impairment	As at March 31, 2016	As at March 31, 2015
(Owned Asset)													
<b><u>Tangible Assets</u></b>													
Office Equipment	11,250	6,000	-	-	17,250	9,661	1,943	-	11,604	5,646	-	5,646	1,589
<b>Total</b>	<b>11,250</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>17,250</b>	<b>9,661</b>	<b>1,943</b>	<b>-</b>	<b>11,604</b>	<b>5,646</b>	<b>-</b>	<b>5,646</b>	<b>1,589</b>
<b>Previous Year</b>	<b>46,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,250</b>	<b>26,504</b>	<b>16,932</b>	<b>-</b>	<b>44,661</b>	<b>1,588</b>	<b>-</b>	<b>1,589</b>	<b>18,520</b>

In accordance with the Accounting Standard (AS - 28) on "Impairment of Assets", there was no impairment loss on Fixed Assets during the year ended March 31, 2016

<b>Particulars</b>	<b>Current Year Amount (Rs.)</b>	<b>Previous Year Amount (Rs.)</b>
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**NOTE NO. 10 - NON-CURRENT INVESTMENT**(a) **Long-term Non-Trade Investments**(i) **Unquoted: Fully Paid up****In Equity Shares of Subsidiary Company**

KLG Stock Brokers Pvt. Ltd 360,000 Equity Shares of Rs. 10 each (360,000 Equity Shares)	3,600,000	3,600,000
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(ii) **Unquoted: Fully Paid up****In Equity Shares of other Companies**

Catholic Syrian Bank Ltd 407,200 Equity Shares of Rs. 10 each (305,400 Equity Shares)	95,895,600	95,895,600
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(b) **Aggregate Value of: -**

Book value	<u>99,495,600</u>	<u>99,495,600</u>
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016

**NOTE NO. 11 - CURRENT INVESTMENT**

(a) **Short-term Investments**

**Quoted: Fully Paid up**

**In Equity Shares of other Companies**

Neha International Ltd	18,392,295	18,392,295
141,000 Equity Shares of Rs.10 each. (141,000 Equity Shares)		
Less:-Provision for Diminution in value of Investments held	(17,618,205)	(17,422,214)
	<b>774,090</b>	<b>970,081</b>

(b) **Aggregate Value of: -**

-Quoted Investment		
Book value	18,392,295	18,392,295
Market Value	774,090	970,080
(Diminution in value of Investments is provided in Profit & Loss Account)		

**NOTE NO. 12 - TRADE RECEIVABLES**

(Unsecured & Considered Good)

(a) Debts due for a period exceeding six months	7,059,200	7,059,200
(b) Debts due for a period less than six months	-	1,699,176
	<b>7,059,200</b>	<b>8,758,376</b>

**Particulars**

**Current Year  
Amount (Rs.)**      **Previous Year  
Amount (Rs.)**

**NOTE NO. 13 - CASH AND CASH EQUIVALENTS**

(a) Cash on Hand	71,158	78,468
(b) Balance with Banks	60,455	25,226
	<b>131,613</b>	<b>103,694</b>

**NOTE NO. 14 - SHORT-TERM LOANS AND ADVANCES**

(Unsecured & Considered Good)

(a) (i) Loans to Companies	50,573,287	
Advance recoverable in cash or in kind for value to to be received		
- Related Parties	-	-
- Others	-	-
	<b>50,573,287</b>	<b>-</b>
(ii) Deposits for Rent		
- Related Parties	4,000,000	4,000,000
	<b>54,573,287</b>	<b>4,000,000</b>
(b) Loans and Advances and Deposits to Related Parties		
Deposit of Rs. 4,000,000 against use of Office Premises has been made to Awaita Properties Pvt Ltd, Holding Company.		

**NOTE NO. 15 - REVENUE FROM OPERATIONS**

Income from Consultancy & Arrangement fees	1,535,000	4,460,000
Provision for Profit on Current Investments	324	-
Interest Income From ICD	636,986	
	<b>2,172,310</b>	<b>4,460,000</b>

**NOTE NO. 16 - OTHER INCOME**

Dividend Income	-	407,200
	<b>-</b>	<b>407,200</b>

**NOTE NO. 17 - EMPLOYEE BENEFITS EXPENSES**

Salary & Wages	321,078	12,055
Staff Welfare Expenses	6,787	56,000
	<b>327,865</b>	<b>68,055</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016

## NOTE NO. 18 - OTHER EXPENSES

## ADMINISTRATIVE AND GENERAL EXPENSES

Payment to Auditors		
- Audit Fees	75,000	75,000
- Tax Audit Fees	-	-
- Certification /other Charges	25,000	25,000
- Other matters	-	-
	<b>100,000</b>	<b>100,000</b>
Advertisement	73,951	74,864
Bank Charges	199	562
Fee, Taxes & Legal Charges	401,257	137,042
Filing Fees	10,338	31,448
Miscellaneous Expenses	8,965	1,046,256
Other Administrative Expenses	25,085	12,339
Printing & Stationary	23,367	61,968
Professional Charges	134,817	110,597
Provision for Loss on Current Investments	195,991	884,069
Demat Charges	-	1,202
Sundry Balance Written off	2,342	142,820
Sitting Fees to Directors	110,000	119,214
Travelling & Conveyance	3,614	3,119
Web Design Expenses	10,900	11,318
	<b>1,100,826</b>	<b>2,736,819</b>

