

KLG CAPITAL SERVICES LIMITED

25th ANNUAL REPORT
2018 - 2019

ANNUAL GENERAL MEETING

Date : September 30, 2019

Day : Monday

Time : 1600 Hours

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

BOARD OF DIRECTORS

1.	Ms. Gayathri Ramachandran	Chairperson
2.	Ms. Priyanka Gandhi	Director
3.	Mr. J . Alexander	Director
4.	Mr. V. Ramanan	Director
5.	Mr. Nilesh Mehta	Director

MANAGER

Mr. Chakradhar Das

CHIEF FINANCIAL OFFICER

Mr. Ankit Pratap Singh

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

Website: 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

BANKERS

Central Bank of India

Kotak Mahindra Bank

HDFC Bank Limited

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NOTICE

NOTICE is hereby given that the 25th Annual General Meeting ('AGM') of the Members of KLG Capital Services Limited ('Company') will be held on Monday, September 30, 2019 at 1600 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 consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nilesh Mehta (DIN: 02101502), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Batra Sapra & Co., as the Statutory Auditors of the company and 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 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. Batra Sapra & Co, Chartered Accountants (Firm Registration No. 000103N), be and hereby reappointed as Statutory Auditors of the Company, for a term of one year i.e. , till the conclusion of the 26th AGM of the Company to be held in the year 2020."

SPECIAL BUSINESS:

4. Re-appointment of Mr. J. Alexander as an Independent Director of the Company:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**

"Resolved That pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 17 and other applicable Regulations of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI Regulations') as amended from time to time, Mr. J. Alexander (DIN: 00485766) who was re-appointed as an Independent Director w.e.f May 28, 2019 and whose appointment has been approved by the Board of Directors pursuant to the recommendation of the Nomination and Remuneration Committee and holds office until the AGM and who has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Regulations and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from May 28, 2019 to May 27, 2024.

Resolved Further That Mr. J. Alexander having attained the prescribed age limit in terms of Regulation 17(1A) of the SEBI Regulations, consent of the Members be and are hereby further accorded for continuation of Mr. J. Alexander as a Non-Executive Director of the Company during his renewed term of 5 (Five) consecutive years with effect from May 28, 2019."

5. Re-appointment of Ms. Gayathri Ramachandran as an Independent Director of the Company:

To consider and if through fit, to pass the following resolution as a **Special Resolution**

"Resolved That pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 17 and other applicable Regulations of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI Regulations') as amended from time to time, Ms. Gayathri Ramachandran (DIN:02872723) who was re-appointed as an Independent Director w.e.f May 30, 2019 and whose appointment has been approved by the Board of Directors pursuant to the recommendation of the Nomination and Remuneration Committee and holds office until the AGM and who has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Regulations and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from May 30, 2019 to May 29, 2024."

6. Re-appointment of Mr. V. Ramanan as an Independent Director of the Company:

To consider and if thought fit, to pass the following resolution as **Special Resolution**

"Resolved That pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 17 and other applicable Regulations of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI Regulations') as amended from time to time, Mr. V. Ramanan (DIN:02754562) who will be re-appointed as an Independent Director w.e.f September 30, 2019 and whose appointment has been approved by the Board of Directors pursuant to the recommendation of the Nomination and Remuneration Committee and holds office until the AGM and who has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Regulations and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from September 30, 2019 to September 29, 2024.

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Resolved Further That Mr. V. Ramanan having attained the prescribed age limit in terms of Regulation 17(1A) of the SEBI Regulations, consent of the Members be and are hereby further accorded for continuation of Mr. V. Ramanan as a Non-Executive Director of the Company during his renewed term of 5 (Five) consecutive years with effect from September 30, 2019.”

Registered Office

SKIL House, 209, Bank Street Cross Lane,
Fort, Mumbai - 400 023
Tel: +91-22-66199000, Fax: +91-22-22696023
CIN: L67120MH1994PLC218169
Website: www.klgcapital.com
E-mail: company.secretary@klgcapital.com

**By Order of the Board of Directors
For KLG Capital Services Limited**

**Gayathri Ramachandran
Chairperson
DIN:02872723**

Place: Mumbai

Date: September 03, 2019

NOTES:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ('Act'), relating to special business to be transacted at the 25th Annual General Meeting ('AGM'), and the details, as required under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations') and Secretarial Standards on General Meeting ('SS-2') issued by the Institute of Company Secretaries of India, of person seeking appointment/re-appointment as Director under item Nos. 2, 4, 5 and 6 of the Notice, is annexed thereto.
2. **PROXIES**
 - a. **A member entitled to attend and vote at the AGM is entitled to appoint one or more proxy(ies) to attend and vote instead of himself/herself 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 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case of a Member who is holding more than ten percent of the total share capital of the Company carrying voting rights, he/she may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorized 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 organization. The Proxy-holder shall prove his identity at the time of attending the Meeting.
 - c. Every member shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the AGM and ending with conclusion of the AGM, to inspect at the Registered Office of the Company the proxies lodged, at any time between 0900 hours and 1800 hours, in terms of SS-2, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the AGM.
4. 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.
5. Members/ Proxies/ Representatives are requested to bring their copies of the Annual Reports along with their duly filled in Attendance Slips attached herewith for attending the AGM.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019, both days inclusive, for the purpose of the AGM of the Company.
7. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements, 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. Members desirous of obtaining any information concerning the Financial Statements of the Company are requested to write their queries to the Company at least seven working days in advance of the AGM so that the information required can be made readily available at the AGM.
9. The Members are requested to approach the Company for consolidation of folios, if shareholdings are under multiple folios. Members are requested to quote the Ledger Folio or Client ID and DP ID Numbers in all communications with the Company/RTA.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company in electronic form. Kindly note that even after registering for e-communication, Members are entitled to receive such communication in physical form by permitted mode,

free of cost, upon making a request for the same. For any such communication, the Members may also send requests to the Company's investor email id: company.secretary@klgcapital.com

11. Copies of the Annual Report for FY 2018-19 including therein the Notice of the 25th AGM, which, inter alia, indicates the process and manner of e-voting; Attendance Slip and Proxy Forms are being sent in electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participant(s) ('DPs') for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report, etc., are being sent by the permitted mode. The Annual Report are being sent to the Members, as ibid, whose names shall appear in the Register of Members or in case of shares held in electronic form, who were the beneficial owners as on Friday, August 30, 2019. However, if such a person is not a Member on the cut-off date of Monday, September 23, 2019; 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 available for download from the website of the Company i.e. www.klgcapital.com.
12. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company between 1100 hours to 1300 hours on all working days, except Saturdays, upto 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 Act 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 Regulations, 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 an electronic voting system from a place other than venue of the AGM ('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.
14. The brief profile of the Directors seeking appointment/re-appointment including relevant particulars relating to them is furnished as a part of the Notice as Annexure and in Explanatory Statement, as required under SEBI Regulations.
15. The Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity, since trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents. Further, w.e.f April 01, 2019 request for transfer of securities are not permitted unless the securities are held in a dematerialized form with a depository except in case of transmission or transposition of securities as per SEBI Regulations. Members who share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.

The instructions for remote e-voting are detailed hereunder:-

- (i) The voting period begins on Friday, September 27, 2019 at 0900 hours and ends on Sunday, September 29, 2019 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 (record date) of Monday, September 23, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Members should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders/Members
- (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 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:

For Members holding shares in Demat Form and Physical Form	
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"> • 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.
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"> • 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).

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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN: 190820057) of KLG Capital Services Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed 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) Members 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 Members & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
 - 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 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 under help section or write an email to helpdesk.evoting@cdslindia.com. You may also contact Email id: helpdesk.evoting@cdslindia.com , Phone number: 1800225533

In case if a person acquires shares and becomes Member of the Company after dispatch of this Notice/Annual Report, they shall follow the procedure stated therein or may obtain the User ID and Password/Sequence Number by sending a request to RTA at delhi@linkintime.co.in.

In case, if the Members have any queries pertaining to the sequence number for e-voting, they may contact the RTA for the same.

The voting rights of the Members shall be in the proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. Monday, September 23, 2019.

The Company has appointed M/s. Jaisal Mohatta & Associates (Membership No. A35017), Practicing Company Secretary, Mumbai, as Scrutinizer, to scrutinize the remote e-voting process and ballot process at AGM in a fair and transparent manner.

The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the Meeting and 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 shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

The results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e www.klgcapital.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**ITEM NO.4**

Pursuant to the provisions of the Companies Act, 2013 ('Act') read with the relevant rules made thereunder and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, ('SEBI Regulations'), an Independent Director can hold office for a term of upto 5 consecutive years on the Board of the Company, but is eligible for re-appointment for another term of upto 5 years on passing of special resolution by the company, based on the report of performance evaluation. Thus, an Independent Director cannot hold office for more than two consecutive terms of upto 5 years.

Mr. J. Alexander (DIN:00485766) was appointed as Independent Director on the Board of the Company vide resolution passed at the 20th Annual General Meeting ('AGM') held on September 30, 2014 for a term of 5 Consecutive years from September 30, 2014 to September 29, 2019. On April 17, 2019 Mr. J. Alexander has come to know that he has been disqualified to act as a Director under section 164(2) of the Act, due to non filing of annual returns of a Company in which he ceased to be a director in the year 2010. Then immediately he submitted his resignation/notice of vacation from office of the directorship and thus ceased as Independent Director of the Company. Since his disqualification was illegitimate and hence he had initiated corrective measures to remove such disqualifications with the appropriate authority, the same has been removed/stay received and his DIN status is appearing on Ministry of Corporate Affairs ('MCA') as approved. Mr. J. Alexander is eligible to be re-appointed as Independent Director for another term of upto 5 consecutive years.

In accordance with the aforesaid and recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 28, 2019, subject to the approval of members at the 25th AGM, Mr. J. Alexander (DIN: 00485766) has been re-appointed as an Additional (Independent) Director. The Board of Directors based on the performance evaluation and recommendation of Nomination and Remuneration Committee, consider that the knowledge, experience and continued valuable guidance to the Management will be beneficial to the Company and seek approval of the members for re-appointment of Mr. J. Alexander as an Independent Director for the second term of five consecutive years commencing from May 28, 2019.

In the opinion of the Board, Mr. J. Alexander fulfills the conditions specified in the Act, the rules framed thereunder and SEBI Regulations for re-appointment as an Independent Director and that he is Independent of the Management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Independent Director, not liable to retire by rotation. The Company has received a declaration from Mr. J. Alexander that he is not disqualified to be re-appointed as Independent Director under the act and SEBI Regulations. He has also given his consent to act as an Independent Director of the Company. The re-appointment of Mr. J. Alexander is subject to approval by members at the ensuing AGM by way of Special Resolution.

