

KLG CAPITAL SERVICES LIMITED

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

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

E-mail: company.secretary@klgcapital.com; Website: www.klgcapital.com

September 07, 2022

To
The Manager,
Listing Department,
BSE Limited,
P. J. Towers, Dalal Street,
Mumbai – 400 001

BSE Security Code: 530771

Sub: Submission of Notice with Annual Report of 28th Annual General Meeting of the Company.

Please find enclosed herewith the copy of Notice along with the Annual Report for convening the 28th Annual General Meeting of the Members of the company scheduled to be held on Friday, September, 30 2022 at 14:15 hours at 20 Downtown Hall, 2nd Floor, South West Wing, Cambata Building, 42, M. Karve Road, Churchgate, Mumbai 400 020.

The copy of the Annual Report along with Notice is also available on the website of the company i.e. www.klgcapital.com.

Kindly take the above in your record.

Thanking you,

Yours truly

For KLG Capital Services Limited



Chintan Chheda

Director

KLG CAPITAL SERVICES LIMITED

28th ANNUAL REPORT
2021 - 2022

ANNUAL GENERAL MEETING

Date : September 30, 2022

Day : Friday

Time : 1415 Hours

Place: 20Downtown Conference Hall,
2nd Floor, South-West Wing,
Cambata Building, 42, M. Karve Road,
Churchgate, Mumbai- 400020

BOARD OF DIRECTORS

Ms. Gayathri Ramachandran*	Chairperson
Mr. J. Alexander**	Independent Director
Mr. V. Ramanan	Independent Director
Mr. Rakesh Bajaj***	Independent Director
Mr. Chintan Chheda	Director
Ms. Priyanka Gandhi****	Director

*Ms. Gayathri Ramchandran resigned as Independent Director w.e.f September 15, 2021

**Mr. J. Alexander ceased to be Independent Director due to death on January 14, 2022

***Mr. Rakesh Bajaj appointed as Additional Independent Director w.e.f February 11, 2022

****Ms. Priyanka Gandhi appointed as Additional Director w.e.f February 11, 2022

MANAGER

Mr. Chakradhar Das (Resigned w.e.f November 11, 2021)

Mr. Akhilesh Kumar (Appointed w.e.f November 11, 2021)

CHIEF FINANCIAL OFFICER

Mr. Ankit Pratap Singh

COMPANY SECRETARY

Mr. Chandan Chetnani

(Resigned w.e.f. February 14, 2022)

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. Bharat Shah & Associates
Chartered Accountant, Mumbai

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited

44, Community Centre, 2nd Floor,

Naraina Industrial Area, Phase 1,

Near PVR, Naraina, New Delhi – 110 028

Ph: +91-11- 41410592-94

Fax: +91-11- 41410591

Email: delhi@linkintime.co.in

BANKERS

HDFC Bank Limited

Central Bank of India

Kotak Mahindra Bank

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NOTICE

NOTICE is hereby given that the 28th Annual General Meeting ('AGM') of the Members of KLG Capital Services Limited ('Company') will be held on Friday, September 30, 2022 at 1415 Hours at 20Downtown Conference Hall, 2nd Floor, South-West Wing, Cambata Building, 42, M. Karve Road, Churchgate, Mumbai-400020 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, 2022, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Chintan Chheda (DIN: 08098371), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mr. Akhilesh Kumar as a Manager of the Company

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

"Resolved That pursuant to recommendation of the Nomination and Remuneration Committee, approval of the Board, subject to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to appoint Mr. Akhilesh Kumar, as the Manager of the Company w.e.f November 10, 2021 for a period of two years on the terms and conditions of appointment as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting.

Resolved Further That the terms and conditions of the appointment may be altered and varied from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amount payable to the Manager in accordance with Schedule V of Companies Act 2013, other relevant provision of the Companies Act, 2013 and subject to such other modifications/amendments V to the Company made there under."

4. Appointment of Mr. Rakesh Bajaj 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 other applicable Regulations of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI Regulations') as amended from time to time, Mr. Rakesh Bajaj (DIN: 02894631) who was appointed as an Additional Independent Director w.e.f February 11, 2022 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 appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years i.e. from February 11, 2022 to February 10, 2027."

Resolved Further That the Board and/or Key Managerial Personnel of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."

5. Appointment of Ms. Priyanka Gandhi as a Director of the Company

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

"Resolved That pursuant to the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule IV of the Act, Ms. Priyanka Gandhi (DIN: 07428192), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 11, 2022, and whose term of office expires at the ensuing Annual General Meeting, be and is hereby appointed as Director, Non Independent (Non-executive) of the Company whose period of office will be liable to determination by retirement of directors by rotation.