## NOTE NO. 19 - RELATED PARTY DISCLOSURE:

a) List of Related Parties where control exists and related parties with whom transaction have taken place and relationships:

i) Holding Company

Awaita Properties Pvt. Ltd

ii) Subsidiary Company

KLG Stock Brokers Pvt. Ltd

iii) Key Management Personnel

Mitul Shah ,Chief Financial Officer (Up to May 25 , 2015)

Ankit Pratap Singh ,Chief Financial Officer (W.E.F November 05 , 2015)

Milan Lalit Mandani, Manager ( Up to February 3,2016 )

Chakradhar Das ,Manager (W.E.F February 13 , 2016)

Nishita M. Nagrecha, Company Secretary (Up to September 25,2015)

Akshika Thakkar, Company Secretary (W.E.F February 13 , 2016)

b) Disclosure of Related Party Transactions between the Company and related parties for the year ended March 31, 2016.

## Particulars

	As At March 31, 2016 (Amount in Rs.)	As At March 31, 2015 (Amount in Rs.)
i) Unsecured Loans (Liability)		
Awaita Properties Pvt. Ltd	54,893,752	5,878,390
ii) Deposit against use of Office Premises		
Awaita Properties Pvt. Ltd	4,000,000	4,000,000
iii) Investment in Equity Shares/Advances		
KLG Stock Brokers Pvt. Ltd	3,600,000	3,600,000
iv) Key Managerial Personnel		
Salary of Chief Financial Officer	NIL	NIL
Salary of Manager	NIL	NIL
Salary of Company Secretary	321,078	NIL

## KLG Capital Services Limited

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### NOTE NO. 20 - DIRECTOR'S REMUNERATION

No remuneration has been paid to any of the Directors.

### NOTE NO. 21 - FOREIGN CURRENCY TRANSACTIONS

There is no income or expenditure in foreign currency during the year.

### NOTE NO. 22

Company has policy of making provision for retirement benefits as and when the liability arises.

### NOTE NO. 23 - EARNINGS PER SHARE (EPS)

Particulars	As At	As At
	March 31, 2016	March 31, 2015
Net Profit / (Loss) After Tax available for Equity Shareholders (in Rs.)	452,372	1,507,212
Weighted Average Number of Equity Shares of Rs.10/- each outstanding during the year	3,202,400	3,202,400
Basic/Diluted EPS (in Rs.)	0.14	0.47

### NOTE NO. 24

- Figures are rounded off to nearest rupees.
- In the opinion of the Management current assets, advances are approximately of the value stated, if realized in the ordinary course of business, except otherwise stated.
- Previous year figures have been regrouped or rearranged, wherever necessary.

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AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors

For NBS & Co.  
Chartered Accountants  
Firm Reg. No. 110100W

Ankit Pratap Singh  
Chief Financial Officer

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Devdas Bhat  
Partner  
Membership No. 48094

Akshika Thakkar  
Company Secretary

Place: Mumbai

Date : May 26, 2016

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF KLG CAPITAL SERVICES LIMITED

#### 1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **M/S KLG CAPITAL SERVICES LIMITED** and its subsidiaries **M/S KLG STOCK BROKERS PRIVATE LIMITED**, its associates and jointly controlled entities, which comprise of the consolidated Balance Sheet as at 31st March, 2016, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### 2. Management's Responsibility for the Consolidated Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group including its Associates and Jointly Controlled Entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the Consolidated state of affairs of the Group, its Associates and Jointly Controlled Entities as at March 31, 2016.
- (b) in the case of the Profit and Loss Account, of the Consolidated Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Consolidated cash flows for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

(i) 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 purposes of our audit of the aforesaid consolidated financial Statement.



- (b) In our opinion proper books of account as required by law relating to the preparation of aforesaid consolidated financial Statement have been kept by the Company so far as appears from our examination of those books and reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding company, as on 31st March, 2016 taken on record by the Board of Directors of the Holding company, none of the directors of Group company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”
- (g)
  - i) There were no pending litigations which would impact its consolidated financial position of the Group, its Associates and Jointly Controlled Entities.
  - ii) The Group Company, its Associates and Jointly Controlled Entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) Transfer to Investor Education and Protection Fund is not applicable to the Group, its Associates and Jointly Controlled Entities.