Further in terms of Regulation 17(1A) of the SEBI Regulations, a person who has attained the age of 75 years can continue as non-executive director in a listed company, provided approval of its members by the way of special resolution is obtained. Mr. J. Alexander has attained the age of 75 years. Special resolution set out in Item No. 3 seeks approval of members is also being sought for continuation of directorship of Mr. J. Alexander as a Non-Executive Director of the company by way of passing special resolution set out under till the end of his second term of office.

Brief profile of Mr. J. Alexander and additional details has been included in Annexure II to this notice.

A Copy of draft appointment letter as Independent Director will be available for inspection at the registered office of the Company during normal business hours on all the working days.

The Board of Director recommends the Special Resolution for re-appointment of Mr. J. Alexander as set out in item 3 for approval of the members of the Company.

Except for Mr. J. Alexander, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in this resolution.

ITEM NO. 5

Pursuant to the provisions of the Companies Act, 2013 ('Act') read with the relevant rules made thereunder and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, ('SEBI Regulations'), an Independent Director can hold office for a term of upto 5 consecutive years on the Board of the Company, but is eligible for re-appointment for another term of upto 5 years on passing of special resolution by the company, based on the report of performance evaluation. Thus, an Independent Director cannot hold office for more than two consecutive terms of upto 5 years.

Ms.Gayathri Ramachandran (DIN:02872723) was appointed as Independent Directors on the Board of the Company vide resolutions passed at the 20th Annual General Meeting ('AGM') held on September 30, 2014 for a term of 5 Consecutive years from May 30, 2014 to May 29, 2019. Ms.Gayathri Ramachandran is eligible to be re-appointed as Independent Director for another term of upto 5 consecutive years.

In accordance with the aforesaid and recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 30, 2019, subject to the approval of members at the 25th AGM, Ms.Gayathri Ramachandran (DIN:02872723) has been re-appointed as an Additional (Independent) Director. The Board of Directors based on the performance evaluation and recommendation of Nomination and Remuneration Committee, consider that the knowledge, experience and continued valuable guidance to the Management will be beneficial to the Company and seek approval of the members for re-appointment of Ms.Gayathri Ramachandran as an Independent Director for the second term of five consecutive years commencing from May 30, 2019.

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In the opinion of the Board, Ms. Gayathri Ramachandran fulfills the conditions specified in the Act, the rules framed thereunder and SEBI Regulations for re-appointment as an Independent Director and that he is Independent of the Management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Independent Director, not liable to retire by rotation. The Company has received a declaration from Ms. Gayathri Ramachandran that he is not disqualified to be re-appointed as Independent Director under the act and SEBI Regulations. He has also given his consent to act as an Independent Director of the Company. The re-appointment of Ms. Gayathri Ramachandran is subject to approval by members at the ensuring AGM by way of Special Resolution.

Brief profile of Ms. Gayathri Ramachandran and additional details has been included in Annexure II to this notice.

A copy of the draft appointment letter as Independent Director will be available for inspection at the registered office of the Company during normal business hours on all the working days.

The Board of Director recommends the Special Resolution for re-appointment of Ms. Gayathri Ramachandran as set out in item 5 for approval of the members of the Company.

Except for Ms. Gayathri Ramachandran, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in this resolution.

ITEM NO. 6

Pursuant to the provisions of the Companies Act, 2013 ('Act') read with the relevant rules made thereunder and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, ('SEBI Regulations'), an Independent Director can hold office for a term of upto 5 consecutive years on the Board of the Company, but is eligible for re-appointment for another term of upto 5 years on passing of special resolution by the company, based on the report of performance evaluation. Thus, an Independent Director cannot hold office for more than two consecutive terms of upto 5 years.

Mr. V. Ramanan (DIN:02754562) was appointed as Independent Directors on the Board of the Company vide resolutions passed at the 20th Annual General Meeting held on September 30, 2014 for a term of 5 Consecutive years from September 30, 2014 to September 29, 2019. Mr. V. Ramanan is eligible to be re-appointed as Independent Director for another term of upto 5 consecutive years.

In accordance with the aforesaid and recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 13, 2019, subject to the approval of members at the 25th AGM, Mr. V. Ramanan (DIN: 02754562) has reappointed as an Additional (Independent) Director. The Board of Directors based on the performance evaluation and recommendation of Nomination and Remuneration Committee, consider that the knowledge, experience and continued valuable guidance to the Management will be beneficial to the Company and seek approval of the members for re-appointment of Mr. V. Ramanan as an Independent Director for the second term of five consecutive years commencing from September 30, 2019.

In the opinion of the Board, Mr. V. Ramanan fulfills the conditions specified in the Act, the rules framed thereunder and SEBI Regulations for re-appointment as an Independent Director and that he is Independent of the Management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Independent Director, not liable to retire by rotation. The Company has received a declaration from Mr. V. Ramanan that he is not disqualified to be re-appointed as Independent Director under the act and SEBI Regulations. He has also given his consent to act as an Independent Director of the Company. The re-appointment of Mr. V. Ramanan is subject to approval by members at the ensuring Annual General Meeting by way of Special Resolution.

Further in terms of Regulation 17(1A) of the SEBI Regulations, a person who has attained the age of 75 years can continue as non-executive director in a listed company, provided approval of its members by the way of special resolution is obtained. Mr. V. Ramanan has attained the age of 75 years. Special resolution set out in Item No. 6 seeks approval of members which is also being sought for continuation of directorship of Mr. V. Ramanan as a Non-Executive Director of the company by way of passing special resolution set out under till the end of his second term of office.

Brief profile of Mr. V. Ramanan and additional details has been included in Annexure II to this notice.

A copy of the draft appointment letter as Independent Director will be available for inspection at the registered office of the Company during normal business hours on all the working days.

The Board of Director recommends the Special Resolution for re-appointment of Mr. V. Ramanan as set out in item 6 for approval of the members of the Company.

Except for Mr. V. Ramanan, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in this resolution.

EXHIBIT TO NOTICE

Annexure I

Name of the Director (DIN)	:	Mr. Nilesh Mehta (DIN: 02101502)
Designation	:	Director
Date of Birth	:	May 10, 1968
Age	:	51 years
Nationality	:	Indian
Qualification	:	B.com, M.B.A, FCS, AICMA
Date of First Appointment on the Board	:	September 29, 2009
Experience/ Brief Profile	:	Mr.Nilesh Mehta is a post graduate in Commerce and is a Fellow member of the Institute of Company secretaries of India and Associate Member of Institute of Costs & Works Accountants of India.He has handled wide range of responsibilities including Corporate Laws, Legal affairs, Corporate Restructuring and Corporate Finance.
Terms and Conditions of appointment/re-appointment	:	Appointed as a Director liable to retire by rotation.
Number of Board Meetings attended during the financial year 2018-2019	:	4 Board Meeting.
Remuneration	:	Nil
Memberships/ Chairmanships of committees (includes only Audit Committee and Shareholders/ Investor Grievance Committee/Stakeholder's Relationship Committee) of other public companies as on March 31, 2019	:	Nil
Directorships held in other companies as on March 31, 2019	:	1. Metrotech Technology Park Pvt Ltd. 2. KLG Stock Brokers Pvt Ltd. 3. SKIL Midivisana Engineering Pvt Ltd.
Number of shares held in the Company as on March 31, 2019	:	Individually holds 3000 Equity Shares
Inter-se relationship with other Directors and KMPs	:	None