Resolved Further That the Board and/or Key Managerial Personnel of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."

KLG Capital Services Limited

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

Place: Mumbai

Date: August 30, 2022

By Order of the Board of Directors

For KLG Capital Services Limited

Chintan Chheda

Director

DIN: 08098371

NOTES:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ('Act'), relating to special business to be transacted at the 28th 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 by the Institute of Company Secretaries of India of person seeking appointment/reappointment as Director/Key Managerial Personnel under Item No.2,3, 4 and 5 of the Notice, is annexed thereto and forms part of this notice.
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 authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution (PDF/JPEG format) 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 at the meeting
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 Saturday, September 24, 2022 to Friday, September 30, 2022 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 Act respectively will be available for inspection by the Members at the AGM. Members seeking to inspect such documents can send an email to company.secretary@klgcapital.com.
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/Registrar and Share Transfer Agent (RTA).

10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address with Company's RTA at delhi@linkintime.co.in so that they can receive the Annual Report and other communication from the Company in electronic form. 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 2021-22 including therein the Notice of the 28th 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 and who have not registered their email addresses physical copies are being sent to them in permitted mode. The Annual Report are being sent to the Members, as ibid, whose names shall appear in the Register of Members or in case of shares held in electronic form, who were the beneficial owners as on Friday, September 02, 2022. However, if such a person is not a Member on the cut-off date of Friday, September 23, 2022; 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 at 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 ('CSDL'). The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
14. The brief profile of the Director/Manager 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. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to the Company's RTA in case the shares are held by them in physical form.
16. In line with the Ministry of Corporate Affairs (MCA) Circular No.17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.klgcapital.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the same is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.
17. To facilitate other shareholders whose email id are not registered, to receive this notice electronically and cast their vote electronically, special arrangement has been made with its RTA for registration of email addresses in terms of the General Circular No. 17/2020 & 20/2020 issued by Ministry of Corporate Affairs dated April 13, 2020 & May 05, 2020 respectively. The process for registration of email addresses is as under: Pursuant to the aforesaid Circular issued by Ministry of Corporate Affairs, shareholders who have not registered their email address contact Company's RTA, Linkintime India Private Limited at delhi@linkintime.co.in and to Company at company.secretary@klgcapital.com.
18. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA i.e Link Intime India Private Limited, for assistance in this regard.
19. Members should notify the changes in their address immediately to the RTA of the Company/Depository Participants (DP) as the case may be. Members who are holding shares in Dematerialised form (Demat) are requested to keep their Bank Account details including IFSC and/or MICR updated with their respective DPs (Depository Participant) and those members who are holding shares in physical form, by sending a request to the RTA by quoting their Folio No, PAN along with cancelled cheque or other acceptable Bank Account proof.

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

- (i) The voting period begins on Tuesday, September 27, 2022 at 0900 hours and ends on Thursday, September 29, 2022 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 Friday, September 23, 2022, 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).

- (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: 220901048) 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. Them-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 there in 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. Friday, September 23, 2022.

The Company has appointed Mr. Jaisal Mohatta (Membership No. ACS35017), 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 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 OF THE COMPANIES ACT, 2013

ITEM NO.3

Mr. Akhilesh Kumar was appointed as a Manager of the Company on November 10, 2021 for a period of two years subject to approval of members of the Company, on the terms and conditions of appointment as contained in the draft agreement.

Approval of the shareholders is required to be accorded for appointment of Mr. Akhilesh Kumar as Manager of the Company by way of passing an Ordinary Resolution. Hence, the resolution is put up for shareholders' approval. None of the directors, Key Managerial Personnel apart from Mr. Akhilesh Kumar and their relatives are concerned or interested in the passing of the aforesaid resolution.

The Directors recommend the passing of the Resolution as Ordinary Resolution under Item No. 3 of the accompanying Notice for the approval of the Members of the Company. Brief Profile of Mr. Akhilesh Kumar is attached herewith as an Annexure No. II to the Notice.

ITEM NO. 4

The Board of Directors based on the recommendation of Nomination and Remuneration Committee appointed Mr. Rakesh Bajaj as Additional Independent Director of the Company not liable to retire by rotation w.e.f February 11, 2022 for a period of five years 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 other applicable Regulations of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI Regulations') .

