

# **KLG CAPITAL SERVICES LIMITED**

**23<sup>rd</sup> ANNUAL REPORT**  
**2016 - 2017**

## ANNUAL GENERAL MEETING

**Date :** September 29, 2017

**Day :** Friday

**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. J . Alexander *       | Director    |
| 4. | Mr. V. Ramanan            | Director    |
| 5. | Mr. Nilesh Mehta          | Director    |

\* Appointed as an Additional (Independent) Director w.e.f . February 10, 2017

## MANAGER

Mr. Chakradhar Das

## CHIEF FINANCIAL OFFICER

Mr. Ankit Pratap Singh

## COMPANY SECRETARY

Ms. Amruta Giradkar

## 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, 2nd Floor,  
Naraina Industrial Area,  
Phase1, Near PVR, Naraina,  
New Delhi – 110 028  
Ph: +91-11- 41410592-94  
Fax: +91-11- 41410591  
Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

## BANKERS

Central Bank of India  
Kotak Mahindra Bank  
HDFC Bank Limited

**NOTICE**

**NOTICE** is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of KLG Capital services Limited ('AGM') will be held on Friday, September 29, 2017 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
  - a. The Standalone Audited Financial Statements for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Nikhil Gandhi (DIN:00030560), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. NBS & Co., as the Statutory Auditors of the Company and in this regard to consider, and if thought fit ,to 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 the recommendations of the Audit Committee M/s. NBS & Company, Chartered Accountants (Firm Registration No. 110100W),be and are hereby re-appointed as Statutory Auditors of the Company, for a term of two years i.e., till the conclusion of the 25<sup>th</sup> Annual General Meeting of the Company to be held in the year 2019; subject to ratification by the members at the 24<sup>th</sup> AGM 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, to pass the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Director) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. J. Alexander (DIN: 00485766), who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from February 10, 2017, in terms of Section 161(1) of the Act and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e up to February 09 ,2022 and who shall not be liable to retire by rotation.

**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:**

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  
Website: www.klgcapital.com

**By Order of the Board of Directors**

**Amruta Giradkar  
Company Secretary**

**Place: Mumbai**

**Date: August 29, 2017**

**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 Standard ("SS-2") and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief profile of the Director proposed to be reappointed / appointed 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 authorizing 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 Saturday, September 23, 2017 to Friday September 29, 2017, 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 2016-2017 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, September 01, 2017. However, if such a person is not a Member on the cut-off date of Friday, September 22, 2017; 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 ('CDSL'). 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 remote e-voting are detailed hereunder:-**

- (i) The voting period begins on Tuesday, September 26, 2017 at 0900 hours and ends on Thursday, September 28, 2017 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 Friday, September 22, 2017, 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> |   |
|---|---|
| PAN   | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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> |
| Dividend Bank Details OR Date of Birth (DOB)                      | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (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 ("EVS" i.e. "170817027") 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 out print of the voting done by you 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non-Individual Shareholders & Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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.
- 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).

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**

Based on the Recommendation of Nomination Remuneration Committee, Board of Directors of the Company at its meetings held on February 10, 2017, appointed Mr. J Alexander as an Additional Director designated as Independent Directors who holds office up to the date of ensuing AGM in terms of section 161 of the Companies Act, 2013.

Mr. J Alexander satisfies all the conditions set under the Code of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013 also conditions pursuant to Section 149(6) and 149(7) of the Companies Act, 2013 and the Rules made thereunder 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. J Alexander, 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 SS-2 and Regulation 36 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, following information is furnished in respect of Director proposed to be re-appointed / appointed:

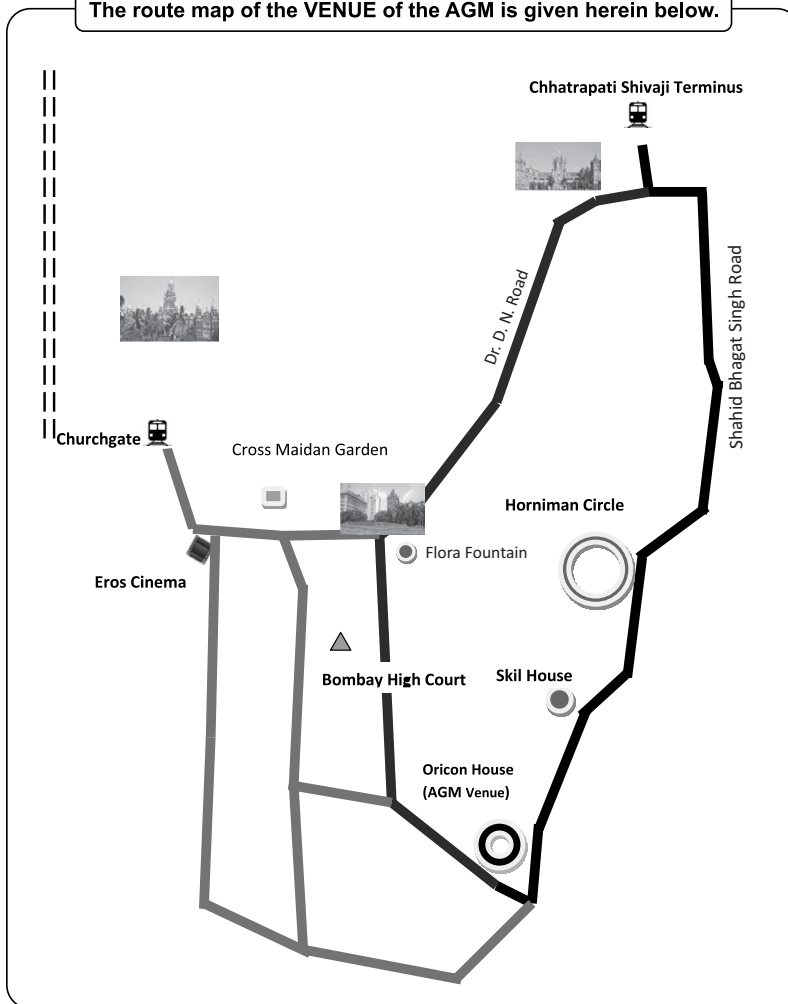
|                          |  |  |
|--------------------------|--|--|
| Name of Director/Manager | Mr. Nikhil Gandhi (Director) (DIN: 00030560) | Mr. J. Alexander (Director)(DIN: 00485766)                 |
| Date of Birth            | April 25, 1959                               | August 8, 1938   |
| Age                      | 58 Years                                     | 79 Years   |
| Qualification            | B.Com  | M.A. (English Language & Literature) and Phd. (Philosophy) |
| Nationality              | Indian                                       | Indian   |
| Date of Appointment      | June 19, 2008                                | February 10,2017   |
| Designation              | Non-Executive, Non-Independent Director      | Non-Executive, Independent Director                        |

|   |   |  |
|---|---|--|
| Brief profile including nature of Expertise in specific functional areas  | Mr. Nikhil Gandhi is a first-generation entrepreneur. In 1990, he received the 'Best Young entrepreneur' award from the Ministry of chemicals and Petrochemicals, Government of India and in 2001, he was conferred the 'Great Son of Soil' award by the All India Conference of Intellectuals. Mr. Nikhil Gandhi has contributed in undertaking various projects of national importance, several such project being first-of-its-kind in aspects such as bringing private sector initiative into hitherto public domain. He has 29 years of experience in conceiving and developing infrastructure projects across India.  | Mr. J. Alexander is a retired senior bureaucrat. After teaching English Literature in Kerala University, he joined the Indian Administration Service in 1963. He has held important positions in his long professional career to name few; Managing Director, Karnataka State Ware Housing Corporation; Chief Executive Officer, Karnataka State Road Transport Corporation, Commissioner of Bangalore City Corporation; Chairman, Karnataka State Housing Board and Karnataka State Slums Clearance Board. He was elected as Member of Legislative Assembly from Bharathi Nagar Constituency in Bangalore and subsequently as Minister for Tourism, Government of Karnataka. In his capacity as a Chairman of Central Coir Board, he also worked as Consultant for Agriculture Organisation of United Nation. |
| Inter-se relationship with other directors and key managerial personnel   | None  | None   |
| Number of Board Meetings attended during the year.  | One   | —  |
| Directorship held in other Companies as on March 31, 2017   | <ul style="list-style-type: none"> <li>• Awaita Properties Private Limited</li> <li>• SKIL Infrastructure Limited</li> <li>• Reliance Defence and Engineering Limited</li> <li>• Navi Mumbai SEZ Private Limited</li> <li>• Urban Infrastructure Holdings Private Limited</li> <li>• SKIL-Himachal Infrastructure and Tourism Limited</li> <li>• SKIL Institute of Nursing Private Limited</li> <li>• JPT Securities Limited</li> <li>• Pipavav Electronic Warfare Systems Private Limited</li> <li>• Nayroh Lifestyle and Leisure Infrastructure Limited</li> <li>• Karanja Terminal &amp; Logistics Private Limited</li> <li>• Mazagon Dock Pipavav Defence Private Limited</li> <li>• PDOC Pte. Limited</li> <li>• Merchantile Ports and Logistics Limited</li> <li>• Sohar Free Zone LLC</li> <li>• SKIL Global Ports and Logistics Limited</li> <li>• SKIL (Singapore) Pte. Limited</li> </ul> | <ul style="list-style-type: none"> <li>• SKIL Infrastructure Limited</li> <li>• Stumpp Schuele &amp; Somappa Private Limited</li> <li>• Symphony T.V. &amp; Entertainments Private Limited</li> <li>• Karanja Logistic Private Limited</li> <li>• Transaction Analysts (India) Private Limited</li> <li>• Navi Mumbai SMART CITY Infrastructure Limited</li> <li>• SKIL-Himachal Infrastructure and Tourism Limited</li> <li>• SKIL Shipyard Holdings Private Limited</li> <li>• Kings Infra Ventures Limited</li> <li>• KLM Axiva Finvest Limited</li> <li>• JPT Securities Limited</li> <li>• Orange SMART CITY Infrastructure Private Ltd</li> </ul>  |
| Chairmanship / Membership of the Committee of the Board of Directors of other public Companies as on March 31, 2017 | -   | -  |

**KLG Capital Services Limited**

|  |  |  |
|--|--|--|
| a) Audit Committee                                 | JPT Securities Limited<br>SKIL-Himachal Infrastructure and Tourism Limited | JPT Securities Limited<br>SKIL Infrastructure Limited<br>Navi Mumbai SMART CITY Infrastructure Limited<br>SKIL Shipyard Holdings Private Limited |
| b) Stakeholders Relationship Committee             | SKIL Infrastructure Limited<br>JPT Securities Limited                      | SKIL Infrastructure Limited<br>JPT Securities Limited  |
| c) Nomination & Remuneration committee             | SKIL Infrastructure Limited<br>JPT Securities Limited                      | SKIL Infrastructure Limited<br>JPT Securities Limited  |
| Shareholding in the Companies as on March 31, 2017 | ---  | ---  |
| Remuneration                                       | Nil  | Nil  |

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





## DIRECTORS' REPORT

### Dear Members,

Your directors have pleasure in presenting their 23<sup>rd</sup> Annual Report of the Company together with the Audited Financial Statement for the year ended March 31, 2017.