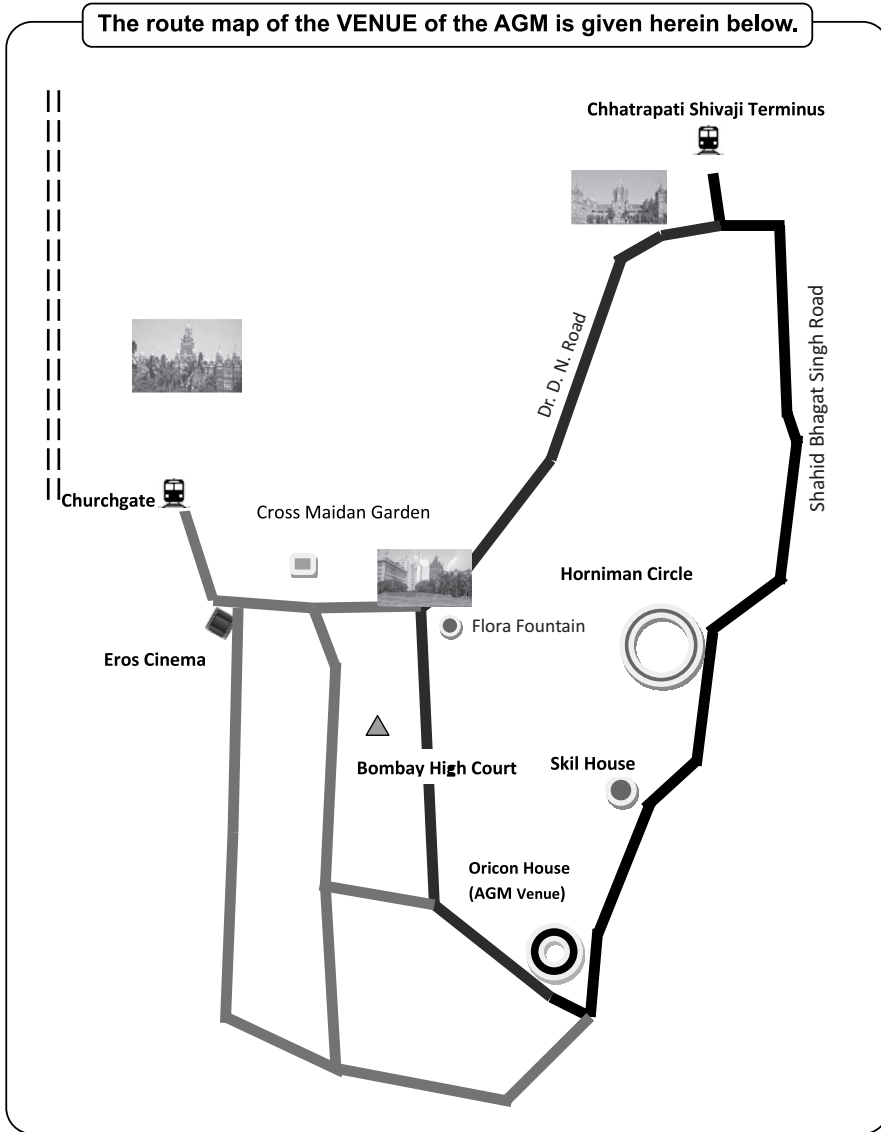
KLG Capital Services Limited

Annexure II

Name of the Director (DIN)	: Mr. J. Alexander (DIN: 00485766)	Ms.Gayathri Ramachandran (DIN: 02872723)	Mr. V. Ramanan (DIN: 02754562)
Designation	: Independent Director	Independent Director	Independent Director
Date of Birth	: August 08, 1938	September 27, 1948	June 06, 1941
Age	: 81 years	71 years	78 years
Nationality	: Indian	Indian	Indian
Qualification	: M.A and PhD	B.com	B.Com
Date of First Appointment on the Board	: September 30, 2014	May 30, 2014	August 13, 2014
Experience/ Brief Profile	: Dr. J. Alexander an M.A. (English Language & Literature) and Phd. (Philosophy) 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 and to name a few; Chairman and Managing Director, Mangalore Chemicals and Fertilisers, Mangalore; Chairman, Bangalore Water Supply and Sewerage Board, Karnataka State Finance Corporation, Mysore Sales International Limited, Bangalore Development Authority, Karnataka State Pollution Control Board; and Chief Secretary to Government of Karnataka. His last posting was Secretary to Government of India for Social, Women and Child Welfare Development. 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 Chairman of Central Coir Board, he also worked as Consultant for Agriculture Organisation of United Nation.	Ms.Gayathri Ramachandran holds a Bachelor's Degree in Economics (Hons.) from Delhi University, a Master's Degree in Economics from Delhi University, a Master's Degree in Development Economics from Williams College, Massachusetts, USA and a Master's Degree in Defence Studies from National Defence College. Belonging to 1972 batch of the Indian Administrative Service(IAS), She has over 36 years of experience working in infrastructure sectors of Government of Andhra Pradesh in the areas of power and energy, environment, industry, fertilisers and chemicals and Social Sectors such as Women and Child Development, Tourism and Culture, Rural Development etc. She has made significant contribution to the reforms and restructuring power Sector and formulating guidelines in the management of Power Sector and formulating guidelines in the management of Power and Energy sectors.	Mr. V. Ramanan a Commerce Graduate. He has held important positions in his long career with Indian Bank, which he joined as a Probationary Officer way back in 1968 before superannuating as Senior General Manager, after 33 years of experience in Banking Sector.
Terms and Conditions of appointment/re-appointment	: As per the resolution at Item No. 4 of the Notice read with Explanatory Statement thereto	As per the resolution at Item No. 5 of the Notice read with Explanatory Statement thereto.	As per the resolution at Item No. 6 of the Notice read with Explanatory Statement thereto.
Number of Board Meetings attended during the financial year 2018-19	: 4 Board Meetings	4 Board Meetings	4 Board Meetings

Remuneration	:	-	-	-
Memberships/ Chairmanships of committees (includes only Audit Committee and Shareholders/ Investor Grievance Committee/ Stakeholder's Relationship Committee) of other public companies as on March 31, 2019	:			
a) Audit Committee		<ol style="list-style-type: none"> SKIL Infrastructure Limited (Member) Navi Mumbai Smart City Infrastructure Limited (Chairman) SKIL-Himachal Infrastructure and Tourism Limited (Chairman) Kings Infra Venture Limited (Member) JPT Securities Limited (Member) KLM Axiva Finvest Limited (Member) 	<ol style="list-style-type: none"> SKIL Infrastructure Limited (Member) JPT Securities Limited (Member) Gujarat-Dwarka Portwest Limited (Member) SKIL-Himachal Infrastructure and Tourism Limited (Member) 	<ol style="list-style-type: none"> SKIL Infrastructure Limited (Chairman) JPT Securities Limited (Chairman) SKIL Shipyard Holding Private Limited (Chairman) Navi Mumbai Smart City Infrastructure Limited (Member) Gujarat Dwarka Portwest Limited (Member)
b) Stakeholders Relationship Committee		<ol style="list-style-type: none"> SKIL Infrastructure Limited (Member) JPT Securities Limited (Member) 	<ol style="list-style-type: none"> SKIL Infrastructure Limited (Chairperson) Pitti Engineering Limited (Member) 	<ol style="list-style-type: none"> JPT Securities Limited (Member)
Directorships held in other companies as on March 31, 2019	:	<ul style="list-style-type: none"> SKIL Infrastructure Limited JPT Securities Limited Symphony TV and Entertainments Private Limited Stumpp Schuele & Somappa Private Limited Navi Mumbai Smart City Infrastructure Limited SKIL-Himachal Infrastructure and Tourism Limited Kings Infra Ventures Limited KLM Axiva Finvest Limited Karanja Logistics Private Limited Transaction Analysts (India) Private Limited M Far Constructions Private Limited Orange Smart City Infrastructure Private Limited SKIL Shipyard Holdings Private Limited 	<ul style="list-style-type: none"> SKIL Infrastructure Limited Pitti Engineering Limited JPT Securities Limited Gujarat- Dwarka Portwest Limited Karanja Logistics Private Limited Verona Capital Limited Navi Mumbai Smart City Infrastructure Limited Tooquick Technologies Private Limited SKIL Himachal Infrastructure and Tourism Limited 	<ul style="list-style-type: none"> SKIL Infrastructure Limited Navi Mumbai Smart City Infrastructure Limited JPT Securities Limited Gujarat- Dwarka Portwest Limited Karanja Logistics Private Limited IFIN Securities Finance Limited Orange Smart City Infrastructure Private Limited Tooquick Technologies Private Limited Verona Capital Limited SKIL Shipyard Holding Private Limited
Number of shares held in the Company as on March 31, 2019	:	Nil	Nil	Nil
Inter-se relationship with other Directors and KMPs	:	NA	NA	NA

Route Map for Venue of the 25th Annual General Meeting



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 25th Annual Report of KLG Capital Securities Limited ('Company') together with the Audited Financial Statements for the year ended March 31, 2019.

Financial Highlights (Standalone)

The financial performance of the Company for the financial year ended March 31, 2019 is summarized below:

(Rupees In Lacs)

Particulars	2018-19	2017-18
Total Income	98.42	90.39
Less: Expenditure	86.97	21.11
Profit/(Loss) before Depreciation & Tax	11.45	69.27
Less: Depreciation	0.00	0.00
Profit before Tax	11.45	69.27
Less: Taxes	4.5	16.03
Profit after Tax	6.95	53.24
Less: Transfer to Statutory Reserve Account as per Section 45-IC of the Reserve Bank of India Act, 1934	1.39	10.64
Balance carried forward to Balance Sheet	5.56	42.60

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. 98.42 Lacs as compared to the income of Rs. 90.39 Lacs during the previous financial year. The profit after tax as on March 31, 2019 amounted to Rs.6.95 Lacs as against profit of Rs. 53.24 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. 1.39 Lacs (Previous year Rs.10.64 Lacs) are 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

The extract of Annual Return in the Form MGT- 9 as required under Section 92(3) of the Act as prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014, is enclosed as **Annexure I** to this Report. The Annual Return in Form MGT-7 as required under Section 92 (3) of the Act is available on the website of the Company viz. www.klgcapital.com/investor-desk-annual-report.php

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, 2019.

Particulars of Loan, Guarantees and Investments

Details of Loans, Guarantees and Investment covered under the provisions of Section 186 of the Companies Act, 2013 ('Act') are given in the notes to the Financial Statements. Also, pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI 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 Act. Hence, the Company has nothing to report in Form AOC-2 and the same is not annexed. The details of other related party transactions are given in the Notes to the Financial Statement.

Deposits

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

Details of Subsidiaries Company

During the year under review, Company has one Wholly Owned Subsidiary Company namely KLG Stock Brokers Private Limited ("KSBPL"). KSBPL is a Deposit Based Trading Member of Cash and Equity Derivatives Segments of BSE Limited. However, it is yet to commence Business. There are no associate companies within the meaning of 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 sake of brevity.

The contribution of Subsidiary to the overall performance of the Company is reflected through the Consolidated Financial Statements.

Details of Directors and Key Managerial Personnel

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

Mr. J. Alexander (DIN: 00485766), Ms. Gayathri Ramachandran (DIN: 02872723) and Mr. V. Ramanan (DIN: 02754562) has been re-appointed as an Additional (Independent) Directors, with effect from May 28, 2019, May 30, 2019 and September 30, 2019 respectively and hold the office upto the date of ensuing AGM. Appropriate Resolution are being proposed at the ensuing AGM to re-appoint them for a second term of five consecutive years as contemplated under Section 149 of the Act, and they shall not be liable retire by rotation.

Brief profiles of the Directors proposed to be re-appointed is provided in Exhibit to the Notice of ensuing AGM. The Board of Directors recommends reappointment of the aforesaid Directors at the ensuing AGM. In terms of provisions of Act, Mr. Chakradhar Das, Manager and Mr. Ankit Pratap Singh, Chief Financial Officer are the KMP's of the Company.

Ms. Avni Garnara ceased to be Whole-time Key Managerial Personnel of the Company under the category of Company Secretary with effect from May 07, 2019.

Declaration by the Independent Directors

The Company has received necessary declarations 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 Act, and SEBI Regulations.

Independent Director's Meetings

The Independent Directors Mr. J. Alexander, Mr. V. Ramanan and Ms. Gayathri Ramachandran, met without the attendance of Non- Independent Directors and the members of the Management. The Independent Directors, inter alia, reviewed the performance of Non- Independent Directors and the Board as a whole; the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance Evaluation

The Act stipulates the performance Evaluation of the Directors, Board and its Committees. The Company has devised the criteria for performance evaluation after approval by the Nomination & Remuneration Committee/Board of Directors on the basis of 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 its 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 Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties. The performance of all directors was also evaluated by the Nomination and Remuneration Committee.

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

Directors Responsibility Statement

In accordance with the provisions of Section 134(3) (c) and Section 134(5) of the Act, your Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for that period;

- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Number of Board Meetings

During the Financial Year 2018-19, four meetings of the Board of Directors of the company were held on May 28, 2018, August 14, 2018, November 13, 2018 and February 11, 2019. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

Additionally, committee meetings were held during the financial year including Audit Committee, which met four times during the year.

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

Name of the Directors	No. of Board Meetings Held	No. of Board Meetings attended
Ms. Gayathri Ramachandran	4	4
Ms. Priyanka Gandhi	4	1
Mr. V. Ramanan	4	4
Mr. J. Alexander	4	4
Mr. Nilesh Mehta	4	4

Audit Committee

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

The Audit Committee met four times during the financial year under review. The meetings of the Committee were held on May 28, 2018, August 14, 2018, November 13, 2018 and February 11, 2019.

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

Name of the Directors	No. of Committee Meetings held	No. of Committee Meetings Attended
Mr. V. Ramanan	4	4
Mr. J. Alexander	4	4
Ms. Gayathri Ramachandran	4	4
Mr. Nilesh Mehta	4	4

Nomination and Remuneration Committee:

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

The Nomination and Remuneration Committee met once during the financial year under review. The meeting of the Committee was held on February 11, 2019.

The attendance of each director at the said Committee meetings is given below:

Name of the Directors	No. of Committee Meetings held	No. of Committee Meetings Attended
Ms. Gayathri Ramachandran	1	1
Mr. J. Alexander	1	1
Mr. V. Ramanan	1	1

Stakeholders Relationship Committee:

During the Financial year 2018-19, no meeting of the Stakeholders Relationship Committee was held.