**For NBS & Co.**  
**Chartered Accountants**  
**Firm Reg. No.110100W**

**CA Devdas Bhat**  
**Partner**  
**Membership No. 048094**

**Place: Mumbai**  
**Date: 26<sup>th</sup> May, 2016**

**Annexure A to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **M/S KLG CAPITAL SERVICES LIMITED** and its subsidiary **M/S KLG STOCK BROKERS PRIVATE LIMITED**, its associates and jointly controlled entities, as of March 31, 2016 in conjunction with our audit of the consolidated financials.

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

The respective Board of directors of the Group, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 respective 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 Companies Act, 2013.

**Auditors' Responsibility**

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.

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 financial statements, whether due to fraud or error.

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**

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 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 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 financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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.

#### **Opinion**

In our opinion, the Group have, 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 31 March 2016, 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.

**For NBS & Co.**

**Chartered Accountants  
Firm Reg. No.110100W**

**CA Devdas Bhat  
Partner  
Membership No. 048094**

**Place: Mumbai  
Date: 26<sup>th</sup> May, 2016**

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**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016**

Particulars	Note No.	Current Year		Previous Year
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>I EQUITY &amp; LIABILITIES:</b>				
<b>(1) SHAREHOLDERS' FUNDS</b>				
Share Capital	2	32,024,000		32,024,000
Reserves and Surplus	3	<u>33,761,137</u>		<u>33,408,481</u>
			65,785,137	<u>65,432,481</u>
Share Application Money Pending Allotment				-
<b>(2) NON-CURRENT LIABILITIES</b>				
Deferred Tax Liabilities (Net)	4		-	-
<b>(3) CURRENT LIABILITIES</b>				
Short-term Borrowings	5	54,893,752		5,878,390
Other Current Liabilities	7	9,426,746		9,817,609
Short-term Provisions	8	<u>31,486,925</u>		<u>31,853,527</u>
			95,807,423	<u>47,549,526</u>
<b>TOTAL</b>			<b><u>161,592,560</u></b>	<b><u>112,982,007</u></b>
<b>II ASSETS:</b>				
<b>(1) NON-CURRENT ASSETS</b>				
Fixed Assets	9			
-Tangible Assets			5,646	1,588
Deferred Tax asset			2,594	2,742
Non-Current Investments	10		95,895,600	95,895,600
Long-term Loan, Advances and Deposit	11		100,000	100,000
Other Non-Current Assets	12		-	78,916
<b>(2) CURRENT ASSETS</b>				
Current Investments	13	774,090		970,081
Trade Receivables	14	7,059,200		8,758,376
Cash and Cash Equivalents	15	152,143		174,704
Short Term Loans, Advances and Deposit	16	<u>57,603,287</u>		<u>7,000,000</u>
			65,588,720	<u>16,903,161</u>
<b>TOTAL</b>			<b><u>161,592,560</u></b>	<b><u>112,982,007</u></b>
<b>Significant Accounting Policies</b>	1			
<b>Notes on Financial Statements</b>	2 to 26			

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AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors

For NBS & Co.  
Chartered Accountants  
Firm Reg. No. 110100W

Ankit Pratap Singh  
Chief Financial Officer

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Devdas Bhat  
Partner  
Membership No. 48094

Akshika Thakkar  
Company Secretary

Place: Mumbai  
Date : May 26, 2016

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Note No.	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Revenue from Operation	17	2,172,310	4,460,000
Other Income	18	-	407,200
<b>Total Revenue</b>		<b>2,172,310</b>	<b>4,867,200</b>
<b>Expenditure</b>			
Employee Benefits Expenses	19	327,865	68,055
Depreciation and Amortization Expenses	9	80,859	95,847
Other Expenses	20	1,121,627	2,766,805
<b>Total Expenses</b>		<b>1,530,351</b>	<b>2,930,707</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>641,959</b>	<b>1,936,493</b>
Exceptional Items		-	-
<b>Profit/(Loss) before Extraordinary Items and Tax</b>		<b>641,959</b>	<b>1,936,493</b>
Extraordinary Items		-	-
<b>Profit/(Loss) before Tax</b>		<b>641,959</b>	<b>1,936,493</b>
<u>Tax Expenses</u>			
- Current Tax		289,157	543,000
- Deferred Tax		148	(4,817)
<b>Profit/(Loss) for the period from Continuing Operations</b>		<b>352,654</b>	<b>1,398,310</b>
<b>Profit/(Loss) for the period from Discontinuing Operations (After Tax)</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the period</b>		<b>352,654</b>	<b>1,398,310</b>
Earnings per share (Basic and Diluted)		<b>0.11</b>	<b>0.44</b>
(Refer Note No. 25)			
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	2 to 26		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors

For NBS & Co.  
Chartered Accountants  
Firm Reg. No. 110100W

Ankit Pratap Singh  
Chief Financial Officer

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Devdas Bhat  
Partner  
Membership No. 48094