### Financial Highlights (Standalone)

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

(Rupees in Lacs)

| Particulars   | 2016-2017 | 2015-2016 |
|---|-----------|-----------|
| Total Income  | 69.28     | 21.72     |
| Less: Expenditure   | 13.41     | 14.28     |
| Profit before Depreciation & Tax  | 55.87     | 7.44      |
| Less: Depreciation  | 0.05      | 0.02      |
| Profit before Tax   | 55.82     | 7.42      |
| Less: Taxes   | 14.60     | 2.89      |
| Profit after Tax  | 41.22     | 4.52      |
| Less: Transfer to Statutory Reserve Account as per Section 45-IC of Reserve Bank of India Act, 1934 | 8.24      | 0.90      |
| Balance carried forward to Balance Sheet  | 32.98     | 3.62      |

*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. 69.28 Lacs as compared to the income of Rs. 21.72 Lacs during the previous financial year. The profit after tax as on March 31, 2017 amounted to Rs. 32.98 Lacs as against profit of Rs. 3.62 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. 8.24 Lacs (Previous year Rs. 0.90 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 2016-17 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, 2017.

### 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 giving 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

The Company has 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. However, it is yet to commence business. 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.

### Details of Directors and Key Managerial Personnel

Mr. J. Alexander was appointed as an Additional director of the Company under the category of Independent director with effect from February 10, 2017.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Nikhil Gandhi (DIN:00030560) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Ms. Akshika Thakkar ceased to be Whole-time Key Managerial Personnel of the Company under the category of Company Secretary with effect from December 17, 2016 pursuant to which Ms. Amruta Giradkar was appointed in the said category with effect from June 5, 2017.

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

### 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 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 Chairperson 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 to the Act. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and 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 Chairperson 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, 2017 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 its Committees

The details of the Board and its' Committees, so also 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 2016-17 (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 26, 2016, August 08, 2016, November 09, 2016 and February 10, 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 [Ref Note (i)] | No. of Board Meetings attended |
|--------------------------------------|---|--------------------------------|
| Mr. Nikhil Gandhi                    | 4   | 1                              |
| Ms. Gayathri Ramachandran            | 4   | 3                              |
| Mr. V. Ramanan                       | 4   | 4                              |
| Mr. Nilesh Mehta                     | 4   | 3                              |
| Mr. J. Alexander (w.e.f. 10.02.2017) | 4   | 1                              |

ii. **Audit Committee**

The Audit Committee comprises Mr. V. Ramanan (Chairman), Ms. Gayathri Ramachandran, Mr. Nilesh Mehta and Mr. J. Alexander 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 26, 2016, August 08, 2016, November 08, 2016 and February 10, 2017.

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

| Name of the Directors                | No. of Committee Meetings Held [Ref Note (i)] | No. of Committee Meetings attended |
|--------------------------------------|---|------------------------------------|
| Ms. Gayathri Ramachandran            | 4   | 3                                  |
| Mr. V. Ramanan                       | 4   | 4                                  |
| Mr. Nilesh Mehta                     | 4   | 3                                  |
| Mr. J. Alexander (w.e.f. 10.02.2017) | 4   | 1                                  |

iii. **Nomination and Remuneration Committee**

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

The Nomination and Remuneration Committee met once during the financial year under review. The meeting of the Committee was held on February 10, 2017.

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

| Name of the Directors                | No. of Committee Meetings Held [Ref Note (i)] | No. of Committee Meetings attended |
|--------------------------------------|---|------------------------------------|
| Ms. Gayathri Ramachandran            | 1   | 0                                  |
| Mr. V. Ramanan                       | 1   | 1                                  |
| Mr. Nikhil Gandhi                    | 1   | 0                                  |
| Mr. J. Alexander (w.e.f. 10.02.2017) | 1   | 1                                  |

iv. **Stakeholders Relationship Committee**

During the financial year 2016-17, no meeting of the Stakeholders Relationship Committee was held.

**Statutory Auditors**

The Statutory Auditors, M/s. NBS & Co., Chartered Accountants (ICAI Registration No. 110100W), hold office until the conclusion of ensuing AGM and are eligible for re-appointment for a term of upto two consecutive years as per Section 139 of the Companies Act, 2013. M/s. NBS & Co., while offering themselves for re-appointment, have provided certificate to the effect that, their reappointment, if made, shall be in accordance with the provisions of Section 139 of the Companies Act, 2013 and they satisfy the criteria provided under Section 141 of the Companies Act, 2013.

In view of the above and based on the recommendation of the Audit Committee, the Board of Directors recommends reappointment of M/s. NBS & Co. as the Statutory Auditors of the Company for a period of two consecutive years to hold office from the conclusion of Twenty-third AGM till the conclusion of Twenty-Fifth AGM of the Company, subject to ratification of their appointment by the Members at Twenty-Fourth AGM held after this AGM.

**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, 2017, 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 2016-17.

The Secretarial Audit Report for the financial year ended March 31, 2017, 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 29, 2017**

**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  | company.secretary@klgcapital.com  |
|     | Website, if any  | www.klgcapital.com  |
| 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  | delhi@linkintime.co.in  |

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY** 1

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       | Interest on ICD                                  | 649                               | 100%                               |

**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<br>209, SKIL House, Bank Street Cross Lane, Fort, Mumbai - 400 023 | U 4 5 1 0 2 M H - 1995PTC084308 | HOLDING                         | 60.46            | 2(46)              |
| 2       | KLG Stock Brokers Private Limited<br>209, SKIL House, Bank Street Cross Lane, Fort, Mumbai - 400 023 | U 7 4 1 2 0 M H - 2010PTC207363 | SUBSIDIARY                      | 100              | 2(87)              |

**KLG Capital Services Limited**
**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. Promoter &amp; Promoter Group</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) Individual (NRI/ Foreign Ind.)  | 0   | 0           | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| b) Foreign Portfolio Investor  | 0   | 0           | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| c) Government  | 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/ UTI   | 0   | 0           | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| b) Banks / FI  | 0   | 0           | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| c) Alternate Investment Fund   | 0   | 0           | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| d) Foreign Portfolio Investor  | 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) Provident/ Pension Fund   | 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) Central / State Government(s) / President of India</b>                              |   |             |                |                   |   |              |                |                   |                          |
| <b>Sub-total (B)(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>3. Non-Institutions</b>   |   |             |                |                   |   |              |                |                   |                          |
| <b>a) Individuals</b>  |   |             |                |                   |   |              |                |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh                   | 376009  | 2933        | 378942         | 11.83             | 377368                                    | 2933         | 380301         | 11.83             | 0.04                     |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh           | 260228  | 0           | 260228         | 8.13              | 265965                                    | 0            | 265965         | 8.13              | 0.18                     |
| b- NBFC's registered with RBI  | 0   | 0           | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| c- Employee Trusts   | 0   | 0           | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| d- Overseas Depositories (holding DR's) (balancing figure)                                 | 0   | 0           | 0              | 0                 | 0   | 0            | 0              | 0                 | 0.00                     |
| e- Any Other (specify)   |   |             |                |                   |   |              |                |                   |                          |
| Hindu Undivided Family   | 39359   | 0           | 39359          | 1.23              | 42333                                     | 0            | 42333          | 1.32              | 0.09                     |
| Non Resident Indians (non repeat)  | 626   | 0           | 626            | 0.02              | 626                                       | 0            | 626            | 0.02              | 0.00                     |
| Other Directors  | 0   | 0           | 0              | 0                 | 3500                                      | 0            | 3500           | 0.11              | 0.11                     |
| Non Resident Indians (non repeat)  | 8292  | 0           | 8292           | 0.26              | 8055                                      | 0            | 8055           | 0.25              | -0.01                    |
| Clearing Member  | 16239   | 0           | 16239          | 0.51              | 1314                                      | 0            | 1314           | 0.04              | -0.47                    |
| Bodies Corporate   | 562639  | 0           | 562639         | 17.57             | 564231                                    | 0            | 564231         | 17.62             | 0.05                     |
| <b>Sub-total (B)(3)</b>  | <b>1263392</b>                                  | <b>2933</b> | <b>1266325</b> | <b>39.54</b>      | <b>1263392</b>                            | <b>2,933</b> | <b>1266325</b> | <b>39.54</b>      | <b>0.00</b>              |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B)(3)</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>Total (A) +(B)</b>  | <b>3199467</b>                                  | <b>2933</b> | <b>3202400</b> | <b>100.00</b>     | <b>3199467</b>                            | <b>2933</b>  | <b>3202400</b> | <b>100.00</b>     | <b>0.00</b>              |
| <b>(C) Non Promoter- Non Public</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>              |
| (1)- Custodian/ DR Holder  |   |             |                |                   |   |              |                |                   |                          |
| (2)- Employee Benefit Trust under SEBI (share based Employee Benefit ) (Regulations, 2014) | 0   | 0           | 0              | 0                 | 0   | 0            | 0              | 0                 | 0                        |
| <b>Grand Total (A+B+C)</b>   | <b>3199467</b>                                  | <b>2933</b> | <b>3202400</b> | <b>100.00</b>     | <b>3199467</b>                            | <b>2933</b>  | <b>3202400</b> | <b>100.00</b>     | <b>0.00</b>              |

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               | 60400                                     | 1.89                             | 60400                                   | 1.89                             |
| Changes During the Year                    | -   | -                                | 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                    | -   | -                                | -                                       | -                                |
| <b>At the End of the year</b>              | 28673                                     | 0.90                             | 28673                                   | 0.90                             |