Statutory Auditors:

As per the provision of Section 139 of the Act, the term of office of M/s. NBS & co., Chartered Accountants (Firm Registration No.110100W), the Statutory Auditors of the Company will conclude from the close of forthcoming AGM of the Company.

The Board of Director places on record its appreciation for the services rendered by M/s. NBS & Co., Chartered Accountants, as the Statutory Auditors of the Company.

KLG Capital Services Limited

As required under the provisions of Section 139(1) of the Act, the Company has received written consent from M/s. Batra Sapra & Co., Chartered Accountants bearing Firm Registration No.000103N informing that their appointment, if made would be in accordance of the provision of the Act, read with Rule 4 (2) of the Companies (Audit and Auditor) Rules, 2014 and that they satisfy the criteria provided in Section 141 of the Act.

Member attention is drawn to a resolution proposing the appointment of the M/s. Batra Sapra & Co., Chartered Accountants bearing Firm Registration No. 000103N as Statutory Auditor of the Company which is included in the item no. 3 of the Notice convening AGM.

Auditors' Report

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended March 31, 2019, does not contain any qualification. The observation in the Auditor's Report by M/s. NBS & Co., Chartered Accountants have been dealt with in the relevant Notes to Accounts, which are self - explanatory.

Internal auditors:

M/s. Sanjay Vijay & Associates, Chartered Accountants, Mumbai, have been appointed as Internal Auditors for conducting internal audit of the Company. The Internal Auditors independently evaluate the internal controls systems, monitor implementation of the accounting systems & procedures and statutory compliances. The Audit Committee periodically reviews the reports of the Internal Auditors.

Secretarial Auditor:

Pursuant to Section 204 of the Companies Act, 2013, the Board has appointed M/s. Jaisal Mohatta & Associates, Practising Company Secretary, Mumbai, as its Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019, is as annexed to this report as **Annexure II**. There are no qualifications made by the Secretarial Auditor in the Report. The observation in Secretarial Auditor Report is self explanatory.

Management Discussion and Analysis

The Management Discussion and Analysis ('MDA') Report for the year under review as stipulated under Regulation 34 of SEBI Regulations, read with Schedule V of the said Regulations forms part of this Annual Report.

Adequacy of Internal Financial Control with reference to the Financial Statements

The Company has internal control systems, commensurate with the size, scale and complexity of its operations. The Audit Committee monitors and evaluates the efficacy and adequacy of internal control systems in the Company.

The Company has in place adequate internal financial controls with reference to Financial Statements. The report of the Statutory Auditors states about the existence of adequate internal financial control systems and its operating effectiveness. During the year, no reportable material weakness in the design or operation was observed in the internal financial controls.

Managerial Remuneration

Disclosures of the ratios of the remuneration of each director to the median employee's remuneration details as required pursuant to Section 197(2) of the Act, 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 Extract of Annual Return.

Risk Management Policy

Pursuant to the requirement of Section 134 of the Act and Listing Regulations, the Company has already in place a Risk Management Policy. The Company has a robust Risk Management framework to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The elements of risk as identified for the Company are set out in the MDA Report forming part of the Board's Report.

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 except as otherwise disclosed in this report.

Nomination & Remuneration Policy

The Nomination and Remuneration Committee comprises of Ms. Gayathri Ramachandran (Chairperson), Mr. J. Alexander and Mr. V. Ramanan as Members. The terms of reference of the Committee are given in the Report on Corporate Governance of the Company.

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**.

Vigil Mechanism/Whistle Blower Policy

The Company has implemented Vigil Mechanism/Whistle Blower Policy which encourages the Whistle Blower to report genuine concerns about unethical behavior, 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.

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 Act, the Annual Report and Financial Statements are being sent to the Members of the Company and others entitled thereto excluding the information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Particulars in this regard, if any, 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 AGM. 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 and Foreign Exchange Earnings and Outgo

Considering the nature of 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 the Companies (Accounts) Rules, 2014, for the year under review. Further, the Foreign Exchange Earnings during the year under review and the Foreign Exchange Outgo is Nil.

Corporate Social Responsibility (CSR) Policy

The provisions of Section 135 of the Act, relating to Corporate Social Responsibility are not applicable to the Company.

Appreciations and Acknowledgment

The Board of Directors wishes to express its sincere appreciation and thanks to all customers, suppliers, banks, financial institutions, solicitors, advisors, Government of India and other regulatory authorities for their consistent support and co-operation. Your Directors appreciate the contribution made by the employees of the Company and acknowledge their hard work and dedication. Your Directors are also deeply grateful to the Members for the confidence and faith that they have always placed in the Company.

Registered Office

SKIL House, 209, Bank Street Cross Lane,
Fort, Mumbai - 400 023

Tel: +91-22-66199000, **Fax:** +91-22-22696023

CIN: L67120MH1994PLC218169

Website: www.klgcapital.com

E-mail: company.secretary@klgcapital.com

**By Order of the Board of Directors
For KLG Capital Services Limited**

**Gayathri Ramachandran
Chairperson
DIN:02872723**

Place: Mumbai

Date: September 03, 2019

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

as on the financial year ended on March 31, 2019

*[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	Address of the Registered office & contact details	
	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	Name and Address of Registrar & Transfer Agents (RTA):-	
	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:-

Sr. 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 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 209, SKIL House, Bank Street Cross Lane, Fort, Mumbai - 400 023	U 7 4 1 2 0 M H -2010PTC207363	SUBSIDIARY	100	2(87)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter & Promoter Group									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0.00
b) Central Government	0	0	0	0	0	0	0	0	0.00
c) State Government	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
Sub-total (A) (1)	1936075	0	1936075	60.46	1936075	0	1936075	60.46	0.00
(2) Foreign									
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
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0.00
Total shareholding of Promoter	1936075	0	1936075	60.46	1936075	0	1936075	60.46	0.00
(A)=(A)(1)+(A)(2)									
B. Public Shareholding									
1. Institutions									
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
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0.00
(2) Central / State Government(s) / President of India									
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0.00
3. Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	406757	2933	409690	12.79	438461	2933	441394	13.78	0.99
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	313422	0	313422	9.79	296264	0	296264	9.25	-0.54
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	43457	0	43457	1.36	43267	0	43267	1.35	-0.0059
Non Resident Indians (non repeat)	676	0	676	0.02	676	0	676	0.02	0.00
Other Directors	3500	0	3500	0.11	3500	0	3500	0.11	0.00
Non Resident Indians (non repeat)	8005	0	8005	0.25	8005	0	8005	0.25	0.00
Clearing Member	3429	0	3429	0.11	1751	0	1751	0.06	0.052
Bodies Corporate	484146	0	484146	15.11	471468	0	471468	14.72	0.40
Sub-total (B)(3)	1263392	2933	1266325	39.54	1263392	2933	1266325	39.54	0.00

KLG Capital Services Limited

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	
Total Public Shareholding	1263392	2933	1266325	39.54	1263392	2933	1266325	39.54	0.00
(B)=(B)(1)+ (B)(2)+(B)(3)									
Total (A) +(B)	3199467	2933	3202400	100.00	3199467	2933	3202400	100.00	0.00
(C) Non Promoter- Non Public	0	0	0	0	0	0	0	0	0.00
(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
Grand Total (A+B+C)	3199467	2933	3202400	100.00	3199467	2933	3202400	100.00	0.00

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
	TOTAL	1936075	60.46	0.00	1936075	60.46	0.00	0.00

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	-	-	-	-
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):

Sr. No.	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	
1.	Karanja Infrastructure Private Limited					
	At the beginning of the year	107185	3.35	107185	3.35	
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/ sweat equity, etc.)			-	-	
	At the end of the year	107185	3.35	107185	3.35	
2.	Ranveer Infrastructure Pvt. Ltd.					
	At the beginning of the year	103500	3.23	103500	3.23	
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/ sweat equity, etc.)	-	-	-	-	
	Increase/Decrease					
	Date	Reasons for Increase/Decrease				
	06.07.2018	Sale		(103500)		
	03.08.2018	Purchase		103500		
	At the End of the year	103500	3.23	103500	3.23	

Sr. No.	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
3.	Verona Capital Ltd.				
	At the beginning of the year	95998	3.00	95998	3.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)	-	-	-	-
	Increase/Decrease				
	Date	Reasons for Increase/Decrease			
	06.07.2018	Sale		(95998)	
	0.08.2018	Purchase		95998	
	At the End of the year			95998	3.00
4.	Hansa Infrastructure Pvt. Ltd.				
	At the beginning of the year	85000	2.65	85000	2.65
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)	-	-	-	-
	Increase/Decrease				
	Date	Reasons for Increase/Decrease			
	06.07.2018	Sale		(85000)	
	03.08.2018	Purchase		85000	
	At the End of the year	85000	2.65	85000	2.65
5.	Parag Infrastructure Pvt. Ltd.				
	At the beginning of the year	70600	2.20	70600	2.20
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)	-	-		
	Increase/Decrease				
	Date	Reasons for Increase/Decrease			
	06.04.2018	Sale		(209)	
	13.04.2018	Sale		(6740)	
	04.05.2018	Sale		(1520)	
	18.05.2018	Sale		(3800)	
	08.06.2018	Sale		(495)	
	22.06.2018	Sale		(101)	
	06.07.2018	Sale		(57735)	
	03.08.2018	Purchase		52523	
		At the End of the year	70600	2.20	52523
6.	Suchitra G. Shanbhag				
	At the beginning of the year	60400	1.89	60400	1.89
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)	-	-	-	-
	Increase/Decrease				
	Date	Reasons for Increase/Decrease			
	04.01.2019	Sale		(1000)	
	11.01.2019	Sale		(10000)	
08.02.2019	Sale		(49400)		
	At the End of the year	60400	1.89	0	0.00

KLG Capital Services Limited

Sr. No.	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
7.	Bhavaneesh Athikary					
	At the beginning of the year		52034	1.62	52034	1.62
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)		-	-		
	Increase/Decrease					
	Date	Reasons for Increase/Decrease				
	06.07.2018	Sale			(52034)	
	27.07.2018	Purchase			52034	
At the End of the year		52034	1.62	52034	1.62	
8.	V P Dharmarajan					
	At the beginning of the year		30000	0.94	30000	0.94
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)		-	-	-	-
	At the End of the year		30000	0.94	30000	0.94
9.	Priyanka Singhvi					
	At the beginning of the year		28673	0.90	28673	0.90
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)		-	-	-	-
	Increase/Decrease					
	Date	Reasons for Increase/Decrease				
	06.07.2018	Sale			(28673)	
	27.07.2018	Purchase			28673	
At the End of the year		28673	0.90	28673	0.90	
10.	Puneeta Garg					
	At the beginning of the year		24000	0.75	24000	0.75
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)		-	-	-	-
	At the End of the year		24000	0.75	24000	0.75
11.	Mayna Hitesh Shah					
	At the beginning of the year				0	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)		-	-	-	-
	Increase/Decrease					
	Date	Reasons for Increase/Decrease				
	08.03.2019	Purchase			3790	
	15.03.2019	Purchase			7631	
	22.03.2019	Purchase			16500	
	29.03.2019	Purchase			9000	
				36921	1.15	