Akshika Thakkar  
Company Secretary

Place: Mumbai  
Date : May 26, 2016

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>A) Cash flow from operating activities</b>		
Net profit after tax & extraordinary items	352,654	1,398,310
Adjustment for:		
Depreciation, Amortisation and Impairment of Goodwill	81,007	91,030
Dividend Income	-	(407,200)
<b>Operating Profit before working capital changes</b>	<b>433,661</b>	<b>1,082,140</b>
<b>Adjustment for working capital Changes</b>		
(Increase)/Decrease in Debtors	1,699,176	(664,896)
(Increase)/Decrease in Advance Payment	(50,603,287)	-
Increase/(Decrease) in Trade and Other Payable	(390,863)	(4,958,532)
Increase/(Decrease) in Provisions	(366,602)	90,820
Cash generated from Operations	(49,227,915)	(4,450,468)
Direct taxes	-	-
Cash flow before extraordinary items	(49,227,915)	(4,450,468)
Extraordinary items	-	-
Cash flow from operating activities (A)	<b>(49,227,915)</b>	<b>(4,450,468)</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of Fixed Assets	(6,000)	-
(Increase)/Decrease in Investments	195,991	884,069
Dividend Income	-	407,200
Net cash used in Investment activities (B)	<b>189,991</b>	<b>1,291,269</b>
<b>C. Cash flow from Financing activities</b>		
Increase/(Decrease) in Term Loan (Net of Repayment)	-	-
Increase/(Decrease) in Unsecured Loan (Net of Repayment)	49,015,362	3,122,101
Proceeds from issue of Share Capital	-	-
Dividend Paid (Net)	-	-
Net cash used in financing activities (C)	<b>49,015,362</b>	<b>3,122,101</b>
Net increase / decrease in cash and cash equivalents (A+B+C)	(22,562)	(37,098)
Cash & cash equivalents as at April 1, 2015 (opening balance ) cash in hand & balance with banks	174,704	211,801
Cash & cash equivalents as at March 31, 2016 (closing balance ) cash in hand & balance with banks	<b>152,143</b>	<b>174,704</b>
Note: Figures in brackets represent outflows		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors

For NBS & Co.  
Chartered Accountants  
Firm Reg. No. 110100W

Ankit Pratap Singh  
Chief Financial Officer

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Devdas Bhat  
Partner  
Membership No. 48094

Akshika Thakkar  
Company Secretary

Place: Mumbai  
Date : May 26, 2016

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016

### NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES

1. A. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" notified by the Companies Accounting Standards) Rules, 2006. The Consolidated Financial Statements have been prepared under historical cost convention and in an accrual basis.
- B. The subsidiaries (which along with KLG Capital Service Limited, the Parent, Constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

Name	Percentage of Ownership interest	
	As At March 31, 2016	As At March 31, 2015
KLG Stock Brokers Pvt. Ltd (Incorporated in India)	100	100

The Financial statements of all the subsidiaries considered in the consolidated accounts are drawn up to March 31, 2016.

#### a. Basis of preparation of Accounts

The financial statements are prepared on accrual basis, following the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), which are consistently adopted by the Company, and in compliance with the Accounting Standard issued by the Institute of Chartered Accountants of India and provisions of the Companies Act 2013, to the extent applicable.

#### b. Use of Estimates

The presentation of financial statements in conformity with GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Any differences between the actual results and the estimates are recognized in the period in which the results are known / materialized.

#### c. Fixed Assets

Fixed Assets are stated at cost of acquisition including expenses incidental to their acquisition less accumulated depreciation & impairment.

#### d. Depreciation

Depreciation on Fixed Assets is provided on the Written Down Value Method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 2013.

#### e. Revenue Recognition

All the incomes are accounted on accrual basis.

#### f. Employee Benefits

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognised as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post employment and other long term benefits are charged to the Profit & Loss Account.

#### g. Retirement Benefits

Company has policy of making provision for retirement benefits as and when the liability arises.

#### h. Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### i. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961. Deferred tax resulting from "time differences" between taxable and accounting income is accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on balance sheet date. The effect of deferred tax asset & liabilities of a change in tax rates is recognised in the Profit & Loss Account in the year of change.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016**