**KLG Capital Services Limited**

| 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. V P Dharmarajan</b>     |          |   |                                  |   |                                  |
| At the beginning of the year  |          | 23000                                     | 0.72                             | 23000                                   | 0.72                             |
| Changes During the Year       |          | -   | -                                | -                                       | -                                |
| Increase --: Date             | Reason   |   |                                  |   |                                  |
| Aug 12, 2016                  | Purchase | 2000                                      | -                                | 25000                                   | 0.78                             |
| Sep 02, 2016                  | Purchase | 500                                       | -                                | 25500                                   | 0.80                             |
| Nov 11, 2016                  | Purchase | 1325                                      | -                                | 26825                                   | 0.84                             |
| Nov 18, 2016                  | Purchase | 180                                       | -                                | 27005                                   | 0.84                             |
| Dec 16, 2016                  | Purchase | 215                                       | -                                | 27220                                   | 0.85                             |
| Dec 23, 2016                  | Purchase | 280                                       | -                                | 27500                                   | 0.86                             |
| Mar 24, 2017                  | Purchase | 1000                                      | -                                | 28500                                   | 0.89                             |
| Mar 31, 2017                  | Purchase | 237                                       | -                                | 28737                                   | 0.90                             |
| <b>At the End of the year</b> |          | -   | -                                | 28737                                   | 0.90                             |
| <b>10. Puneeta Garg</b>       |          |   |                                  |   |                                  |
| At the beginning of the year  |          | 24000                                     | 0.75                             | 24000                                   | 0.75                             |
| Changes During the Year       |          |   |                                  |   |                                  |
| <b>At the End of the year</b> |          | 24000                                     | 0.75                             | 24000                                   | 0.75                             |

**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 Personnel's 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**

(Rs. in Lacs)

|  | 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.



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

| Sl. no. | Particulars of Remuneration   | Name of MD/WTD/ Manager                             |              |
|---------|---|---|--------------|
|         |   | Mr. Chakradhar Das<br>(appointed w.e.f. 13.02.2016) | Total Amount |
| 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  | -   | -            |
|         | <b>Total (A)</b>  | -   | -            |

B. *Remuneration to Other Directors*

(Rs. in Lacs)

| Sr. No | Independent Directors                      | Name of Directors         |                  |                  | Amount   |
|--------|--|---------------------------|------------------|------------------|----------|
|        |  | Ms. Gayathri Ramachandran | Mr. V. Ramanan   | Mr .J. Alexander |          |
| 1      | <b>Particulars of Remuneration</b>         |                           |                  |                  |          |
|        | Particulars of Remuneration                |                           |                  |                  |          |
|        | Fee for attending board/committee meetings | 30,000                    | 50,000           | 20,000           | 1,00,000 |
|        | Commission                                 | -                         | -                | -                | -        |
|        | Others, please specify                     | -                         | -                | -                | -        |
|        | <b>Total (1)</b>                           | 30,000                    | 50,000           | 20,000           | 1,00,000 |
| 2      | <b>Other Non-Executive Directors</b>       | Mr. Nikhil Gandhi         | Mr. Nilesh Mehta |                  |          |
|        | Fee for attending board/committee meetings | -                         | -                | -                | -        |
|        | Commission                                 | -                         | -                | -                | -        |
|        | Others, please specify                     | -                         | -                | -                | -        |
|        | <b>Total (2)</b>                           | -                         | -                | -                | -        |
|        | <b>Total (B)=(1+2)</b>                     | 30,000                    | 50,000           | 20,000           | 1,00,000 |
|        | <b>Total Managerial Remuneration</b>       | 30,000                    | 50,000           | 20,000           | 1,00,000 |

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

| Sl. no. | Particulars of Remuneration   | Key Managerial Personnel                            |   |                 |
|---------|---|---|---|-----------------|
|         |   | Ankit Pratap Singh<br>Chief Financial Officer (CFO) | Akshika Thakkar<br>Company Secretary (CS) | Total           |
| 1       | Gross salary  | -   | -   | -               |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -   | 1,31,239                                  | 1,31,239        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -   | 11,250                                    | 11,250          |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -   | 1,85,608                                  | 1,85,608        |
| 2       | Stock Option  | -   | -   | -               |
| 3       | Sweat Equity  | -   | -   | -               |
| 4       | Commission  | -   | -   | -               |
|         | - as % of profit  | -   | -   | -               |
|         | - others, specify   | -   | -   | -               |
| 5       | Others, please specify  | -   | -   | -               |
|         | <b>Total</b>  | -   | <b>3,28,097</b>                           | <b>3,28,097</b> |

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

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

for the financial year ended 31<sup>st</sup> March, 2017

*[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**

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 March 31, 2017, 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 March 31, 2017, 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, 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 (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

## **KLG Capital Services Limited**

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II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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)

**Bhavika Aashish Bhatt**

**Place: Mumbai**

**ACS No.: 36181,**

**Date: August 29, 2017**

**COP No.: 13376**

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.

**Bhavika Aashish Bhatt**

**Place: Mumbai**

**ACS No.: 36181,**

**Date: August 29, 2017**

**COP No.: 13376**

**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) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2016-2017 is NIL.
- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Manager, if any, in FY 2016-2017 is NIL except Company Secretary which is 21.42%.
- 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 role of the Company: As on March 31, 2017, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') 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

## **KLG Capital Services Limited**

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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

India's financial system remains stable, even though the banking sector continues to face significant challenges. While the global growth outlook and market sentiments have improved, political stability on the domestic front has further reinforced expectations of accelerated reforms, overall positive business sentiment and macroeconomic stability.

After years of sluggish growth, the global economy seems poised for a turnaround. Even though there are uncertainties, the underlying feeling of a stable transition from a global accommodative monetary policy regime to a normal rate cycle is evident in equity and fixed income markets.

Domestically macroeconomic conditions remained stable and the expectations of accelerated reforms and political stability further reinforced the overall positive business sentiment. While the retail inflation witnessed significant decline during the recent quarters, the real gross value added (GVA) growth declined to 6.6 per cent in March'17 as compared with 7.9 per cent in March'16. Going forward, reforms in foreign direct investment, implementation of goods and services tax (GST), and revival in external demand are likely to contribute to a better growth outlook. The capital market indices moved to a higher territory reflecting these positive sentiments.

While the aggregate balance sheet of the NBFC sector expanded by 14.5 per cent during March'17, their net profit was down by 2.9 per cent. Under asset quality pressures, credit intermediation by banks has retrenched and that by NBFCs and mutual funds has increased significantly. The half-yearly positions of select non-government non-financial (NGNF) listed companies indicated improvement in the performance of the corporate sector, especially growth in sales. As on March'17 there were 11,290 NBFC (Non-Deposit) registered against 11,622 in March'2016 and 240 NBFC (Deposit Taking) against 220 in corresponding financial year.

### 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, Defense 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, 2017, 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, 2017, 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. 383.50 Lacs (previous year Rs. 342.28 Lacs).

c) Financial Result: During the year ended March 31, 2017, the Company has earned total income of Rs. 69.28 Lacs as compared to the income of Rs. 21.72 Lacs during the previous financial year. The profit after tax as on March 31, 2017 amounted to Rs. 41.22 Lacs as against profit of Rs. 4.52 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 31<sup>st</sup> March, 2017, 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, 2017.
- (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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.
  - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 20 to the financial statements

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

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

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2017**

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

Referred to in paragraph 5 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, 2017, 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 2017 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 3,21,00,166/- |
| Service tax. | Rs 90,03,454/-   |

- 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: 30<sup>th</sup> May, 2017**

### **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, 2017 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.

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## 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 2017, 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: 30<sup>th</sup> May, 2017**

**BALANCE SHEET AS AT MARCH 31, 2017**

| Particulars   | Note No. | Current Year<br>Amount (Rs.) | Previous Year<br>Amount (Rs.) |
|---|----------|------------------------------|-------------------------------|
| <b>I EQUITY &amp; LIABILITIES:</b>                              |          |                              |                               |
| <b>(1) SHAREHOLDERS' FUNDS</b>                                  |          |                              |                               |
| Share Capital   | 2        | 3,20,24,000                  | 3,20,24,000                   |
| Reserves and Surplus  | 3        | 3,83,49,545                  | 3,42,27,782                   |
|   |          | <u>7,03,73,545</u>           | <u>6,62,51,782</u>            |
| <b>(2) NON-CURRENT LIABILITIES</b>                              |          |                              |                               |
| Deferred Tax Liabilities (Net)                                  | 4        | -                            | -                             |
| <b>(3) CURRENT LIABILITIES</b>                                  |          |                              |                               |
| Short-term Borrowings   | 5        | 2,35,45,487                  | 5,48,93,752                   |
| Other Current Liabilities                                       | 7        | 94,09,890                    | 94,09,571                     |
| Short-term Provisions   | 8        | 3,21,75,166                  | 3,14,86,925                   |
|   |          | <u>6,51,30,543</u>           | <u>9,57,90,248</u>            |
| <b>TOTAL</b>  |          | <u><b>13,55,04,088</b></u>   | <u><b>16,20,42,030</b></u>    |
| <b>II ASSETS:</b>   |          |                              |                               |
| <b>(1) NON-CURRENT ASSETS</b>                                   |          |                              |                               |
| Fixed Assets  | 9        |                              |                               |
| -Tangible Assets  |          | 961                          | 5,646                         |
|   |          | <u>961</u>                   | <u>5,646</u>                  |
| Deferred Tax asset  |          | 5,233                        | 2,594                         |
| Non-Current Investments   | 10       | 9,94,95,600                  | 9,94,95,600                   |
|   |          | <u>9,94,95,600</u>           | <u>9,94,95,600</u>            |
| <b>(2) CURRENT ASSETS</b>                                       |          |                              |                               |
| Current Investments   | 11       | 9,41,880                     | 7,74,090                      |
| Trade Receivables   | 12       | -                            | 70,59,200                     |
| Cash and Cash Equivalents                                       | 13       | 61,783                       | 1,31,613                      |
| Short-term Loans, Advances and Deposit                          | 14       | 3,49,98,631                  | 5,45,73,287                   |
|   |          | <u>3,60,02,294</u>           | <u>6,25,38,189</u>            |
| <b>TOTAL</b>  |          | <u><b>13,55,04,088</b></u>   | <u><b>16,20,42,030</b></u>    |
| See accompanying notes forming part of the financial statements | 1 to 25  |                              |                               |