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
Nilesh Mehta (Director)				
At the beginning of the year	3000	0.09	3000	0.09
Changes During the Year	-	-	-	-
At the End of the year	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

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

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	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	-	-
	Total (A)		

KLG Capital Services Limited

B. Remuneration to Other Directors

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

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Ankit Pratap Singh	Avni Garnara	Total
		Chief Financial Officer (CFO)	Company Secretary (CS)	
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,60,000	3,84,000	7,44,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	3,60,000	3,84,000	7,44,000

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)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

**Annexure II to Directors' Report
Form MR - 3**

Secretarial Audit Report

for the Financial Year Ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

KLG Capital Services Limited

CIN: L67120MH1994PLC218169

SKIL House, 209, Bank Street Cross Lane,

Fort Mumbai MH 400023

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices 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 **KLG Capital Services Limited**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2019** reasonably 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 **KLG Capital Services Limited** ("the Company") for the financial year ended on **March 31, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not Applicable as the Company has not issued any further share capital during the period under review];**
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**
 - e. 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; **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**
 - f. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not Applicable as there was no reportable event during the period under review];**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not Applicable as there was no reportable event during the period under review];**
- (vi) Based on the representations made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance with the following laws applicable specifically to the Company:
 - a. The Reserve Bank of India Act, 1934, as applicable to Non-Banking Financial Companies;

- b. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
- c. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
- d. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
- e. Master Direction - Information Technology Framework for the NBFC Sector;
- f. Master Direction - Know Your Customer (KYC) Direction, 2016;
- g. Various Circulars, Notifications, Directions, Guidelines, Master Circulars issued by the Reserve Bank of India from time to time in respect of Systemically Important Non-Deposit taking Non-Banking Financial Company.

I have also examined compliance with the applicable clauses of:

- (i) The Secretarial Standards issued by the Institute of Company Secretaries of India

Applicable financial laws including direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals; and

- (ii) The Listing Agreement entered into by the Company with the BSE Limited;

I further report that the Company has delayed in compliance with Requirement of the provision of section 203 (1) of the Companies Act, 2013 relating to the appointment of Whole-time Company Secretary, as the vacancy was filled on 13th November 2018.

I further report that I rely on statutory auditor's reports in relation to the financial statements and accuracy of financial figures for Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC etc as disclosed under financial statements, Accounting Standard 18 & note on foreign currency transactions during our audit period and We have not verified the correctness and appropriateness of the books of accounts of the Company.

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 period under review were carried out in compliance with the provisions of the Act.

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

During the period under review, decisions were carried out with unanimous approval of the Board and no dissenting views were observed, while reviewing the minutes.

I further report that there are generally adequate systems & processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws, rules, regulations, circulars, notifications, directions and guidelines.

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.

- Appointment/Resignation of Directors and Key Managerial Personnel.

For Jaisal Mohatta & Associates
Company Secretaries

(Jaisal Mohatta)

Proprietor

Place: Mumbai

Date: September 03, 2019

ACS - 35017, COP – 16090

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

ANNEXURE-A

To,
The Members
KLG Capital Services Limited
CIN: L67120MH1994PLC218169
SKIL House, 209, Bank Street Cross Lane,
Fort, Mumbai MH 400023

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
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.

For Jaisal Mohatta & Associates
Company Secretaries

(Jaisal Mohatta)
Proprietor

Place: Mumbai
Date: September 03, 2019

ACS - 35017, COP – 16090

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 2018-2019 is NIL.
- ii) The percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY 2018-19 is NIL.
- 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, 2019, there was 2 permanent employees 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 THE DIRECTORS' REPORT

NOMINATION & REMUNERATION POLICY

LEGAL FRAMEWORK

This Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of Company in accordance with the requirement of SEBI (Listing Obligations and Disclosure Requirement, 2015 ('Listing Regulations') and provisions of Section 178 of the Companies Act, 2013 ('Act') read with the Rules thereunder.

The 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"** shall mean officers / personnel of the Company who are members of its core Management team excluding Board of Directors and normally shall comprise all members of Management one level below the Executive Directors, including all functional heads.

MEMBERSHIP

- i) The Committee shall consist of a minimum 3 Non-Executive Directors, of which at least fifty percent of the directors shall be independent directors.
- 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 or in his absence, any other Member of the Committee authorized by him/her in this behalf, shall attend the General Meetings of the Company 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 of Directors a policy relating to the remuneration of the Directors, KMP and other employees;
- ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii) Devising a policy on diversity of Board of Directors;
- 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 of Directors 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 Act, 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 Act, 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 Act, 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 Act, and the Listing Regulations.

V) Removal

Due to reasons for any disqualification mentioned in the Act, 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. The removal shall also be based on principles of natural justice.

VI) Retirement

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

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

I) Remuneration to Directors, KMP and Senior Management:

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

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

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

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

II) Remuneration to Non-executive / Independent Director:

The remuneration to Non-executive / Independent Director shall be in accordance with the statutory provisions of the Act 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 Act, 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 Managing Director / Chief Executive Officer 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 Act, 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 prescribed to it in the Act 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 Act and/or other applicable laws in this regard shall automatically apply to this Policy.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is a Non-Banking Financial Company ("NBFC") which mainly deals in capital market and financial services. The Company is registered with Reserve Bank of India as a Non-banking Finance Company, not accepting public deposits under Section 45-IA of the Reserve Bank of India Act, 1934. The Equity Shares of the Company are listed on Bombay Stock Exchange Limited.

The Company was incorporated as Public Limited Company on April 13, 1994, in New Delhi and was taken over by Awaita Properties Private Limited in October 2008 in accordance with the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997. Awaita Properties Private Limited is promoted by Mr. Nikhil Gandhi and Mr. Bhavesh Gandhi. The Registered Office of the Company was shifted from New Delhi to Mumbai in May, 2010.

The Company has a wholly-owned subsidiary namely, KLG Stock Brokers Private Limited, which has been admitted as a Deposit Based Trading Member of Cash Segment and Equity Derivatives Segment of BSE Limited.

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 Domestic Product (GDP) growth slowed to 6.8 per cent in March'19 as compared with 7.2 per cent in March'18. 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.

NBFCs accounted for 23% of total loans and 18% of total credit in India as on 31st March, 2018. They have shown strong growth in recent years, buoyed by access to equity capital and liquidity in the system. However, post the liquidity squeeze and headwinds in the industry, NBFCs have faced increased cost of borrowing and some have had funding challenges.

2. OPPORTUNITIES AND THREATS

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

Your Company is examining various new avenues of business in financial activities. The present business of your Company is investment and financing. The Company intends to diversify its activities into financing of some of the above sectors. The biggest challenge before NBFCs is the stiff competition from banks and financial institutions, due to their ability to raise low cost funds which enables them to provide funds at much cheaper rate. Besides, increased purview of monitoring by regulatory authorities increase the threat of losing the essence of NBFCs.

3. SEGMENT WISE PERFORMANCE

The Company operates in single segment.

4. FUTURE PROSPECTS & OUTLOOK

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

5. RISK AND CONCERNS

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

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

7. FINANCIAL PERFORMANCE

- a) Share Capital: As on March 31, 2019, 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, 2019, stood at Rs. 320.24 Lacs comprising of 32,02,400 Equity Shares of Rs. 10/- each (previous year Rs. 320.24Lacs).
- b) Reserves and Surplus: During the year under review, the Reserves and Surplus stood at Rs. 439.36 Lacs (previous year Rs. 436.73 Lacs).
- c) Financial Result: During the year ended March 31, 2019, the Company has earned total income of Rs. 98.42 Lacs as compared to the income of Rs. 90.39 Lacs during the previous financial year. The profit after tax as on March 31, 2019 amounted to Rs. 6.95 Lacs as against profit of Rs. 53.24 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. Some of the salient motivational initiatives taken by the management in boosting the morale of the staff is:

- Interactive forums
- Feedbacks through mails
- Quarterly reviews
- Festive Celebrations
- Regular Annual Appraisals

9. ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS

As per the recent amendments to the SEBI Listing Obligations and Disclosure Requirements (LODR), we give below additional information in respect of financial parameters that are applicable to our company:

1. Details of significant changes (i.e. changes of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor as under :

- **Profit Before Tax Margin (%):**

The Profit before Tax Margin for FY19 was 12% compared to 77% for FY18, a drop of 84%.

- **Net Profit Margin (%):**

The Profit after Tax Margin for FY19 7% compared to 59% for FY18, a drop of 88%.

Other parameters, namely Debtors Turnover, Inventory Turnover, and Interest Coverage Ratio are not applicable to our company.

2. Details of any changes in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Return on Net Worth, i.e. Return on Equity (RoE), on Standalone basis for FY19 was 0.55% down from 4.45% a year ago. RoE has declined in FY19 on account of increase in Administrative expenses.

10. 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.

11. CAUTIONARY STATEMENT

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KLG CAPITAL SERVICES LIMITED

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **KLG CAPITAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, 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, 2019.
- (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A", statement on the matters specified in paragraphs 3 and 4 of the Order.
- (ii) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. Transfer to Investor Education and Protection Fund is not applicable to the company.