Particulars		Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 2 - SHARE CAPITAL</b>			
(a) <b>Authorised</b>			
3,500,000 Equity Shares of Rs.10/- each (Previous Year 3,500,000)		35,000,000	35,000,000
(b) <b>Issued, Subscribed and Paid-up</b>			
3,202,400 Equity Shares of Rs. 10/- each (Fully Paid-up) (Previous Year 3,202,400)		32,024,000	32,024,000
		<u>32,024,000</u>	<u>32,024,000</u>
(c) <b>Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>			
		<b>Current Year</b>	<b>Previous Year</b>
		<b>No. of Shares</b>	<b>No. of Shares</b>
Equity Shares at the beginning of the year		3,202,400	3,202,400
Add: Issue of Shares during the year		-	-
No. of Shares at the end of the year		<u>3,202,400</u>	<u>3,202,400</u>
(d) <b>Details of Shareholder holding more than 5%</b>			
		<b>Current Year</b>	<b>Previous Year</b>
		<b>No. of Shares</b>	<b>No. of Shares</b>
		<b>% of Holding</b>	<b>% of Holding</b>
<b>Equity Shares held by</b>			
Holding Company:			
-Awaita Properties Pvt. Ltd	1,936,075	60.46%	1,936,075
			60.46%
<b>Particulars</b>			
		<b>Current Year</b>	<b>Previous Year</b>
		<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>NOTE NO. 3 - RESERVE AND SURPLUS</b>			
(a) <b>General Reserve</b>			
Balance as per last Balance Sheet	1,012,242		1,012,242
Add: Transfer from Profit & Loss Account	-		-
		1,012,242	1,012,242
(b) <b>Statutory Reserve Fund</b>			
Balance as per last Balance Sheet	5,742,700		5,441,258
Add: Transfer from Profit & Loss Account	90,474		301,442
		5,833,174	5,742,700
(c) <b>Profit &amp; Loss Account</b>			
Balance as per last Balance Sheet	26,653,539		25,556,672
Add: Profit & Loss during the Year	352,656		1,398,309
Less: *Transfer to Statutory Reserve Account	90,474		301,442
		26,915,721	26,653,539
		<u>33,761,137</u>	<u>33,408,481</u>
* Transfer to Statutory Reserve as per Section 45 IC of Reserve Bank of India Act, 1934.			
<b>NOTE NO. 4 - DEFERRED TAX LIABILITIES (NET)</b>			
<b>Deferred Tax Liabilities</b>			
(a) Fixed Assets		(2,594)	(2,742)
(Impact of difference between tax depreciation and depreciation charged for financial reporting)			
(b) Others Timing differences		-	-
		<u>(2,594)</u>	<u>(2,742)</u>
<b>Deferred Tax Assets</b>			
(a) Any disallowance under Income Tax Act/Others		-	-
<b>Net Deferred Tax Liabilities</b>		<u>(2,594)</u>	<u>(2,742)</u>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 5 - SHORT-TERM BORROWINGS</b>		
<b>Unsecured Loan</b>		
-From Holding Company (Repayable on Demand)	54,893,752	5,878,390
	<b>54,893,752</b>	<b>5,878,390</b>

### NOTE NO. 6 - TRADE PAYABLES

The Company does not have in its records any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any relating to amounts unpaid at the year end together with interest paid/payable as required under the said Act have not been furnished.

### NOTE NO. 7 - OTHER CURRENT LIABILITIES

Creditors for Expenses	170,992	234,238
Others-Duties and Taxes	9,255,754	9,583,371
	<b>9,426,746</b>	<b>9,817,609</b>

### NOTE NO. 8 - SHORT-TERM PROVISIONS

Provisions for Income Tax (Net)	31,486,925	31,853,527
	<b>31,486,925</b>	<b>31,853,527</b>

### NOTE NO. 9 - FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK			
	As at April 1, 2015	Additions during the year	Acquisitions through Business combinations	Deductions/ Adjustments during the year	As at March 31, 2016	Upto April 1, 2015	Provided during the year	Deductions/ Adjustments during the year	Upto March 31, 2016	Before Impairment as at March 31, 2016	Impairment	As at March 31, 2016	As at March 31, 2015
(Owned Asset)													
Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	11,250	6,000	-	-	17,250	9,661	1,943	-	11,604	5,646	-	5,646	1,589
Total	11,250	6,000	-	-	17,250	-	1,943	-	11,604	5,646	-	5,646	1,589
Previous Year	46,250	-	-	-	46,250	26,504	16,932	-	44,661	1,588	-	1,588	18,520

In accordance with the Accounting Standard (AS - 28) on "Impairment of Assets", there was no impairment loss on Fixed Assets during the year ended March 31, 2016

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 10 - NON-CURRENT INVESTMENT</b>		
<b>(a) Long-term Non-Trade Investments</b>		
<b>(i) Unquoted: Fully Paid up In Equity Shares of other Companies</b>		
Catholic Syrian Bank Ltd 407,200 Equity Shares of Rs. 10 each (407,200 Equity Shares)	95,895,600	95,895,600
	<b>95,895,600</b>	<b>95,895,600</b>
<b>(b) Aggregate Value of: -</b>		
-Unquoted Investment Book value	95,895,600	95,895,600
	<b>95,895,600</b>	<b>95,895,600</b>

### NOTE NO. 11 - LONG-TERM LOANS & ADVANCES

Membership Deposit	100,000	100,000
	<b>100,000</b>	<b>100,000</b>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016**