IN TERMS OF OUR REPORT ATTACHED

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

Devdas Bhat  
Partner  
Membership No. 48094

Ankit Pratap Singh  
Chief Financial Officer

Place: Mumbai

Date : May 30, 2017

For and on behalf of the Board of Directors

Alexander Joseph  
Director  
DIN : 00485766

V. Ramanan  
Director  
DIN : 02754562

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**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017**

| Particulars   | Note No. | Current Year<br>Amount (Rs.) | Previous Year<br>Amount (Rs.) |
|---|----------|------------------------------|-------------------------------|
| Revenue from Operations   | 15       | 69,28,061                    | 21,72,310                     |
| Other Income  | 16       | -                            | -                             |
| <b>Total Revenue</b>  |          | <u><b>69,28,061</b></u>      | <u><b>21,72,310</b></u>       |
| <b>Expenditure</b>  |          |                              |                               |
| Employee Benefits Expenses  | 17       | 3,29,371                     | 3,27,865                      |
| Depreciation and Amortization Expenses  | 9        | 4,685                        | 1,943                         |
| Other Expenses  | 18       | 10,11,972                    | 11,00,826                     |
| <b>Total Expenses</b>   |          | <u><b>13,46,028</b></u>      | <u><b>14,30,634</b></u>       |
| <b>Profit/(Loss) before Exceptional and Extraordinary Items and Tax</b>       |          | <b>55,82,033</b>             | <b>7,41,676</b>               |
| Exceptional Items   |          | -                            | -                             |
| <b>Profit/(Loss) before Extraordinary Items and Tax</b>                       |          | <b>55,82,033</b>             | <b>7,41,676</b>               |
| Extraordinary Items   |          | -                            | -                             |
| <b>Profit/(Loss) before Tax</b>   |          | <b>55,82,033</b>             | <b>7,41,676</b>               |
| <u>Tax Expenses</u>   |          |                              |                               |
| - Current Tax   |          | 14,62,910                    | 2,89,157                      |
| - Deferred Tax  |          | (2,639.49)                   | 147                           |
|   |          | <u>14,60,271</u>             | <u>2,89,304</u>               |
| <b>Profit/(Loss) for the period from Continuing Operations</b>                |          | <b>41,21,763</b>             | <b>4,52,372</b>               |
| <b>Profit/(Loss) for the period from Discontinuing Operations (After Tax)</b> |          | -                            | -                             |
| <b>Profit/(Loss) for the period</b>   |          | <b>41,21,763</b>             | <b>4,52,372</b>               |
| <b>Earnings Per Share (Basic and Diluted)</b>                                 |          | <b>1.29</b>                  | <b>0.14</b>                   |
| (Refer Note No. 24)   |          |                              |                               |
| See accompanying notes forming part of the financial statements               | 1 to 25  |                              |                               |

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**IN TERMS OF OUR REPORT ATTACHED**

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

Devdas Bhat  
Partner  
Membership No. 48094

Ankit Pratap Singh  
Chief Financial Officer

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

Alexander Joseph  
Director  
DIN : 00485766

V. Ramanan  
Director  
DIN : 02754562

Place: Mumbai

Date : May 30, 2017

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017

| Particulars  | Note No. | Current Year<br>Amount (Rs.) | Previous Year<br>Amount (Rs.) |
|--|----------|------------------------------|-------------------------------|
| <b>A. Cash flow from Operating Activities</b>          |          |                              |                               |
| Net Profit after Tax & Extraordinary Items             |          | 41,21,763                    | 4,52,372                      |
| Adjustment for:  |          |                              |                               |
| Depreciation and Amortization Expenses                 |          | 2,046                        | 2,090                         |
| Dividend Income  |          | -                            | -                             |
| <b>Operating Profit before Working Capital changes</b> |          | <b>41,23,808</b>             | <b>4,54,462</b>               |
| <b>Adjustment for Working Capital changes</b>          |          |                              |                               |
| (Increase)/Decrease in Trade Receivables               |          | 70,59,200                    | 16,99,176                     |
| (Increase)/Decrease in Short-term Loans and Advance    |          | 1,95,74,656                  | (5,05,73,287)                 |
| Increase/(Decrease) in Trade and Other Payable         |          | 319                          | (3,91,184)                    |
| Increase/(Decrease) in Provisions                      |          | 6,88,241                     | (3,66,602)                    |
| Cash generated from Operations                         |          | <u>3,14,46,224</u>           | <u>(4,91,77,435)</u>          |
| Direct taxes   |          | -                            | -                             |
| Cash flow before Extraordinary Items                   |          | <u>3,14,46,224</u>           | <u>(4,91,77,435)</u>          |
| Extraordinary Items                                    |          | -                            | -                             |
| <b>Cash flow from Operating Activities</b>             |          | <b><u>3,14,46,224</u></b>    | <b><u>(4,91,77,435)</u></b>   |
| <b>B. Cash flow from Investing Activities</b>          |          |                              |                               |
| Purchase of Fixed Assets                               |          | -                            | (6,000)                       |
| (Increase)/Decrease in Investments                     |          | (1,67,790)                   | 1,95,991                      |
| Dividend Income  |          | -                            | -                             |
| Sale of Investment                                     |          | -                            | -                             |
| <b>Net Cash used in Investment Activities</b>          |          | <b><u>(1,67,790)</u></b>     | <b><u>1,89,991</u></b>        |
| <b>C. Cash flow from Financing Activities</b>          |          |                              |                               |
| Increase/(Decrease) in Short-term Borrowings           |          | (3,13,48,265)                | 4,90,15,362                   |
| <b>Net Cash used in Financing Activities</b>           |          | <b><u>(3,13,48,265)</u></b>  | <b><u>4,90,15,362</u></b>     |
| Net increase / decrease in Cash & Cash Equivalents     |          | (69,831)                     | 27,918                        |
| Cash & Cash Equivalents as at April 1, 2016            |          | 1,31,614                     | 1,03,695                      |
| (Opening Balance) Cash in Hand & Balance with Banks    |          |                              |                               |
| Cash & Cash Equivalents as at March 31, 2017           |          | <u>61,783</u>                | <u>1,31,614</u>               |
| (Closing Balance) Cash in Hand & Balance with Banks    |          |                              |                               |
| Note: Figures in brackets represent outflows           |          |                              |                               |

IN TERMS OF OUR REPORT ATTACHED

For NBS &amp; Co.

Chartered Accountants

Firm Reg. No. 110100W

Devdas Bhat

Partner

Membership No. 48094

Ankit Pratap Singh

Chief Financial Officer

For and on behalf of the Board of Directors

Alexander Joseph

Director

DIN : 00485766

V. Ramanan

Director

DIN : 02754562

Place: Mumbai

Date : May 30, 2017



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**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR MARCH 31, 2017****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, 2017

| Particulars   | Current Year<br>Amount (Rs.) | Previous Year<br>Amount (Rs.) |                      |                     |
|---|------------------------------|-------------------------------|----------------------|---------------------|
| <b>NOTE NO. 2 - SHARE CAPITAL</b>   |                              |                               |                      |                     |
| (a) <b>Authorised</b>   |                              |                               |                      |                     |
| 3,500,000 Equity Shares of Rs.10/- each<br>(Previous Year 3,500,000)  | 3,50,00,000                  | 3,50,00,000                   |                      |                     |
| (b) <b>Issued, Subscribed and Paid-up</b>   |                              |                               |                      |                     |
| 3,202,400 Equity Shares of Rs. 10/- each (Fully Paid-up)<br>(Previous Year 3,202,400)   | 3,20,24,000                  | 3,20,24,000                   |                      |                     |
|   | <u>3,20,24,000</u>           | <u>3,20,24,000</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  | 32,02,400                    | 32,02,400                     |                      |                     |
| Add: Issue of Shares during the year  | -                            | -                             |                      |                     |
| No. of Shares at the end of the year  | <u>32,02,400</u>             | <u>32,02,400</u>              |                      |                     |
| (d) <b>Details of Shareholder holding more than 5% Equity Shares held by</b>  |                              |                               |                      |                     |
|   | <b>Current Year</b>          |                               | <b>Previous Year</b> |                     |
|   | <b>No. of Shares</b>         | <b>% of Holding</b>           | <b>No. of Shares</b> | <b>% of Holding</b> |
| Holding Company:  |                              |                               |                      |                     |
| - Awaita Properties Pvt. Ltd  | 19,36,075                    | 60.46%                        | 19,36,075            | 60.46%              |
| <b>NOTE NO. 3 - RESERVES AND SURPLUS</b>  |                              |                               |                      |                     |
| (a) <b>General Reserve</b>  |                              |                               |                      |                     |
| Balance as per last Balance Sheet   | 10,12,242                    | 10,12,242                     |                      |                     |
| Add: Transfer from Profit & Loss Account  | -                            | -                             |                      |                     |
|   | <u>10,12,242</u>             | <u>10,12,242</u>              |                      |                     |
| (b) <b>Statutory Reserve Fund</b>   |                              |                               |                      |                     |
| Balance as per last Balance Sheet   | 58,33,315                    | 57,42,840                     |                      |                     |
| Add: Transfer from Profit & Loss Account  | 8,24,353                     | 90,474                        |                      |                     |
|   | <u>66,57,668</u>             | <u>58,33,315</u>              |                      |                     |
| (c) <b>Profit &amp; Loss Account</b>  |                              |                               |                      |                     |
| Balance as per last Balance Sheet   | 2,73,82,225                  | 2,70,20,327                   |                      |                     |
| Add: Profit & Loss during the Year  | 41,21,763                    | 4,52,372                      |                      |                     |
| Less: *Transfer to Statutory Reserve Account  | 8,24,353                     | 90,474                        |                      |                     |
|   | <u>3,06,79,635</u>           | <u>2,73,82,225</u>            |                      |                     |
|   | <u>3,83,49,545</u>           | <u>3,42,27,782</u>            |                      |                     |
| * Rs. 8,24,353 (Previous Year: Rs. 90,474) 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  | (5,233)                      | (2,594)                       |                      |                     |
| (Impact of difference between tax depreciation and depreciation charged for financial reporting)  |                              |                               |                      |                     |
| (b) Others Timing differences   | -                            | -                             |                      |                     |
|   | <u>(5,233)</u>               | <u>(2,594)</u>                |                      |                     |
| <b>Deferred Tax Assets</b>  |                              |                               |                      |                     |
| (a) Any disallowance under Income Tax Act/Others  | -                            | -                             |                      |                     |
| <b>Net Deferred Tax Liabilities</b>   | <u>(5,233)</u>               | <u>(2,594)</u>                |                      |                     |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2017