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

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

**Place: Mumbai
Date: 28th May, 2019**

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the members of **KLG CAPITAL SERVICES LIMITED** on the financial statements for the year ended March 31, 2019, 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 31st March 2019 for a period of more than six months from the date they became payable, except the dues mentioned below:

Particulars	Amount
Income Tax	Rs 3,31,81,142/-
Service tax.	Rs 90,00,000/-

- 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: 28th May, 2019**

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, 2019 in conjunction with our audit of the standalone financials.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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: 28th May, 2019

BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
I EQUITY & LIABILITIES:			
(1) SHAREHOLDERS' FUNDS			
Share Capital	2	3,20,24,000	3,20,24,000
Reserves and Surplus	3	4,39,35,976	4,36,73,385
		<u>7,59,59,976</u>	<u>7,56,97,385</u>
(2) NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	4	-	-
(3) CURRENT LIABILITIES			
Short-term Borrowings	5	79,01,111	5,84,810
Other Current Liabilities	7	94,27,434	92,90,425
Short-term Provisions	8	3,34,36,642	3,39,57,671
		<u>5,07,65,187</u>	<u>4,38,32,906</u>
TOTAL		<u>12,67,25,163</u>	<u>11,95,30,291</u>
II ASSETS:			
(1) NON-CURRENT ASSETS			
Fixed Assets	9		
-Tangible Assets		28	164
		<u>28</u>	<u>164</u>
Deferred Tax asset		3,270	3,833
Non-Current Investments	10	36,00,000	36,00,000
		<u>36,00,000</u>	<u>36,00,000</u>
(2) CURRENT ASSETS			
Current Investments	11	4,86,450	9,09,450
Trade Receivables	12	-	-
Cash and Cash Equivalents	13	1,63,63,231	90,291
Short-term Loans, Advances and Deposit	14	10,62,72,185	11,49,26,554
		<u>12,31,21,866</u>	<u>11,59,26,294</u>
TOTAL		<u>12,67,25,163</u>	<u>11,95,30,291</u>
See accompanying notes forming part of the financial statements 1 to 24			

IN TERMS OF OUR REPORT ATTACHED

For and on behalf of the Board of Directors

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

Gayathri Ramachandran
Chairperson
DIN : 02872723

Devdas Bhat
Partner
Membership No. 48094

Ankit Pratap Singh
Chief Financial Officer

Place: Mumbai
Date : 28-5-2019

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Revenue from Operations	15	98,42,000	90,39,130
Other Income	16	-	-
Total Revenue		98,42,000	90,39,130
Expenditure			
Employee Benefits Expenses	17	17,15,810	6,28,486
Depreciation and Amortization Expenses	9	136	797
Other Expenses	18	69,80,678	13,02,102
Provision for Standard Assets		-	1,80,500
Total Expenses		86,96,624	21,11,885
Profit/(Loss) before Exceptional and Extraordinary Items and Tax		11,45,376	69,27,245
Exceptional Items		-	-
Profit/(Loss) before Extraordinary Items and Tax		11,45,376	69,27,245
Extraordinary Items		-	-
Profit/(Loss) before Tax		11,45,376	69,27,245
<u>Tax Expenses</u>			
- Current Tax		4,50,000	16,02,005
- Deferred Tax		563	1,400
		4,50,563	16,03,405
Profit/(Loss) for the period from Continuing Operations		6,94,813	53,23,840
Profit/(Loss) for the period from Discontinuing Operations (After Tax)		-	-
Profit/(Loss) for the period		6,94,813	53,23,840
Earnings Per Share (Basic and Diluted)		0.22	1.66
(Refer Note No. 23)			

See accompanying notes forming part of the financial statements 1 to 24

IN TERMS OF OUR REPORT ATTACHED

For and on behalf of the Board of Directors

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

Gayathri Ramachandran
Chairperson
DIN : 02872723

Devdas Bhat
Partner
Membership No. 48094

Ankit Pratap Singh
Chief Financial Officer

Place: Mumbai
Date : 28-5-2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
A. Cash flow from Operating Activities			
Net Profit after Tax & Extraordinary Items		6,94,813	53,23,840
Adjustment for:			
Depreciation and Amortization Expenses		699	2,197
Provision for Short Incomt tax		(4,32,222)	-
Operating Profit before Working Capital changes		2,63,290	53,26,037
Adjustment for Working Capital changes			
(Increase)/Decrease in Trade Receivables		-	-
(Increase)/Decrease in Short-term Loans and Advance		86,54,369	(7,99,27,923)
Increase/(Decrease) in Trade and Other Payable		1,37,009	(1,19,465)
Increase/(Decrease) in Provisions		(5,21,028)	17,82,505
Cash generated from Operations		85,33,640	(7,29,38,846)
Direct taxes		-	-
Cash flow before Extraordinary Items		85,33,640	(7,29,38,846)
Extraordinary Items		-	-
Cash flow from Operating Activities		85,33,640	(7,29,38,846)
B. Cash flow from Investing Activities			
Purchase of Fixed Assets		-	-
(Increase)/Decrease in Investments		4,23,000	32,430
Dividend Income		-	-
Sale of Investment		-	9,58,95,600
Net Cash used in Investment Activities		4,23,000	9,59,28,030
C. Cash flow from Financing Activities			
Increase/(Decrease) in Short-term Borrowings		73,16,301	(2,29,60,677)
Net Cash used in Financing Activities		73,16,301	(2,29,60,677)
Net increase / decrease in Cash & Cash Equivalents		1,62,72,941	28,508
Cash & Cash Equivalents as at April 1, 2018		90,291	61,783
(Opening Balance) Cash in Hand & Balance with Banks			
Cash & Cash Equivalents as at March 31, 2019		1,63,63,232	90,291
(Closing Balance) Cash in Hand & Balance with Banks			
Note: Figures in brackets represent outflows			

IN TERMS OF OUR REPORT ATTACHED

For and on behalf of the Board of Directors

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

Gayathri Ramachandran
Chairperson
DIN :02872723

Devdas Bhat
Partner
Membership No. 48094

Ankit Pratap Singh
Chief Financial Officer

Place: Mumbai
Date : 28-5-2019

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR MARCH 31, 2019

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

Recognition of income & Expenses is based on accrual system of Accounting.

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, 2019

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
NOTE NO. 2 - SHARE CAPITAL		
(a) Authorised		
3,500,000 Equity Shares of Rs. 10/- each (Previous Year 3,500,000)	3,50,00,000	3,50,00,000
(b) Issued, Subscribed and Paid-up		
3,202,400 Equity Shares of Rs. 10/- each (Fully Paid-up) (Previous Year 3,202,400)	3,20,24,000	3,20,24,000
	3,20,24,000	3,20,24,000
(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period		
	Current Year	Previous Year
	No. of Shares	No. of Shares
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	32,02,400	32,02,400
(d) Details of Shareholder holding more than 5% Equity Shares held by		
	Current Year	Previous Year
	No. of Shares	No. of Shares
	% of Holding	% of Holding
Holding Company:		
-Awaita Properties Pvt. Ltd	19,36,075	19,36,075
	60.46%	60.46%
	Current Year	Previous Year
	Amount (Rs.)	Amount (Rs.)
NOTE NO. 3 - RESERVES AND SURPLUS		
(a) General Reserve		
Balance as per last Balance Sheet	10,12,242	10,12,242
Add: Transfer from Profit & Loss Account	-	-
	10,12,242	10,12,242
(b) Statutory Reserve Fund		
Balance as per last Balance Sheet	77,22,436	66,57,668
Add: Transfer from Profit & Loss Account	1,38,963	10,64,768
	78,61,399	77,22,436
(c) Profit & Loss Account		
Balance as per last Balance Sheet	3,49,38,707	3,06,79,635
Less: Earlier Years tax Adjustments	(4,32,222)	-
Add: Profit & Loss during the Year	6,94,813	53,23,840
Less: *Transfer to Statutory Reserve Account	1,38,963	10,64,768
	3,50,62,336	3,49,38,707
	4,39,35,976	4,36,73,385

* Rs. 1,38,963/- (Previous Year: Rs. 10,64,768/-) 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.

NOTE NO. 4 - DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities

(a) Fixed Assets (Impact of difference between tax depreciation and depreciation charged for financial reporting)	(3,270)	(3,833)
(b) Others Timing differences	-	-
	(3,270)	(3,833)

Deferred Tax Assets

(a) Any disallowance under Income Tax Act/Others	-	-
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Net Deferred Tax Liabilities

	(3,270)	(3,833)
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2019

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
NOTE NO. 5 - SHORT-TERM BORROWINGS		
Unsecured Loan		
-From Holding Company (Repayable on Demand)	79,01,111	5,84,810
	<u>79,01,111</u>	<u>5,84,810</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	4,06,996	2,69,771
Others-Duties and Taxes	90,20,438	90,20,654
	<u>94,27,434</u>	<u>92,90,425</u>
NOTE NO. 8 - SHORT-TERM PROVISIONS		
Contingent provision against standard assets	2,55,500	2,55,500
Provisions for Income Tax (Net)	3,31,81,142	3,37,02,171
	<u>3,34,36,642</u>	<u>3,39,57,671</u>

NOTE NO. 9 - FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK			
	As at April 1, 2018	Additions during the year	Acquisitions through Business combinations	Deductions/ Adjustments during the year	As at March 31, 2019	Upto April 1, 2018	Provided during the year	Deductions/ Adjustments during the year	Upto March 31, 2019	Before Impairment as at March 31, 2019	Impairment	As at March 31, 2019	As at March 31, 2018
(Owned Asset)													
Tangible Assets													
Office Equipment	17,250	-	-	-	17,250	17,086	136	-	17,222	28	-	28	164
Total	17,250	-	-	-	17,250	17,086	136	-	17,222	28	-	28	164
Previous Year	17,250	-	-	-	17,250	16,289	797	-	17,086	164		164	961

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, 2019.

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
NOTE NO. 10 - NON-CURRENT INVESTMENT		
(a) Long-term Non-Trade Investments		
(i) Unquoted: Fully Paid up In Equity Shares of Subsidiary Company		
KLG Stock Brokers Pvt. Ltd	36,00,000	36,00,000
360,000 Equity Shares of Rs. 10 each (360,000 Equity Shares)		
(ii) Unquoted: Fully Paid up In Equity Shares of other Companies		
Catholic Syrian Bank Ltd	-	-
407,200 Equity Shares of Rs. 10 each (305,400 Equity Shares)		
	<u>36,00,000</u>	<u>36,00,000</u>
(b) Aggregate Value of: -		
Book value	36,00,000	36,00,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2019

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
NOTE NO. 11 - CURRENT INVESTMENT		
(a) <u>Short-term Investments</u>		
<u>Quoted: Fully Paid up</u>		
<u>In Equity Shares of other Companies</u>		
Neha International Ltd	1,83,92,295	1,83,92,295
141,000 Equity Shares of Rs.10 each. (141,000 Equity Shares)		
Less:-Provision for Diminution in value of Investments held	<u>(1,79,05,845)</u>	<u>(1,74,82,845)</u>
	<u>4,86,450</u>	<u>9,09,450</u>
(b) Aggregate Value of: -		
-Quoted Investment		
Book value	1,83,92,295	1,83,92,295
Market Value	4,86,450	9,09,450
(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	-	-
(b) Debts due for a period less then six months	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
NOTE NO. 13 - CASH AND CASH EQUIVALENTS		
(a) Cash on Hand	11,402	16,854
(b) Balance with Banks	<u>1,63,51,829</u>	<u>73,437</u>
	<u>1,63,63,231</u>	<u>90,291</u>
NOTE NO. 14 - SHORT-TERM LOANS AND ADVANCES		
(Unsecured & Considered Good)		
(a) (i) Loans to Companies	10,22,00,000	10,22,00,000
Interest accrued on loans	<u>-</u>	<u>86,70,631</u>
	10,22,00,000	11,08,70,631
Advance recoverable in cash or in kind for value to to be received		
- Related Parties	70,923	55,923
- Others	<u>1,262</u>	<u>-</u>
	10,22,72,185	11,09,26,554
(ii) Deposits for Rent		
- Related Parties	<u>40,00,000</u>	<u>40,00,000</u>
	<u>10,62,72,185</u>	<u>11,49,26,554</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		
Provision for Profit on Current Investments	-	-
Gain on Short Term Investment Held	-	2,625
Interest Income From ICD	<u>98,42,000</u>	<u>90,36,505</u>
	<u>98,42,000</u>	<u>90,39,130</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2019