Particulars	Current Year Amount (Rs.)	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 12 - OTHER NON-CURRENT ASSETS</b>			
Preliminary Expenses and Pre-operative Expenses		-	78,916
		-	<b>78,916</b>
<b>NOTE NO. 13 - CURRENT INVESTMENT</b>			
<b>(a) Short-term Investments</b>			
<b>Quoted: Fully Paid up</b>			
<b>In Equity Shares of other Companies</b>			
Neha International Limited		18,392,295	18,392,295
1,41,000 Equity Shares of Rs.10 each.			
(1,41,000 Equity Shares)			
Less:-Provision for Diminution in value of Investments held		(17,618,205)	(17,422,214)
		<b>774,090</b>	<b>970,081</b>
<b>(b) Aggregate Value of: -</b>			
-Quoted Investment			
Book value		18,392,295	18,392,295
Market Value		774,090	970,080
(Diminution in value of Investments is provided in Profit & Loss Account)			
<b>NOTE NO. 14 - TRADE RECEIVABLES</b>			
(Unsecured & Considered Good)			
(a) Debts due for a period exceeding six months		7,059,200	7,059,200
(b) Debts due for a period less then six months		-	1,699,176
		<b>7,059,200</b>	<b>8,758,376</b>
<b>NOTE NO. 15 - CASH AND CASH EQUIVALENTS</b>			
(a) Cash on Hand		79,984	88,494
(b) Balance with Banks		72,159	86,210
		<b>152,143</b>	<b>174,704</b>
<b>NOTE NO. 16 - SHORT-TERM LOANS AND ADVANCES</b>			
(Unsecured & Considered Good)			
(a) (i) Loans to Companies	50,573,287		
Advance recoverable in cash or in kind for value to to be received			
- Related Parties	-		-
- Others	-	50,573,287	-
(ii) Deposits for Rent			
- Related Parties		7,030,000	7,000,000
		<b>57,603,287</b>	<b>7,000,000</b>
(b) Loans and advances and Deposits to Related Parties			
Deposit of Rs. 4,000,000 against use of Office Premises has been made to Awaita Properties Pvt Ltd, Holding Company.			
<b>NOTE NO. 17 - REVENUE FROM OPERATIONS</b>			
Income from Consultancy & Arrangement fees		1,535,000	4,460,000
Provision for Profit on Current Investments		324	-
Interest Income From ICD		636,986	-
		<b>2,172,310</b>	<b>4,460,000</b>
<b>NOTE NO. 18 - OTHER INCOME</b>			
Dividend Income		-	407,200
		-	<b>407,200</b>
<b>NOTE NO. 19 - EMPLOYEE BENEFITS EXPENSES</b>			
Salary & Wages		321,078	12,055
Staff Welfare Expenses		6,787	56,000
		<b>327,865</b>	<b>68,055</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016**

Particulars	Current Year Amount (Rs.)	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Advertisement		73,951	74,864
Payment to Auditors			
- Audit Fees	92,175		91,854
- Tax Audit Fees	-		
- Certification /other Charges	25,000		25,000
- Other matters	-		-
		117,175	116,854
Bank Charges		199	562
Fee, Taxes & Legal Charges		401,257	137,042
Filing Fees		12,764	37,522
Miscellaneous Expenses		8,965	1,046,256
Other Administrative Expenses		26,285	13,779
Printing & Stationary		23,367	61,968
Professional Charges		134,817	116,215
Provision for Loss on Current Investments		195,991	884,069
Demat Charges		-	1,202
Sundry Balance Written off		2,342	142,820
Sitting Fees to Directors		110,000	119,214
Travelling & Conveyance		3,614	3,119
Web Design Expenses		10,900	11,318
		<b>1,121,627</b>	<b>2,766,805</b>

**NOTE NO. 21- RELATED PARTY DISCLOSURE:**

a) List of Related Parties where control exists and related parties with whom transaction have taken place and relationships:

i) Holding Company

Awaita Properties Pvt. Ltd

ii) Key Management Personnel

Mitul Shah ,Chief Financial Officer (Up to May 25 , 2015)

Ankit Pratap Singh ,Chief Financial Officer (W.E.F November 05 , 2015)

Milan Lalit Mandani, Manager ( Up to February 3,2016 )

Chakradhar Das ,Manager (W.E.F February 13 , 2016)

Nishita M. Nagrecha, Company Secretary ( Up to September 25,2015)

Akshika Thakkar, Company Secretary (W.E.F February 13 , 2016)

b) Disclosure of Related Party Transactions between the Company and related parties for the year ended March 31, 2016:

Particulars	As At March 31, 2016 (Amount in Rs.)	As At March 31, 2015 (Amount in Rs.)
i) Unsecured Loans (Liability)		
Awaita Properties Pvt. Ltd	54,893,752	5,878,390
ii) Deposit against use of Office Premises		
Awaita Properties Pvt. Ltd	7,000,000	7,000,000
iii) Key Managerial Personnel		
Salary of Chief Financial Officer	NIL	NIL
Salary of Manager	NIL	NIL
Salary of Company Secretary	321,078	NIL

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2016**

**NOTE NO. 22 - DIRECTOR'S REMUNERATION**

No remuneration has been paid to any of the Directors.