## NOTE NO. 5 - SHORT-TERM BORROWINGS

Unsecured Loan

|  |                    |                    |
|--|--------------------|--------------------|
| -From Holding Company<br>(Repayable on Demand) | 2,35,45,487        | 5,48,93,752        |
|  | <u>2,35,45,487</u> | <u>5,48,93,752</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  | 3,83,798         | 1,53,817         |
| Others-Duties and Taxes | 90,26,092        | 92,55,754        |
|                         | <u>94,09,890</u> | <u>94,09,571</u> |

## NOTE NO. 8 - SHORT-TERM PROVISIONS

Contingent provision against standard assets  
(A Contingent provision against standard assets has been created at 0.25% required in terms of RBI)

|                                 |                    |                    |
|---------------------------------|--------------------|--------------------|
| Provisions for Income Tax (Net) | 75,000             |                    |
|                                 | 3,21,00,166        | 3,14,86,925        |
|                                 | <u>3,21,75,166</u> | <u>3,14,86,925</u> |

## NOTE NO. 9 - FIXED ASSETS

(Amount in Rs.)

| Particulars            | GROSS BLOCK         |                           |  |   | DEPRECIATION         |                    |                          |   | NET BLOCK           |  |            |                      |                      |
|------------------------|---------------------|---------------------------|--|---|----------------------|--------------------|--------------------------|---|---------------------|--|------------|----------------------|----------------------|
|                        | As at April 1, 2016 | Additions during the year | Acquisitions through Business combinations | Deductions/ Adjustments during the year | As at March 31, 2017 | Upto April 1, 2016 | Provided during the year | Deductions/ Adjustments during the year | Upto March 31, 2017 | Before Impairment as at March 31, 2017 | Impairment | As at March 31, 2017 | As at March 31, 2016 |
| (Owned Asset)          |                     |                           |  |   |                      |                    |                          |   |                     |  |            |                      |                      |
| <b>Tangible Assets</b> |                     |                           |  |   |                      |                    |                          |   |                     |  |            |                      |                      |
| Office Equipment       | 17,250              | -                         | -  | -                                       | 17,250               | 11,604             | 4,685                    | -                                       | 16,289              | 961                                    | -          | 961                  | 5,646                |
| <b>Total</b>           | <b>17,250</b>       | <b>-</b>                  | <b>-</b>                                   | <b>-</b>                                | <b>17,250</b>        | <b>-</b>           | <b>4,685</b>             | <b>-</b>                                | <b>16,289</b>       | <b>961</b>                             | <b>-</b>   | <b>961</b>           | <b>5,646</b>         |
| <b>Previous Year</b>   | <b>11,250</b>       | <b>6,000</b>              | <b>-</b>                                   | <b>-</b>                                | <b>17,250</b>        | <b>-</b>           | <b>1,943</b>             | <b>-</b>                                | <b>11,604</b>       | <b>5,646</b>                           |            | <b>5,646</b>         | <b>1,589</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, 2017

|                    |                                      |                                       |
|--------------------|--------------------------------------|---------------------------------------|
| <b>Particulars</b> | <b>Current Year<br/>Amount (Rs.)</b> | <b>Previous Year<br/>Amount (Rs.)</b> |
|--------------------|--------------------------------------|---------------------------------------|

## NOTE NO. 10 - NON-CURRENT INVESTMENT

(a) Long-term Non-Trade Investments(i) Unquoted: Fully Paid upIn Equity Shares of Subsidiary Company

|   |           |           |
|---|-----------|-----------|
| KLG Stock Brokers Pvt. Ltd                                      | 36,00,000 | 36,00,000 |
| 360,000 Equity Shares of Rs. 10 each<br>(360,000 Equity Shares) |           |           |

(ii) Unquoted: Fully Paid upIn Equity Shares of other Companies

|   |             |             |
|---|-------------|-------------|
| Catholic Syrian Bank Ltd  | 9,58,95,600 | 9,58,95,600 |
| 407,200 Equity Shares of Rs. 10 each<br>(305,400 Equity Shares) |             |             |

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

|            |                    |                    |
|------------|--------------------|--------------------|
| Book value | <u>9,94,95,600</u> | <u>9,94,95,600</u> |
|------------|--------------------|--------------------|

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2017**

**NOTE NO. 11 - CURRENT INVESTMENT**

(a) **Short-term Investments**

**Quoted: Fully Paid up**

**In Equity Shares of other Companies**

|   |                        |                        |
|---|------------------------|------------------------|
| Neha International Ltd  | 1,83,92,295            | 1,83,92,295            |
| 141,000 Equity Shares of Rs.10 each.<br>(141,000 Equity Shares) |                        |                        |
| Less:-Provision for Diminution in value of Investments held     | (1,74,50,415)          | (1,76,18,205)          |
|   | <b><u>9,41,880</u></b> | <b><u>7,74,090</u></b> |

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

|   |             |             |
|---|-------------|-------------|
| -Quoted Investment  |             |             |
| Book value  | 1,83,92,295 | 1,83,92,295 |
| Market Value  | 9,70,080    | 7,74,090    |
| (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 | -        | 70,59,200        |
| (b) Debts due for a period less then six months | -        | -                |
|   | <u>-</u> | <u>70,59,200</u> |

**Particulars**

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

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

|                        |               |                 |
|------------------------|---------------|-----------------|
| (a) Cash on Hand       | 26,804        | 71,158          |
| (b) Balance with Banks | 34,979        | 60,455          |
|                        | <u>61,783</u> | <u>1,31,613</u> |

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

(Unsecured & Considered Good)

|   |                    |                    |
|---|--------------------|--------------------|
| (a) (i) Loans to Companies  | 3,09,98,631        | 5,05,73,287        |
| Advance recoverable in cash or in kind for value to<br>to be received |                    |                    |
| - Related Parties   | -                  | -                  |
| - Others  | -                  | -                  |
|   | <u>3,09,98,631</u> | <u>5,05,73,287</u> |
| (ii) Deposits for Rent  |                    |                    |
| - Related Parties   | 40,00,000          | 40,00,000          |
|   | <u>3,49,98,631</u> | <u>5,45,73,287</u> |

(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  | -                | 15,35,000        |
| Provision for Profit on Current Investments | -                | 324              |
| Gain on Short Term Investment Held          | 1,67,790         |                  |
| Interest Income From ICD                    | 67,60,271        | 6,36,986         |
|   | <u>69,28,061</u> | <u>21,72,310</u> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2017

**NOTE NO. 16 - OTHER INCOME**

|                 |          |          |
|-----------------|----------|----------|
| Dividend Income | -        | -        |
|                 | <u>-</u> | <u>-</u> |

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

|                        |                 |                 |
|------------------------|-----------------|-----------------|
| Salary & Wages         | 3,28,097        | 3,21,078        |
| Staff Welfare Expenses | 1,274           | 6,787           |
|                        | <u>3,29,371</u> | <u>3,27,865</u> |

**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                           | -                | -                |
|   | <u>1,00,000</u>  | <u>1,00,000</u>  |
| Advertisement                             | 1,13,082         | 73,951           |
| Bank Charges                              | 8,402            | 199              |
| Fee, Taxes & Legal Charges                | 3,19,786         | 4,01,257         |
| Filing Fees                               | 11,980           | 10,338           |
| Miscellaneous Expenses                    | 46,974           | 8,965            |
| Other Administrative Expenses             | 12,977           | 25,085           |
| Printing & Stationary                     | 17,118           | 23,367           |
| Provision against standard assets         | 75,000           | -                |
| Professional Charges                      | 1,83,280         | 1,34,817         |
| Provision for Loss on Current Investments | -                | 1,95,991         |
| Sundry Balance Written off                | -                | 2,342            |
| Sitting Fees to Directors                 | 1,00,000         | 1,10,000         |
| Travelling & Conveyance                   | 12,423           | 3,614            |
| Web Design Expenses                       | 10,950           | 10,900           |
|   | <u>10,11,972</u> | <u>11,00,826</u> |

**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  
Ankit Pratap Singh ,Chief Financial Officer  
Chakradhar Das ,Manager  
Akshika Thakkar, Company Secretary ( Up to December 16,2016)

b) Disclosure of Related Party Transactions between the Company and related parties for the year ended March 31, 2017.

**Particulars**

|  | <b>As At<br/>March 31, 2017<br/>(Amount in Rs.)</b> | <b>As At<br/>March 31, 2016<br/>(Amount in Rs.)</b> |
|--|---|---|
| i) Unsecured Loans (Liability)             |   |   |
| Awaita Properties Pvt. Ltd                 | 2,35,45,487   | 5,48,93,752   |
| ii) Deposit against use of Office Premises |   |   |
| Awaita Properties Pvt. Ltd                 | 40,00,000   | 40,00,000   |
| iii) Investment in Equity Shares/Advances  |   |   |
| KLG Stock Brokers Pvt. Ltd                 | 36,00,000   | 36,00,000   |
| iv) Key Managerial Personnel               |   |   |
| Salary of Chief Financial Officer          | NIL   | NIL   |
| Salary of Manager                          | NIL   | NIL   |
| Salary of Company Secretary                | 3,28,097  | 321078  |

**NOTE NO. 20 -DEALINGS IN SPECIFIED BANK NOTES**

| <b>Particulars</b>                    | <b>SBNs</b> | <b>Other Denomination notes</b> | <b>Total</b> |
|---------------------------------------|-------------|---------------------------------|--------------|
| Closing Cash in hand as on 08.11.2016 | -           | 45,847                          | 45,847       |
| (+) Withdrawal from bank accounts     | -           | -                               | -            |
| (+) Permitted Receipts                | -           | -                               | -            |
| (-) Non-permitted receipts            | -           | -                               | -            |
| (-) Permitted Payments                | -           | 5,310                           | 5,310        |
| (-) Non-permitted Payments            | -           | -                               | -            |
| (-) Amount deposited in Banks         | -           | -                               | -            |
| Closing cash in hand as on 30.12.2016 | -           | 40,537                          | 40,537       |

**NOTE NO. 21 - DIRECTOR'S REMUNERATION**

No remuneration has been paid to any of the Directors.