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
NOTE NO. 16 - OTHER INCOME	-	-
	-	-
NOTE NO. 17 - EMPLOYEE BENEFITS EXPENSES		
Salary & Wages	17,13,000	6,25,386
Staff Welfare Expenses	2,810	3,100
	<u>17,15,810</u>	<u>6,28,486</u>
NOTE NO. 18 - OTHER EXPENSES		
ADMINISTRATIVE AND GENERAL EXPENSES		
Payment to Auditors		
- Audit Fees	88,500	75,000
- Tax Audit Fees	-	-
- Certification /other Charges	29,500	25,000
- Other matters	-	-
	<u>1,18,000</u>	<u>1,00,000</u>
Advertisement	96,600	99,642
Bank Charges	2,845	5,997
Demat Charges	303	-
Electricity Expenses	30,08,482	
Fee, Taxes & Legal Charges	3,81,768	4,78,164
Filing Fees	17,112	10,326
Interest on Late Payment	1,03,835	-
Miscellaneous Expenses	53,010	5,350
Other Administrative Expenses	1,38,957	179
Printing & Stationary	20,631	25,722
Professional Charges	1,62,953	1,94,321
Provision for Loss on Current Investments	4,23,000	2,36,030
Sitting Fees to Directors	1,30,000	1,25,000
Travelling & Conveyance	21,44,677	8,871
Telephone Expenses	1,72,605	
Web Design Expenses	5,900	12,500
	<u>69,80,678</u>	<u>13,02,102</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
Avni Garnara, Company Secretary (November 13th ,2018 to May 7, 2019)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2019

b) Disclosure of Related Party Transactions between the Company and related parties for the year ended March 31, 2019.

Particulars	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
i) Unsecured Loans (Liability) Awaita Properties Pvt. Ltd	79,01,111	5,84,810
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	3,60,000	315000
Salary of Manager	NIL	NIL
Salary of Company Secretary	3,84,000	1,98,634

NOTE NO. 20 - DIRECTOR'S REMUNERATION

No remuneration has been paid to any of the Directors.

NOTE NO. 21 - FOREIGN CURRENCY TRANSACTIONS

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

NOTE NO. 22

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

NOTE NO. 23 - EARNINGS PER SHARE (EPS)

Particulars	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Net Profit / (Loss) After Tax available for Equity Shareholders (in Rs.)	6,94,813	53,23,840
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.)	0.22	1.66

NOTE NO. 24

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

AS PER OUR REPORT OF EVEN DATE

For NBS & Co.

Chartered Accountants

Firm Reg. No. 110100W

Devdas Bhat

Partner

Membership No. 48094

Place: Mumbai

Date: 28-5-2019

For and on behalf of the Board of Directors

Gayathri Ramachandran

Chairperson

DIN : 02872723

Ankit Pratap Singh

Chief Financial Officer

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, 2019, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

3. Auditor's Responsibility

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

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

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

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

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

4. Opinion

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

- (a) In the case of the Balance Sheet, of the Consolidated state of affairs of the Group, its Associates and Jointly Controlled Entities as at March 31, 2019.
- (b) In the case of the Profit and Loss Account, of the Consolidated Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Consolidated cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- (i) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial Statement.
 - (b) In our opinion proper books of account as required by law relating to the preparation of aforesaid consolidated financial Statement have been kept by the Company so far as appears from our examination of those books and reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding company, as on 31st March, 2019 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, 2019 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: 28th May, 2019

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, 2019 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 2019, 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: 28th May, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
I EQUITY & LIABILITIES:			
(1) SHAREHOLDERS' FUNDS			
Share Capital	2	3,20,24,000	3,20,24,000
Reserves and Surplus	3	4,33,96,245	4,31,59,028
		7,54,20,245	7,51,83,028
Share Application Money Pending Allotment			-
(2) NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	4		-
(3) CURRENT LIABILITIES			
Short-term Borrowings	5	79,72,034	6,40,733
Other Current Liabilities	7	94,50,384	93,08,125
Short-term Provisions	8	3,34,36,642	3,39,57,671
		5,08,59,060	4,39,06,529
TOTAL		12,62,79,305	11,90,89,557
II ASSETS:			
(1) NON-CURRENT ASSETS			
Fixed Assets	9		
-Tangible Assets			164
Deferred Tax asset			3,833
Non-Current Investments	10		-
Long-term Loan, Advances and Deposit	11		1,00,000
Other Non-Current Assets	12		-
(2) CURRENT ASSETS			
Current Investments	13	4,86,450	9,09,450
Trade Receivables	14	-	-
Cash and Cash Equivalents	15	1,63,87,373	1,19,556
Short Term Loans, Advances and Deposit	16	10,93,02,185	11,79,56,554
		12,61,76,008	11,89,85,560
TOTAL		12,62,79,305	11,90,89,557
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 26		

AS PER OUR REPORT OF EVEN DATE

For NBS & Co.

Chartered Accountants

Firm Reg. No. 110100W

Devdas Bhat

Partner

Membership No. 48094

Place: Mumbai

Date : 28-5-2019

For and on behalf of the Board of Directors

Gayathri Ramachandran

Chairperson

DIN : 02872723

Ankit Pratap Singh

Chief Financial Officer

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Revenue from Operation	17	98,42,000	90,39,130
Other Income	18	-	-
Total Revenue		98,42,000	90,39,130
Expenditure			
Employee Benefits Expenses	19	17,15,810	6,28,486
Depreciation and Amortization Expenses	9	136	797
Other Expenses	20	70,06,052	13,30,148
Provision for Standard Assets		-	1,80,500
Total Expenses		87,21,998	21,39,931
Profit/(Loss) before Exceptional and Extraordinary Items and Tax		11,20,002	68,99,199
Exceptional Items		-	-
Profit/(Loss) before Extraordinary Items and Tax		11,20,002	68,99,199
Extraordinary Items		-	-
Profit/(Loss) before Tax		11,20,002	68,99,199
<u>Tax Expenses</u>			
- Current Tax		4,50,000	16,02,005
- Deferred Tax		563	1,400
Profit/(Loss) for the period from Continuing Operations		6,69,439	52,95,794
Profit/(Loss) for the period from Discontinuing Operations (After Tax)		-	-
Profit/(Loss) for the period		6,69,439	52,95,794
Earnings per share (Basic and Diluted) (Refer Note No. 25)		0.21	1.65

Significant Accounting Policies

1

Notes on Financial Statements

2 to 26

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors

For NBS & Co.

Chartered Accountants

Firm Reg. No. 110100W

Gayathri Ramachandran

Chairperson

DIN :02872723

Devdas Bhat

Partner

Membership No. 48094

Ankit Pratap Singh

Chief Financial Officer

Place: Mumbai

Date : 28-5-2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Current Year Amount(Rs.)	Previous Year Amount(Rs.)
A) Cash flow from operating activities		
Net profit after tax & extraordinary items	6,69,439	52,95,794
Adjustment for:		
Depreciation, Amortisation and Impairment of Goodwill	699	2,197
Provision for Short Incomt tax	(4,32,222)	-
Operating Profit before working capital changes	<u>2,37,916</u>	<u>52,97,991</u>
Adjustment for working capital Changes		
(Increase)/Decrease in Debtors	-	-
(Increase)/Decrease in Advance Payment	86,54,369	(7,99,27,923)
Increase/(Decrease) in Trade and Other Payable	1,42,259	(1,37,053)
Increase/(Decrease) in Provisions	(5,21,029)	17,82,505
Cash generated from Operations	85,13,515	(7,29,84,480)
Direct taxes	-	-
Cash flow before extraordinary items	85,13,515	(7,29,84,480)
Extraordinary items	-	-
Cash flow from operating activities	(A) <u>85,13,515</u>	<u>(7,29,84,480)</u>
B. Cash flow from Investing activities		
Purchase of Fixed Assets	-	-
(Increase)/Decrease in Investments	4,23,000	32,430
Dividend Income	-	-
Sale of Investment	-	9,58,95,600
Net cash used in Investment activities	(B) <u>4,23,000</u>	<u>9,59,28,030</u>
C. Cash flow from Financing activities		
Increase/(Decrease) in Term Loan (Net of Repayment)	-	-
Increase/(Decrease) in Unsecured Loan (Net of Repayment)	73,31,301	(2,29,04,754)
Proceeds from issue of Share Capital	-	-
Dividend Paid (Net)	-	-
Net cash used in financing activities	(C) <u>73,31,301</u>	<u>(2,29,04,754)</u>
Net increase / decrease in cash and cash equivalents	(A+B+C) 1,62,67,816	38,796
Cash & cash equivalents as at April 1, 2018	1,19,557	80,760
(opening balance) cash in hand & balance with banks		
Cash & cash equivalents as at March 31, 2019	<u>1,63,87,373</u>	<u>1,19,557</u>
(closing balance) cash in hand & balance with banks		
Note: Figures in brackets represent outflows		

AS PER OUR REPORT OF EVEN DATE

For NBS & Co.

Chartered Accountants

Firm Reg. No. 110100W

Devdas Bhat

Partner

Membership No. 48094

Place: Mumbai

Date : 28-5-2019

For and on behalf of the Board of Directors

Gayathri Ramachandran

Chairperson

DIN :02872723

Ankit Pratap Singh

Chief Financial Officer

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2019**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	
	Current Year	Previous Year
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, 2019.

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

Recognition of income & Expenses is based on accrual system of Accounting.