**NOTE NO. 23 - FOREIGN CURRENCY TRANSACTIONS**

There is no income or expenditure in foreign currency during the year.

**NOTE NO. 24**

Management has policy of making provision of leave encashment on accrual basis as per 'AS 15 regarding Retirement benefits.

**NOTE NO. 25 - EARNINGS PER SHARE (EPS)**

Particulars	As At	As At
	March 31, 2016	March 31, 2015
Net Profit / (Loss) After Tax available for Equity Shareholders (in Rs.)	352,654	1,398,310
Weighted Average Number of Equity Shares of Rs.10/- each outstanding during the year	3,202,400	3,202,400
Basic/Diluted EPS (in Rs.)	<b>0.11</b>	<b>0.44</b>

**NOTE NO. 26**

- Figures are rounded off to nearest rupees.
- In the opinion of the Management current assets, advances are approximately of the value stated, if realized in the ordinary course of business, except otherwise stated.
- Previous year figures have been regrouped or rearranged, wherever necessary.

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**AS PER OUR REPORT OF EVEN DATE**

**For and on behalf of the Board of Directors**

**For NBS & Co.  
Chartered Accountants  
Firm Reg. No. 110100W**

**Ankit Pratap Singh  
Chief Financial Officer**

**Gayathri Ramachandran  
Chairperson  
DIN :02872723**

**Devdas Bhat  
Partner  
Membership No. 48094**

**Akshika Thakkar  
Company Secretary**

**Place: Mumbai  
Date : May 26, 2016**

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries**

**(Information in respect of each subsidiary as on March 31, 2016)**

Name of the subsidiary	:	KLG Stock Brokers Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	:	N.A.
Share capital	:	3,600,000
Reserves and Surplus	:	(466,645)
Total assets	:	3,150,530
Total Liabilities	:	17,175*
Investments	:	--
Turnover	:	--
Profit before taxation	:	(99,717)
Profit for taxation	:	(99,717)
Provision for taxation	:	--
Profit after taxation	:	--
Proposed Dividend	:	--
% of shareholding	:	100%

\*Excluding Share Capital and Reserves & Surplus

**Part B - Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable**

**AS PER OUR REPORT OF EVEN DATE**

**For and on behalf of the Board of Directors**

**For NBS & Co.  
Chartered Accountants  
Firm Reg. No. 110100W**

**Ankit Pratap Singh  
Chief Financial Officer**

**Gayathri Ramachandran  
Chairperson  
DIN :02872723**

**Devdas Bhat  
Partner  
Membership No. 48094**

**Akshika Thakkar  
Company Secretary**

**Place: Mumbai  
Date : May 26, 2016**

## KLG Capital Services Limited

Disclosures of details as required by Revised Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, earlier Para 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

(Rs. In Lakhs)

### Liabilities Side

Particulars		Amount Outstanding	Amount Overdue
1	Loans and Advances availed by the NBFCs inclusive of Interest accrued thereon but not paid	0.00	0.00
	a. Debentures	0.00	0.00
	Secured	0.00	0.00
	Unsecured (other than falling within the meaning of Public Deposits)	0.00	0.00
	b. Deferred Credits	0.00	0.00
	c. Term Loans	0.00	0.00
	d. Inter-corporate loans and borrowing	0.00	0.00
	e. Commercial Paper	0.00	0.00
	f. Other loans	548.94	0.00
	<b>Total</b>	<b>548.94</b>	<b>0.00</b>

### Asset Side

Particulars		Amount Outstanding
2	Break up of Loans and Advances including bills receivables (other than those included in [4] below):	
	a. Secured	0.00
	b. Unsecured	505.73
	<b>Total</b>	<b>505.73</b>
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors:	
	a. Financial Lease	0.00
	b. Operating Lease	0.00
	(ii) Stock on hire including hire charges under sundry debtors:	
	a. Assets on hire	0.00
	b. Repossessed Assets	0.00
	(iii) Other loans counting towards AFC activities:	
	a. Loans where assets have been repossessed	0.00
	b. Loans other than (a) above	0.00
	<b>Total</b>	<b>0.00</b>
4	Break-up of Investments:	
	Current Investments:	
	1. <u>Quoted:</u>	
	(i) Shares:	
	a. Equity	7.74
	b. Preference	0.00
	(ii) Debentures and Bonds	0.00
	(iii) Units of Mutual Funds	0.00
	(iv) Government Securities	0.00
	(v) Others	0.00
	<b>Total</b>	<b>7.74</b>