**NOTE NO. 22 - FOREIGN CURRENCY TRANSACTIONS**

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

**NOTE NO. 23**

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

**NOTE NO. 24 - EARNINGS PER SHARE (EPS)**

| <b>Particulars</b>   | <b>As At</b>          | <b>As At</b>          |
|--|-----------------------|-----------------------|
|  | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
| Net Profit / (Loss) After Tax available for Equity Shareholders (in Rs.)             | 41,21,763             | 4,52,372              |
| Weighted Average Number of Equity Shares of Rs.10/- each outstanding during the year | 32,02,400             | 32,02,400             |
| Basic/Diluted EPS (in Rs.)   | 1.29                  | 0.14                  |

**NOTE NO. 25**

- 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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**IN TERMS OF OUR REPORT ATTACHED**

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

**Devdas Bhat  
Partner  
Membership No. 48094**

**Ankit Pratap Singh  
Chief Financial Officer**

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

**Alexander Joseph  
Director  
DIN : 00485766**

**V. Ramanan  
Director  
DIN : 02754562**

**Place: Mumbai**

**Date : May 30, 2017**

## 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, 2017, 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 thereunder.

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, 2017.
- (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 31<sup>st</sup> March, 2017 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, 2017 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.
  - iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 20 to the financial statements.

**For NBS & CO.**

**Chartered Accountants**

**Firm Reg.No.110100W**

**CA Devdas Bhat**

**Partner**

**Membership No. 048094**

**Place: Mumbai**

**Date: 30<sup>th</sup> May, 2017**

### **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, 2017 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 2017, 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: 30<sup>th</sup> May, 2017**

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**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017**

| Particulars                               | Note No. | Current Year<br>Amount (Rs.) | Amount (Rs.)               | Previous Year<br>Amount (Rs.) |
|---|----------|------------------------------|----------------------------|-------------------------------|
| <b>I EQUITY &amp; LIABILITIES:</b>        |          |                              |                            |                               |
| <b>(1) SHAREHOLDERS' FUNDS</b>            |          |                              |                            |                               |
| Share Capital                             | 2        | 3,20,24,000                  |                            | 3,20,24,000                   |
| Reserves and Surplus                      | 3        | <u>3,78,63,234</u>           |                            | <u>3,37,61,137</u>            |
|   |          |                              | 6,98,87,234                | <u>6,57,85,137</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        | 2,35,45,487                  |                            | 5,48,93,752                   |
| Other Current Liabilities                 | 7        | 94,45,178                    |                            | 94,26,746                     |
| Short-term Provisions                     | 8        | <u>3,21,75,166</u>           |                            | <u>3,14,86,925</u>            |
|   |          |                              | <u>6,51,65,831</u>         | <u>9,58,07,423</u>            |
| <b>TOTAL</b>                              |          |                              | <b><u>13,50,53,065</u></b> | <b><u>16,15,92,560</u></b>    |
| <b>II ASSETS:</b>                         |          |                              |                            |                               |
| <b>(1) NON-CURRENT ASSETS</b>             |          |                              |                            |                               |
| Fixed Assets                              | 9        |                              |                            |                               |
| -Tangible Assets                          |          |                              | 961                        | 5,646                         |
| Deferred Tax asset                        |          |                              | 5,233                      | 2,594                         |
| Non-Current Investments                   | 10       |                              | 9,58,95,600                | 9,58,95,600                   |
| Long-term Loan,Advances and Deposit       | 11       |                              | 1,00,000                   | 1,00,000                      |
| Other Non-Current Assets                  | 12       |                              | -                          | -                             |
| <b>(2) CURRENT ASSETS</b>                 |          |                              |                            |                               |
| Current Investments                       | 13       | 9,41,880                     |                            | 7,74,090                      |
| Trade Receivables                         | 14       | -                            |                            | 70,59,200                     |
| Cash and Cash Equivalents                 | 15       | 80,760                       |                            | 1,52,143                      |
| Short Term Loans, Advances and Deposit    | 16       | <u>3,80,28,631</u>           |                            | <u>5,76,03,287</u>            |
|   |          |                              | <u>3,90,51,271</u>         | <u>6,55,88,720</u>            |
| <b>TOTAL</b>                              |          |                              | <b><u>13,50,53,065</u></b> | <b><u>16,15,92,560</u></b>    |
| <b>Significant Accounting Policies</b>    | 1        |                              |                            |                               |
| <b>Notes on Financial Statements</b>      | 2 to 27  |                              |                            |                               |

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**IN TERMS OF OUR REPORT ATTACHED**

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

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

**Alexander Joseph**  
Director  
DIN : 00485766

**V. Ramanan**  
Director  
DIN : 02754562

**Devdas Bhat**  
Partner  
Membership No. 48094

**Ankit Pratap Singh**  
Chief Financial Officer

Place: Mumbai

Date : 30-5-2017

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017**

| Particulars   | Note No. | Current Year<br>Amount (Rs.) | Previous Year<br>Amount (Rs.) |
|---|----------|------------------------------|-------------------------------|
| Revenue from Operation  | 17       | 69,28,061                    | 21,72,310                     |
| Other Income  | 18       | -                            | -                             |
| <b>Total Revenue</b>  |          | <b>69,28,061</b>             | <b>21,72,310</b>              |
| <b>Expenditure</b>  |          |                              |                               |
| Employee Benefits Expenses  | 19       | 3,29,371                     | 3,27,865                      |
| Depreciation and Amortization Expenses  | 9        | 4,685                        | 80,859                        |
| Other Expenses  | 20       | 10,31,638                    | 11,21,627                     |
| <b>Total Expenses</b>   |          | <b>13,65,694</b>             | <b>15,30,351</b>              |
| <b>Profit/(Loss) before Exceptional and Extraordinary Items and Tax</b>       |          | <b>55,62,367</b>             | <b>6,41,959</b>               |
| Exceptional Items   |          | -                            | -                             |
| <b>Profit/(Loss) before Extraordinary Items and Tax</b>                       |          | <b>55,62,367</b>             | <b>6,41,959</b>               |
| Extraordinary Items   |          | -                            | -                             |
| <b>Profit/(Loss) before Tax</b>   |          | <b>55,62,367</b>             | <b>6,41,959</b>               |
| <u>Tax Expenses</u>   |          |                              |                               |
| - Current Tax   |          | 14,62,910                    | 2,89,157                      |
| - Deferred Tax  |          | (2,639)                      | 148                           |
| <b>Profit/(Loss) for the period from Continuing Operations</b>                |          | <b>41,02,097</b>             | <b>3,52,654</b>               |
| <b>Profit/(Loss) for the period from Discontinuing Operations (After Tax)</b> |          | -                            | -                             |
| <b>Profit/(Loss) for the period</b>   |          | <b>41,02,097</b>             | <b>3,52,654</b>               |
| Earnings per share (Basic and Diluted)<br>(Refer Note No. 26)                 |          | <b>1.28</b>                  | <b>0.11</b>                   |
| <b>Significant Accounting Policies</b>  | 1        |                              |                               |
| <b>Notes on Financial Statements</b>  | 2 to 27  |                              |                               |

IN TERMS OF OUR REPORT ATTACHED

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

For and on behalf of the Board of Directors

Alexander Joseph  
Director  
DIN : 00485766

V. Ramanan  
Director  
DIN : 02754562

Devdas Bhat  
Partner  
Membership No. 48094

Ankit Pratap Singh  
Chief Financial Officer

Place: Mumbai

Date : 30-5-2017

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017**

| Particulars  | Current Year<br>Amount(Rs.)     | Previous Year<br>Amount(Rs.) |
|--|---------------------------------|------------------------------|
| <b>A) Cash flow from operating activities</b>  |                                 |                              |
| Net profit after tax & extraordinary items   | 41,02,097                       | 3,52,654                     |
| Adjustment for:  |                                 |                              |
| Depreciation, Amortisation and Impairment of Goodwill  | 2,046                           | 81,007                       |
| Dividend Income  | -                               | -                            |
| <b>Operating Profit before working capital changes</b>   | <u>41,04,142</u>                | <u>4,33,661</u>              |
| <b>Adjustment for working capital Changes</b>  |                                 |                              |
| (Increase)/Decrease in Debtors   | 70,59,200                       | 16,99,176                    |
| (Increase)/Decrease in Advance Payment   | 1,95,74,656                     | (5,06,03,287)                |
| Increase/(Decrease) in Trade and Other Payable   | 18,432                          | (3,90,863)                   |
| Increase/(Decrease) in Provisions  | 6,88,241                        | (3,66,602)                   |
| Cash generated from Operations   | <u>3,14,44,671</u>              | <u>(4,92,27,915)</u>         |
| Direct taxes   | -                               | -                            |
| Cash flow before extraordinary items   | <u>3,14,44,671</u>              | <u>(4,92,27,915)</u>         |
| Extraordinary items  | -                               | -                            |
| Cash flow from operating activities  | <u><b>(A) 3,14,44,671</b></u>   | <u><b>(4,92,27,915)</b></u>  |
| <b>B. Cash flow from Investing activities</b>  |                                 |                              |
| Purchase of Fixed Assets   | -                               | (6,000)                      |
| (Increase)/Decrease in Investments   | (1,67,790)                      | 1,95,991                     |
| Dividend Income  | -                               | -                            |
| Net cash used in Investment activities   | <u><b>(B) (1,67,790)</b></u>    | <u><b>1,89,991</b></u>       |
| <b>C. Cash flow from Financing activities</b>  |                                 |                              |
| Increase/(Decrease) in Term Loan (Net of Repayment)  | -                               | -                            |
| Increase/(Decrease) in Unsecured Loan (Net of Repayment)   | (3,13,48,265)                   | 4,90,15,362                  |
| Proceeds from issue of Share Capital   | -                               | -                            |
| Dividend Paid (Net)  | -                               | -                            |
| Net cash used in financing activities  | <u><b>(C) (3,13,48,265)</b></u> | <u><b>4,90,15,362</b></u>    |
| Net increase / decrease in cash and cash equivalents   | <u><b>(A+B+C) (71,384)</b></u>  | <u><b>(22,562)</b></u>       |
| Cash & cash equivalents as at April 1, 2016<br>(opening balance ) cash in hand & balance with banks  | 1,52,143                        | 1,74,704                     |
| Cash & cash equivalents as at March 31, 2017<br>(closing balance ) cash in hand & balance with banks | <u><b>80,760</b></u>            | <u><b>1,52,143</b></u>       |
| Note: Figures in brackets represent outflows   |                                 |                              |