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, 2019

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
NOTE NO. 2 - SHARE CAPITAL		
(a) Authorised		
3,500,000 Equity Shares of Rs.10/- each (Previous Year 3,500,000)	3,50,00,000	3,50,00,000
(b) Issued, Subscribed and Paid-up		
3,202,400 Equity Shares of Rs. 10/- each (Fully Paid-up) (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) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period		
	Current Year	Previous Year
	No. of Shares	No. of Shares
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) Details of Shareholder holding more than 5%		
	Current Year	Previous Year
Equity Shares held by	No. of Shares	% of Holding
Holding Company:		
- Awaita Properties Pvt. Ltd	19,36,075	60.46%
	19,36,075	60.46%
NOTE NO. 3 - RESERVE AND SURPLUS		
	Current Year	Previous Year
	Amount (Rs.)	Amount (Rs.)
(a) General Reserve		
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) Statutory Reserve Fund		
Balance as per last Balance Sheet	77,22,313	66,57,527
Add: Transfer from Profit & Loss Account	7,68,091	10,64,786
	<u>84,90,404</u>	<u>77,22,313</u>
(c) Profit & Loss Account		
Balance as per last Balance Sheet	3,44,24,473	3,01,93,465
Less: Earlier Years tax Adjustments	(4,32,222)	-
Add: Profit & Loss during the Year	6,69,439	52,95,794
Less: *Transfer to Statutory Reserve Account	(7,68,091)	10,64,786
	<u>3,38,93,599</u>	<u>3,44,24,473</u>
	<u>4,33,96,245</u>	<u>4,31,59,028</u>
* Transfer to Statutory Reserve as per Section 45 IC of Reserve Bank of India Act, 1934.		
NOTE NO. 4 - DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
(a) Fixed Assets	(3,270)	(3,833)
(Impact of difference between tax depreciation and depreciation charged for financial reporting)		
(b) Others Timing differences	-	-
	<u>(3,270)</u>	<u>(3,833)</u>
Deferred Tax Assets		
(a) Any disallowance under Income Tax Act/Others	-	-
Net Deferred Tax Liabilities	<u>(3,270)</u>	<u>(3,833)</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2019

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
NOTE NO. 5 - SHORT-TERM BORROWINGS		
Unsecured Loan		
-From Holding Company (Repayable on Demand)	79,72,034	6,40,733
	79,72,034	6,40,733

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	4,29,946	2,87,471
Others-Duties and Taxes	90,20,438	90,20,654
	94,50,384	93,08,125

NOTE NO. 8 - SHORT-TERM PROVISIONS

Contingent provision against standard assets	2,55,500	2,55,500
Provisions for Income Tax (Net)	3,31,81,142	3,37,02,171
	3,34,36,642	3,39,57,671

NOTE NO. 9 - FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK				
	As at April 1, 2018	Additions during the year	Acquisitions through Business combinations	Deductions/ Adjustments during the year	As at March 31, 2019	Upto April 1, 2018	Provided during the year	Deductions/ Adjustments during the year	Upto March 31, 2019	Before Impairment as at March 31, 2019	Impairment	As at March 31, 2019	As at March 31, 2018
(Owned Asset)													
Plant & Machinery	-	-		-	-		-	-	-	-			-
Office Equipment	17,250	-	-	-	17,250	17,086	136	-	17,222	28	-	28	164
Total	17,250	-	-	-	17,250	17,086	136	-	17,222	28	-	28	164
Previous Year	17,250	-	-	-	17,250	16,289	797	-	17,086	164	-	164	961

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, 2019.

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2019

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
NOTE NO. 11 - LONG-TERM LOANS & ADVANCES		
Membership Deposit	1,00,000	1,00,000
	1,00,000	1,00,000
NOTE NO. 12 - OTHER NON-CURRENT ASSETS		
Preliminary Expenses and Pre-operative Expenses	-	-
	-	-
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. (1,41,000 Equity Shares)		
Less:-Provision for Diminution in value of Investments held	(1,79,05,845)	(1,74,82,845)
	4,86,450	9,09,450
(b) Aggregate Value of: -		
-Quoted Investment		
Book value	1,83,92,295	1,83,92,295
Market Value	4,86,450	9,09,450
(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	-	-
(b) Debts due for a period less then six months	-	-
	-	-
NOTE NO. 15 - CASH AND CASH EQUIVALENTS		
(a) Cash on Hand	19,610	25,062
(b) Balance with Banks	1,63,67,763	94,494
	1,63,87,373	1,19,556
NOTE NO. 16 - SHORT-TERM LOANS AND ADVANCES		
(Secured & Considered Good)		
(a) (i) Loans to Companies	10,22,00,000	10,22,00,000
Interest accrued on loans	-	10,22,00,000
Advance recoverable in cash or in kind for value to to be received		86,70,631
- Related Parties	70,923	55,923
- Others	1,262	-
(ii)	10,22,72,185	11,09,26,554
Deposits for Rent		
- Related Parties	70,30,000	70,30,000
	10,93,02,185	11,79,56,554
(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, 2019

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
NOTE NO. 17 - REVENUE FROM OPERATIONS		
Gain on Short Term Investment Held	-	2,625
Interest Income From ICD	98,42,000	90,36,505
	<u>98,42,000</u>	<u>90,39,130</u>
NOTE NO. 18 - OTHER INCOME		
	-	-
	-	-
NOTE NO. 19 - EMPLOYEE BENEFITS EXPENSES		
Salary & Wages	17,13,000	6,25,386
Staff Welfare Expenses	2,810	3,100
	<u>17,15,810</u>	<u>6,28,486</u>
NOTE NO. 20 - OTHER EXPENSES		
ADMINISTRATIVE AND GENERAL EXPENSES		
Advertisement	96,600	99,642
Payment to Auditors		
- Audit Fees	1,06,200	92,700
- Tax Audit Fees	-	-
- Certification /other Charges	29,500	25,000
- Other matters	-	-
	<u>1,35,700</u>	<u>1,17,700</u>
Bank Charges	2,845	5,997
Demat Charges	303	-
Electricity Expenses	30,08,482	-
Fee, Taxes & Legal Charges	3,81,768	4,78,164
Filing Fees	19,536	19,792
Interest on Late Payment	1,03,835	-
Miscellaneous Expenses	53,010	5,350
Other Administrative Expenses	1,38,957	1,059
Printing & Stationary	20,631	25,722
Professional Charges	1,68,203	1,94,321
Provision for Loss on Current Investments	4,23,000	2,36,030
Sitting Fees to Directors	1,30,000	1,25,000
Travelling & Conveyance	21,44,677	8,871
Telephone Expenses	1,72,605	-
Web Design Expenses	5,900	12,500
	<u>70,06,052</u>	<u>13,30,148</u>

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
Avni Garnara, Company Secretary (November 13th ,2018 to May 7, 2019)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2019

b) Disclosure of Related Party Transactions between the Company and related parties for the year ended March 31, 2019:

Particulars	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
i) Unsecured Loans (Liability)		
Awaita Properties Pvt. Ltd	79,01,111	5,84,810
ii) Deposit against use of Office Premises		
Awaita Properties Pvt. Ltd	70,00,000	70,00,000
iii) Key Managerial Personnel		
Salary of Chief Financial Officer	3,60,000	3,15,000
Salary of Manager	NIL	NIL
Salary of Company Secretary	3,84,000	1,98,634

NOTE NO. 22 - DIRECTOR'S REMUNERATION

No remuneration has been paid to any of the Directors.

NOTE NO. 23 - FOREIGN CURRENCY TRANSACTIONS

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

NOTE NO. 24

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

NOTE NO. 25 - EARNINGS PER SHARE (EPS)

Particulars	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Net Profit / (Loss) After Tax available for Equity Shareholders (in Rs.)	6,69,439	52,95,794
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.)	0.21	1.65

NOTE NO. 26

- a. Figures are rounded off to nearest rupees.
- b. 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.
- c. Previous year figures have been regrouped or rearranged, wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For NBS & Co.

Chartered Accountants

Firm Reg. No. 110100W

Devdas Bhat

Partner

Membership No. 48094

Place: Mumbai

Date : 28-5-2019

For and on behalf of the Board of Directors

Gayathri Ramachandran

Chairperson

DIN : 02872723

Ankit Pratap Singh

Chief Financial Officer

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	:	(539,731)
Total assets	:	3,154,142
Total Liabilities	:	93,873*
Investments	:	--
Turnover	:	--
Profit before taxation	:	(25,374)
Profit for taxation	:	(25,374)
Provision for taxation	:	--
Profit after taxation	:	--
Proposed Dividend	:	--
% of shareholding	:	100%

*Excluding Share Capital and Reserves & Surplus

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

AS PER OUR REPORT OF EVEN DATE

For NBS & Co.

Chartered Accountants

Firm Reg. No. 110100W

Devdas Bhat

Partner

Membership No. 48094

Place: Mumbai

Date: 28-5-2019

For and on behalf of the Board of Directors

Gayathri Ramachandran

Chairperson

DIN : 02872723

Ankit Pratap Singh

Chief Financial Officer

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.

Liabilities Side

Rs. In Lakhs

		Amount Outstanding	Amount Overdue
1	Loans and Advances availed by the NBFCs inclusive of Interest accrued thereon but not paid	0.00	0.00
	a. Debentures	0.00	0.00
	Secured	0.00	0.00
	Unsecured (other than falling within the meaning of Public Deposits)	0.00	0.00
	b. Deferred Credits	0.00	0.00
	c. Term Loans	0.00	0.00
	d. Inter-corporate loans and borrowing	0.00	0.00
	e. Commercial Paper	0.00	0.00
	f. Other loans	79.01	0.00
	Total	79.01	0.00

Asset Side

		Amount Outstanding
2	Break up of Loans and Advances including bills receivables (other than those included in [4] below):	
	a. Secured	0.00
	b. Unsecured	1022.00
	Total	1022.00
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
	Total	0.00
4	Break-up of Investments:	
	Current Investments:	
	1. Quoted:	
	(i) Shares:	
	a. Equity	4.86
	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
	Total	4.86

	Amount Outstanding
2. Unquoted:	
(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
Total	0.00
Long Term Investments:	
1. Quoted:	
(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
Total	0.00
2. Unquoted:	
(i) Shares:	
a. Equity	36.00
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
Total	36.00

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
Total	0.00	0.00	0.00

KLG Capital Services Limited

6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value / Break up of fair value or NAV	Book Value (Net of Provisions)
	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
	Total	36.00	36.00

7 Other Information

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

AS PER OUR REPORT OF EVEN DATE

For NBS & Co.

Chartered Accountants

Firm Reg. No. 110100W

Devdas Bhat

Partner

Membership No. 48094

Place: Mumbai

Date: 28-5-2019

For and on behalf of the Board of Directors

Gayathri Ramachandran

Chairperson

DIN : 02872723

Ankit Pratap Singh

Chief Financial Officer

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 25th Annual General Meeting – Monday, September 30, 2019

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

I certify that I am a member of the Company.

I hereby record my presence at the 25th Annual General Meeting of the Members of the Company being held on Monday, September 30, 2019 at 1600 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

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 25th Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 1600 Hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS	Optional		
		For	Against	Abstain
1.	Ordinary Resolution for adoption of Audited Standalone Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2019 and the Reports of the Auditors and Directors thereon.			
2.	Ordinary Resolution for re-appointment of Mr. Nilesh Mehta, Director (DIN: 02101502), who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ordinary Resolution under section 139 of the Companies Act, 2013, for appointment of Auditors and fixing their remuneration.			
4.	Special Resolution for re-appointment of Mr. J. Alexander (DIN: 00485766) as an Independent Director of the Company.			
5.	Special Resolution for re-appointment Ms. Gayathri Ramchandran (DIN:02872723) as an Independent Director of the Company.			
5.	Special Resolution for re-appointment Mr. V. Ramanan (DIN:02754562) an Independent Director of the Company.			

Signed this day of, 2019

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 25th Annual General Meeting.
3. *It is optional to put your preference in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' or 'Abstain' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

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