Particulars		Amount Outstanding
2.	<u>Unquoted:</u>	
	(i) Shares:	
	a. Equity	0.00
	b. Preference	0.00
	(ii) Debentures and Bonds	0.00
	(iii) Units of Mutual Funds	0.00
	(iv) Government Securities	0.00
	(v) Others	0.00
	<b>Total</b>	<b>0.00</b>
	Long Term Investments:	
1.	<u>Quoted:</u>	
	(i) Shares:	
	a. Equity	0.00
	b. Preference	0.00
	(ii) Debentures and Bonds	0.00
	(iii) Units of Mutual Funds	0.00
	(iv) Government Securities	0.00
	(v) Others	0.00
	<b>Total</b>	<b>0.00</b>
2.	<u>Unquoted:</u>	
	(i) Shares:	
	a. Equity	994.96
	b. Preference	0.00
	(ii) Debentures and Bonds	0.00
	(iii) Units of Mutual Funds	0.00
	(iv) Government Securities	0.00
	(v) Others	0.00
	<b>Total</b>	<b>994.96</b>

5 Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
a. Subsidiaries	0.00	0.00	0.00
b. Companies in the same group	0.00	0.00	0.00
c. Other related parties	0.00	0.00	0.00
2. Other than related parties	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**KLG Capital Services Limited****6 Investor group-wise classification of all investments (current and long term) in shares and securites (both quoted and unquoted):**

	<b>Market Value / Break up of fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
Category		
1. Related Parties		
a. Subsidiaries	36.00	36.00
b. Companies in the same group	0.00	0.00
c. Other related parties	0.00	0.00
2. Other than related parties	0.00	0.00
<b>Total</b>	<b>36.00</b>	<b>36.00</b>

**7 Other Information**

	<b>Amount</b>
(i) Gross Non-performing Assets	
a. Related parties	0.00
b. Other than related parties	0.00
(ii) Net Non-performing Assets	
a. Related parties	0.00
b. Other than related parties	0.00
(iii) Assets acquired in satisfaction of debt	0.00

**AS PER OUR REPORT OF EVEN DATE****For and on behalf of the Board of Directors****For NBS & Co.  
Chartered Accountants  
Firm Reg. No. 110100W****Ankit Pratap Singh  
Chief Financial Officer****Gayathri Ramachandran  
Chairperson  
DIN :02872723****Devdas Bhat  
Partner  
Membership No. 48094****Akshika Thakkar  
Company Secretary****Place: Mumbai****Date : May 26, 2016**

## KLG CAPITAL SERVICES LIMITED

CIN: L67120MH1994PLC218169  
 Registered Office: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023;  
 Tel: 022-6619 9000; Fax: 022-2269 6024;  
 E-mail: company.secretary@klgcapital.com; Website: www.klgcapital.com

### ATTENDANCE SLIP

22nd Annual General Meeting – Tuesday, September 27, 2016	
Registered Folio No./ DP ID No./ Client ID No.	
Name and address of the Member(s)	
Number of Shares held	

I certify that I am a member of the Company.

I hereby record my presence at the 22nd Annual General Meeting of the Members of the Company being held on Tuesday, September 27, 2016 at 1415 Hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001

\_\_\_\_\_  
Member's/Proxy's Signature

Note: Please fill attendance slip and hand it over at the entrance of the meeting hall.

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies(Management and Administration) Rules, 2014]

Name of the Company: KLG Capital Services Limited; CIN: L67120MH1994PLC218169;

Registered Office: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023;  
 Tel: 022-6619 9000; Fax: 022-2269 6024; E-mail: company.secretary@klgcapital.com; Website: [www.klgcapital.com](http://www.klgcapital.com)

Name of Member(s)	
Registered Address	
E-mail ID	
Folio No/Client ID	
DP ID	

I/We, being the Member (s) of ..... shares of the above named company, hereby appoint

1. Name : ..... Address : .....  
 E-mail ID : ..... Signature : ..... or falling him/her
2. Name : ..... Address : .....  
 E-mail ID : ..... Signature : ..... or falling him/her
3. Name : ..... Address : .....  
 E-mail ID : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **22nd Annual General Meeting** of the Company, to be held on Tuesday, September 27, 2016 at 1615 Hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS	Optional*		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1.	Ordinary Resolution for adoption of Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 and the Reports of the Auditors and Directors thereon			
2.	Ordinary Resolution for re-appointment of Mr. Nilesh Mehta, Director (DIN: 02101502), who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ordinary Resolution under section 139 of the Companies Act, 2013, for ratification of appointment of Auditors of the Company and fixing their remuneration.			
<b>Special Business:</b>				
1.	Ordinary Resolution for Appointment of Mr. Chakradhar Das as Manager of the Company			

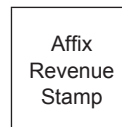
Signed this ..... day of ....., 2016

Signature of Member : .....

Signature of Proxy holder(s) : .....

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. For the resolutions, explanatory statements and Notes please refer to the Notice of 22nd Annual General Meeting.
3. \* It is optional to put your preference in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' or 'abstain' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.





*If Undelivered, Please Return to :*  
**KLG Capital Services Limited**  
SKIL, House  
209, Bank Street Cross Lane,  
Fort, Mumbai - 400 023