**IN TERMS OF OUR REPORT ATTACHED**

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

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

**Alexander Joseph  
Director  
DIN : 00485766**

**V. Ramanan  
Director  
DIN : 02754562**

**Devdas Bhat  
Partner  
Membership No. 48094**

**Ankit Pratap Singh  
Chief Financial Officer**

**Place: Mumbai  
Date : 30-5-2017**

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2017

### 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<br>March 31, 2017          | As At<br>March 31, 2016 |
| 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, 2017**

| Particulars   | Current Year<br>Amount (Rs.)          | Previous Year<br>Amount (Rs.)          |
|---|---------------------------------------|--|
| <b>NOTE NO. 2 - SHARE CAPITAL</b>   |                                       |  |
| (a) <b>Authorised</b>   |                                       |  |
| 3,500,000 Equity Shares of Rs.10/- each<br>(Previous Year 3,500,000)  | 3,50,00,000                           | 3,50,00,000                            |
| (b) <b>Issued, Subscribed and Paid-up</b>   |                                       |  |
| 3,202,400 Equity Shares of Rs. 10/- each (Fully Paid-up)<br>(Previous Year 3,202,400)                             | 3,20,24,000                           | 3,20,24,000                            |
|   | <u>3,20,24,000</u>                    | <u>3,20,24,000</u>                     |
| (c) <b>Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b> |                                       |  |
|   | <b>Current Year<br/>No. of Shares</b> | <b>Previous Year<br/>No. of Shares</b> |
| Equity Shares at the beginning of the year  | 32,02,400                             | 32,02,400                              |
| Add: Issue of Shares during the year  | -                                     | -                                      |
| No. of Shares at the end of the year  | <u>32,02,400</u>                      | <u>32,02,400</u>                       |
| (d) <b>Details of Shareholder holding more than 5%</b>  |                                       |  |
|   | <b>Current Year</b>                   | <b>Previous Year</b>                   |
| <b>Equity Shares held by</b>  | <b>No. of Shares</b>                  | <b>% of Holding</b>                    |
| <b>Holding Company:</b>   |                                       |  |
| -Awaita Properties Pvt. Ltd   | 19,36,075                             | 60.46%                                 |
|   |                                       | 19,36,075                              |
|   |                                       | 60.46%                                 |
| <b>NOTE NO. 3 - RESERVE AND SURPLUS</b>   |                                       |  |
|   | <b>Current Year<br/>Amount (Rs.)</b>  | <b>Previous Year<br/>Amount (Rs.)</b>  |
| (a) <b>General Reserve</b>  |                                       |  |
| Balance as per last Balance Sheet   | 10,12,242                             | 10,12,242                              |
| Add: Transfer from Profit & Loss Account  | -                                     | -                                      |
|   | <u>10,12,242</u>                      | <u>10,12,242</u>                       |
| (b) <b>Statutory Reserve Fund</b>   |                                       |  |
| Balance as per last Balance Sheet   | 58,33,174                             | 57,42,700                              |
| Add: Transfer from Profit & Loss Account  | 8,24,353                              | 90,474                                 |
|   | <u>66,57,527</u>                      | <u>58,33,174</u>                       |
| (c) <b>Profit &amp; Loss Account</b>  |                                       |  |
| Balance as per last Balance Sheet   | 2,69,15,721                           | 2,66,53,539                            |
| Add: Profit & Loss during the Year  | 41,02,097                             | 3,52,656                               |
| Less: *Transfer to Statutory Reserve Account  | 8,24,353                              | 90,474                                 |
|   | <u>3,01,93,465</u>                    | <u>2,69,15,721</u>                     |
|   | <u>3,78,63,234</u>                    | <u>3,37,61,137</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  | (5,233)                               | (2,594)                                |
| (Impact of difference between tax depreciation and depreciation charged for financial reporting)                  |                                       |  |
| (b) Others Timing differences   | -                                     | -                                      |
|   | <u>(5,233)</u>                        | <u>(2,594)</u>                         |
| <b>Deferred Tax Assets</b>  |                                       |  |
| (a) Any disallowance under Income Tax Act/Others  | -                                     | -                                      |
| <b>Net Deferred Tax Liabilities</b>   | <u>(5,233)</u>                        | <u>(2,594)</u>                         |

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2017

| Particulars   | Current Year<br>Amount (Rs.) | Previous Year<br>Amount (Rs.) |
|---|------------------------------|-------------------------------|
| <b>NOTE NO. 5 - SHORT-TERM BORROWINGS</b>   |                              |                               |
| <b>Unsecured Loan</b>   |                              |                               |
| -From Holding Company<br>(Repayable on Demand)  | 2,35,45,487                  | 5,48,93,752                   |
|   | <u>2,35,45,487</u>           | <u>5,48,93,752</u>            |
| <b>NOTE NO. 6 - TRADE PAYABLES</b>  |                              |                               |
| 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. |                              |                               |
| <b>NOTE NO. 7 - OTHER CURRENT LIABILITIES</b>   |                              |                               |
| Creditors for Expenses  | 4,19,086                     | 1,70,992                      |
| Others-Duties and Taxes   | 90,26,092                    | 92,55,754                     |
|   | <u>94,45,178</u>             | <u>94,26,746</u>              |
| <b>NOTE NO. 8 - SHORT-TERM PROVISIONS</b>   |                              |                               |
| Contingent provision against standard assets<br>(A Contingent provision against standard assets has been created at 0.25% required in terms of RBI)   |                              |                               |
|   | 75,000                       |                               |
| Provisions for Income Tax (Net)   | 3,21,75,166                  | 3,14,86,925                   |
|   | <u>3,21,75,166</u>           | <u>3,14,86,925</u>            |
| <b>NOTE NO. 9 - FIXED ASSETS</b>  |                              |                               |

(Amount in Rupees)

| Particulars       | GROSS BLOCK         |                           |  |   |                      | DEPRECIATION       |                          |   |                     | NET BLOCK                              |            |                      |                      |
|-------------------|---------------------|---------------------------|--|---|----------------------|--------------------|--------------------------|---|---------------------|--|------------|----------------------|----------------------|
|                   | As at April 1, 2016 | Additions during the year | Acquisitions through Business combinations | Deductions/ Adjustments during the year | As at March 31, 2017 | Upto April 1, 2016 | Provided during the year | Deductions/ Adjustments during the year | Upto March 31, 2017 | Before Impairment as at March 31, 2017 | Impairment | As at March 31, 2017 | As at March 31, 2016 |
| (Owned Asset)     |                     |                           |  |   |                      |                    |                          |   |                     |  |            |                      |                      |
| Plant & Machinery | -                   | -                         |  | -                                       | -                    |                    | -                        | -                                       | -                   | -                                      |            |                      | -                    |
| Office Equipment  | 17,250              | -                         | -  | -                                       | 17,250               | 11,604             | 4,685                    | -                                       | 16,289              | 961                                    | -          | 961                  | 5,646                |
| Total             | 17,250              | -                         | -  | -                                       | 17,250               | -                  | 4,685                    | -                                       | 16,289              | 961                                    | -          | 961                  | 5,646                |
| Previous Year     | 11,250              | 6,000                     | -  | -                                       | 17,250               | -                  | 1,943                    | -                                       | 11,604              | 5,646                                  | -          | 5,646                | 1,589                |

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, 2017

| Particulars   | Current Year<br>Amount (Rs.) | Previous Year<br>Amount (Rs.) |
|---|------------------------------|-------------------------------|
| <b>NOTE NO. 10 - NON-CURRENT INVESTMENT</b>   |                              |                               |
| (a) <b>Long-term Non-Trade Investments</b>  |                              |                               |
| (i) <b>Unquoted: Fully Paid up<br/>In Equity Shares of other Companies</b>                  |                              |                               |
| Catholic Syrian Bank Ltd<br>407,200 Equity Shares of Rs. 10 each<br>(407,200 Equity Shares) | 9,58,95,600                  | 9,58,95,600                   |
|   | <u>9,58,95,600</u>           | <u>9,58,95,600</u>            |
| (b) <b>Aggregate Value of: -</b>  |                              |                               |
| -Unquoted Investment<br>Book value  | 9,58,95,600                  | 9,58,95,600                   |

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2017**

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

|                    |                     |                      |
|--------------------|---------------------|----------------------|
| Membership Deposit | 1,00,000            | 1,00,000             |
|                    | <u>1,00,000</u>     | <u>1,00,000</u>      |
| <b>Particulars</b> | <b>Current Year</b> | <b>Previous Year</b> |
|                    | <b>Amount (Rs.)</b> | <b>Amount (Rs.)</b>  |

**NOTE NO. 12 - OTHER NON-CURRENT ASSETS**

|   |          |          |
|---|----------|----------|
| Preliminary Expenses and Pre-operative Expenses | -        | -        |
|   | <u>-</u> | <u>-</u> |

**NOTE NO. 13 - CURRENT INVESTMENT**

(a) **Short-term Investments**

**Quoted: Fully Paid up**

**In Equity Shares of other Companies**

|   |                 |                 |
|---|-----------------|-----------------|
| Neha International Limited  | 1,83,92,295     | 1,83,92,295     |
| 1,41,000 Equity Shares of Rs.10 each.<br>(1,41,000 Equity Shares) |                 |                 |
| Less:-Provision for Diminution in value of Investments held       | (1,74,50,415)   | (1,76,18,205)   |
|   | <u>9,41,880</u> | <u>7,74,090</u> |

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

|   |             |             |
|---|-------------|-------------|
| -Quoted Investment  |             |             |
| Book value  | 1,83,92,295 | 1,83,92,295 |
| Market Value  | 9,70,080    | 7,74,090    |
| (Diminution in value of Investments is provided in Profit & Loss Account) |             |             |

**NOTE NO. 14 - TRADE RECEIVABLES**

(Unsecured & Considered Good)

|   |          |                  |
|---|----------|------------------|
| (a) Debts due for a period exceeding six months | -        | 70,59,200        |
| (b) Debts due for a period less then six months | -        | -                |
|   | <u>-</u> | <u>70,59,200</u> |

**NOTE NO. 15 - CASH AND CASH EQUIVALENTS**

|                        |               |                 |
|------------------------|---------------|-----------------|
| (a) Cash on Hand       | 35,012        | 79,984          |
| (b) Balance with Banks | 45,748        | 72,159          |
|                        | <u>80,760</u> | <u>1,52,143</u> |

**Particulars**

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

**NOTE NO. 16 - SHORT-TERM LOANS AND ADVANCES**

(Unsecured & Considered Good)

|   |                    |                    |
|---|--------------------|--------------------|
| (a) (i) Loans to Companies  | 3,09,98,631        | 5,05,73,287        |
| Advance recoverable in cash or in kind for value to<br>to be received |                    |                    |
| - Related Parties   | -                  | -                  |
| - Others  | -                  | -                  |
| (ii)  | <u>3,09,98,631</u> | <u>5,05,73,287</u> |
| Deposits for Rent   |                    |                    |
| - Related Parties   | 70,30,000          | 70,30,000          |
|   | <u>3,80,28,631</u> | <u>5,76,03,287</u> |

(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.



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2017****NOTE NO. 17 - REVENUE FROM OPERATIONS**

|   |                  |                  |
|---|------------------|------------------|
| Income from Consultancy & Arrangement fees  | -                | 15,35,000        |
| Provision for Profit on Current Investments | -                | 324              |
| Gain on Short Term Investment Held          | 1,67,790         |                  |
| Interest Income From ICD                    | 67,60,271        | 6,36,986         |
|   | <b>69,28,061</b> | <b>21,72,310</b> |

**Particulars**

|                     |                      |
|---------------------|----------------------|
| <b>Current Year</b> | <b>Previous Year</b> |
| <b>Amount (Rs.)</b> | <b>Amount (Rs.)</b>  |

**NOTE NO. 18 - OTHER INCOME**

|                 |   |   |
|-----------------|---|---|
| Dividend Income | - | - |
|-----------------|---|---|

**NOTE NO. 19 - EMPLOYEE BENEFITS EXPENSES**

|                        |                 |                 |
|------------------------|-----------------|-----------------|
| Salary & Wages         | 3,28,097        | 3,21,078        |
| Staff Welfare Expenses | 1,274           | 6,787           |
|                        | <b>3,29,371</b> | <b>3,27,865</b> |

**NOTE NO. 20 - OTHER EXPENSES****ADMINISTRATIVE AND GENERAL EXPENSES**

|   |                  |                  |
|---|------------------|------------------|
| Advertisement                             | 1,13,082         | 73,951           |
| Payment to Auditors                       |                  |                  |
| - Audit Fees                              | 92,250           | 92,175           |
| - Tax Audit Fees                          | -                | -                |
| - Certification /other Charges            | 25,000           | 25,000           |
| - Other matters                           | -                | -                |
|   | 1,17,250         | 1,17,175         |
| Bank Charges                              | 8,402            | 199              |
| Fee, Taxes & Legal Charges                | 3,19,786         | 4,01,257         |
| Filing Fees                               | 12,598           | 12,764           |
| Miscellaneous Expenses                    | 46,974           | 8,965            |
| Other Administrative Expenses             | 13,912           | 26,285           |
| Printing & Stationary                     | 17,118           | 23,367           |
| Professional Charges                      | 1,84,143         | 1,34,817         |
| Provision for Loss on Current Investments | -                | 1,95,991         |
| Provision against standard assets         | 75,000           |                  |
| Demat Charges                             | -                | -                |
| Sundry Balance Written off                | -                | 2,342            |
| Sitting Fees to Directors                 | 1,00,000         | 1,10,000         |
| Travelling & Conveyance                   | 12,423           | 3,614            |
| Web Design Expenses                       | 10,950           | 10,900           |
|   | <b>10,31,638</b> | <b>11,21,627</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  
Ankit Pratap Singh ,Chief Financial Officer  
Chakradhar Das ,Manager  
Akshika Thakkar, Company Secretary ( Up to December 16,2016)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2017**

b) Disclosure of Related Party Transactions between the Company and related parties for the year ended March 31, 2017:

| Particulars  | As At                             | As At                             |
|--|-----------------------------------|-----------------------------------|
|  | March 31, 2017<br>(Amount in Rs.) | March 31, 2016<br>(Amount in Rs.) |
| i) Unsecured Loans (Liability)<br>Awaita Properties Pvt. Ltd             | 2,35,45,487                       | 5,48,93,752                       |
| ii) Deposit against use of Office Premises<br>Awaita Properties Pvt. Ltd | 7,00,000                          | 7,00,000                          |
| iii) Key Managerial Personnel<br>Salary of Chief Financial Officer       | NIL                               | NIL                               |
| Salary of Manager  | NIL                               | NIL                               |
| Salary of Company Secretary  | 3,28,097                          | 321078                            |

**NOTE NO. 22 - DEALINGS IN SPECIFIED BANK NOTES**

| Particulars                           | SBNs | Other Denomination notes | Total  |
|---------------------------------------|------|--------------------------|--------|
| Closing Cash in hand as on 08.11.2016 | -    | 54,055                   | 54,055 |
| (+) Withdrawal from bank accounts     | -    | -                        | -      |
| (+) Permitted Receipts                | -    | -                        | -      |
| (-) Non-permitted receipts            | -    | -                        | -      |
| (-) Permitted Payments                | -    | 5,310                    | 5,310  |
| (-) Non-permitted Payments            | -    | -                        | -      |
| (-) Amount deposited in Banks         | -    | -                        | -      |
| Closing cash in hand as on 30.12.2016 | -    | 48,745                   | 48,745 |

**NOTE NO. 23 - DIRECTOR'S REMUNERATION**

No remuneration has been paid to any of the Directors.

**NOTE NO. 24 - FOREIGN CURRENCY TRANSACTIONS**

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

**NOTE NO. 25**

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

**NOTE NO. 26 - EARNINGS PER SHARE (EPS)**

| Particulars  | As At<br>March 31, 2017 | As At<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| Net Profit / (Loss) After Tax available for Equity Shareholders (in Rs.)             | 41,02,097               | 3,52,654                |
| Weighted Average Number of Equity Shares of Rs.10/- each outstanding during the year | 32,02,400               | 32,02,400               |
| Basic/Diluted EPS (in Rs.)   | 1.28                    | 0.11                    |

**NOTE NO. 27**

- 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.

**IN TERMS OF OUR REPORT ATTACHED**

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

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

|   |   |
|---|---|
| <b>Alexander Joseph<br/>Director<br/>DIN : 00485766</b> | <b>V. Ramanan<br/>Director<br/>DIN : 02754562</b> |
|---|---|

**Devdas Bhat  
Partner  
Membership No. 48094**

**Ankit Pratap Singh  
Chief Financial Officer**

**Place: Mumbai  
Date : 30-5-2017**

**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 to be presented with amounts in Rs.)

|   |   |                                   |
|---|---|-----------------------------------|
| 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  | : | (486,311)                         |
| Total assets  | : | 3,148,977                         |
| Total Liabilities   | : | 35,288*                           |
| Investments   | : | --                                |
| Turnover  | : | --                                |
| Profit before taxation  | : | (19,666)                          |
| Profit for taxation   | : | (19,666)                          |
| 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**

**IN TERMS OF OUR REPORT ATTACHED**

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

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

**Alexander Joseph  
Director  
DIN : 00485766**

**V. Ramanan  
Director  
DIN : 02754562**

**Devdas Bhat  
Partner  
Membership No. 48094**

**Ankit Pratap Singh  
Chief Financial Officer**

**Place: Mumbai**

**Date : 30-5-2017**

## 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

|   |  | 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. 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. b. Deferred Credits   | 0.00               | 0.00           |
|   | c. c. Term Loans   | 0.00               | 0.00           |
|   | d. d. Inter-corporate loans and borrowing  | 0.00               | 0.00           |
|   | e. e. Commercial Paper   | 0.00               | 0.00           |
|   | f. f. Other loans  | 235.45             | 0.00           |
|   | <b>Total</b>   | <b>235.45</b>      | <b>0.00</b>    |

### Asset Side

|   |  | Amount Outstanding |
|---|--|--------------------|
| 2 | Break up of Loans and Advances including bills receivables (other than those included in [4] below): |                    |
|   | a. Secured   | 309.99             |
|   | b. Unsecured   | 0.00               |
|   | <b>Total</b>   | <b>309.99</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  | 9.42               |
|   | 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>9.42</b>        |

|       |                        |              |               |
|-------|------------------------|--------------|---------------|
| 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> |

**6 Investor group-wise classification of all investments (current and long term) in shares and securities (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          |

**IN TERMS OF OUR REPORT ATTACHED**

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

**Devdas Bhat  
Partner  
Membership No. 48094**

**Ankit Pratap Singh  
Chief Financial Officer**

**Place: Mumbai**

**Date : May 30, 2017**

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

**Alexander Joseph  
Director  
DIN : 00485766**

**V. Ramanan  
Director  
DIN : 02754562**

## 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 23rd Annual General Meeting –Friday, September 29, 2017

Name:.....  
 DP ID No. / Client ID No.: ..... (for investors holding shares in electronic form)  
 Ledger Folio No.:..... No. of Shares:.....

I hereby record my presence at the 23rd Annual General Meeting of the Members of the Company held on Friday, September 29, 2017 at 1615 Hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001

\_\_\_\_\_  
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 **23rd Annual General Meeting** of the Company, to be held on Friday, September 29, 2017 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 |
| <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, 2017 and the Reports of the Auditors and Directors thereon |           |         |
| 2.                        | Ordinary Resolution for re-appointment of Mr. Nikhil Gandhi, Director (DIN: 00030560), who retires by rotation and being eligible, offers himself for re-appointment.  |           |         |
| 3.                        | Ordinary Resolution under section 139 of the Companies Act, 2013, for appointment of Auditors and fixing their remuneration.   |           |         |
| <b>Special Business:</b>  |  |           |         |
| 1.                        | Ordinary Resolution for appointment of Mr. Alexander John Joseph as a Director (Independent Director) of the Company.  |           |         |

Signed this ..... day of ....., 2017

Signature of Member : .....

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

Affix  
Revenue  
Stamp

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 23rd 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' 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