Mr. Rakesh Bajaj has given his declaration to the Board that he meets the criteria of independent Director as provided under Section 149(6) of the Act, is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a director.

In the opinion of the Board, Mr. Rakesh Bajaj is a person of integrity, possesses the relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Regulations for appointment as an Independent Director and he is independent of the management.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Rakesh Bajaj on the Board of the Company and accordingly the Board recommends the appointment of Mr. Rakesh Bajaj as an Independent Director as proposed in the resolution set out at Item No. 4 for approval by the Members.

The Directors recommend the passing of the Resolution as Special Resolution under Item No. 4 of the accompanying Notice for the approval of the Members of the Company. Brief Profile of Mr. Rakesh Bajaj is attached herewith as an Annexure No. III to the Notice. None of the directors, Key Managerial Personnel apart from Mr. Rakesh Bajaj and their relatives are concerned or interested in the passing of the aforesaid resolution.

ITEM NO.5

Ms. Priyanka Gandhi was appointed as an Additional Director of the Company w.e.f. February 11, 2022 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules, 2014 and the Articles of Association of the Company and who shall hold the office upto the date of ensuing Annual General Meeting of the Company.

Ms. Priyanka Gandhi is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given her consent to act as Director. Her brief resume and other particulars have been given in the exhibit to this Notice. The approval of the members is sought for appointment of Ms. Priyanka Gandhi as the Director of the Company.

The Board of Director recommends the Ordinary Resolution for appointment of Ms. Priyanka Gandhi as Director of the Company. The brief profile of Ms. Priyanka Gandhi is attached herewith as an Annexure No. IV to the Notice.

Except, Ms. Priyanka Gandhi, none of the Directors of your Company or their relatives are concerned or interested in the said resolution.

EXHIBIT TO NOTICE

Annexure I

Name of the Director	:	Mr. Chintan Chheda (DIN: 08098371)
Designation	:	Director
Date of Birth	:	August 29, 1988
Age	:	34 years
Nationality	:	Indian
Qualification	:	Bachelor of Engineering (Information Technology), e-MBA-Digital Business Management
Date of First Appointment on the Board	:	November 13, 2020
Experience/ Brief Profile	:	Mr. Chintan Chheda is affiliated with e-commerce and digital marketing. He has experience in market research and formulating business plans.
Terms and Conditions of appointment/re-appointment	:	As per resolution at Item No. 2 of the Notice
Number of Board Meetings attended during the financial year 2021-22	:	4
Remuneration	:	Nil
Memberships/ Chairmanships of committees (includes only Audit Committee/ Investor Grievances Committee/ Stakeholder's Relationship Committee) of other public Companies as on March 31, 2022	:	
a) Audit Committee		1. JPT Securities Limited
b) Stakeholders Relationship Committee		Nil
c) Nomination and Remuneration Committee		1. JPT Securities Limited
Directorships held in other companies as on March 31, 2022	:	1. Montana Infrastructure Ltd 2. Awaita Properties Pvt Limited 3. KLG Stock Broker Private Ltd 4. JPT Securities Limited 5. Orange Smart City Limited 6. Orange Growth Centre Infra-Projects Limited
Number of shares held in the Company as on March 31, 2022	:	Nil
Inter-se relationship with other Directors and KMPs	:	None

Annexure II

Name of the Manager	:	Mr. Akhilesh Kumar
Designation	:	Manager
Date of Birth	:	July 26, 1990
Age	:	32 years
Nationality	:	Indian
Qualification	:	Bachelor of Business Administration from Integral University, Lucknow
Date of First Appointment on the Board	:	November 10, 2021
Experience/ Brief Profile	:	More than 10 years of experience in Administration
Terms and Conditions of appointment/re-appointment	:	As per resolution at Item No. 3 of the Notice
Number of Board Meetings attended during the financial year 2021-22	:	1
Remuneration	:	Nil
Memberships/ Chairmanships of committees (includes only Audit Committee/ Investor Grievances Committee/ Stakeholder's Relationship Committee) of other public Companies as on March 31, 2022	:	
a) Audit Committee		Nil
b) Stakeholders Relationship Committee		Nil
c) Nomination and Remuneration Committee		Nil
Directorships held in other companies as on March 31, 2022	:	1. Sohum Broking Private Limited 2. Sagar Inflatables Limited 3. Triforce Infrastructure (India) Private Limited
Number of shares held in the Company as on March 31, 2022	:	Nil
Inter-se relationship with other Directors and KMPs	:	None

Annexure III

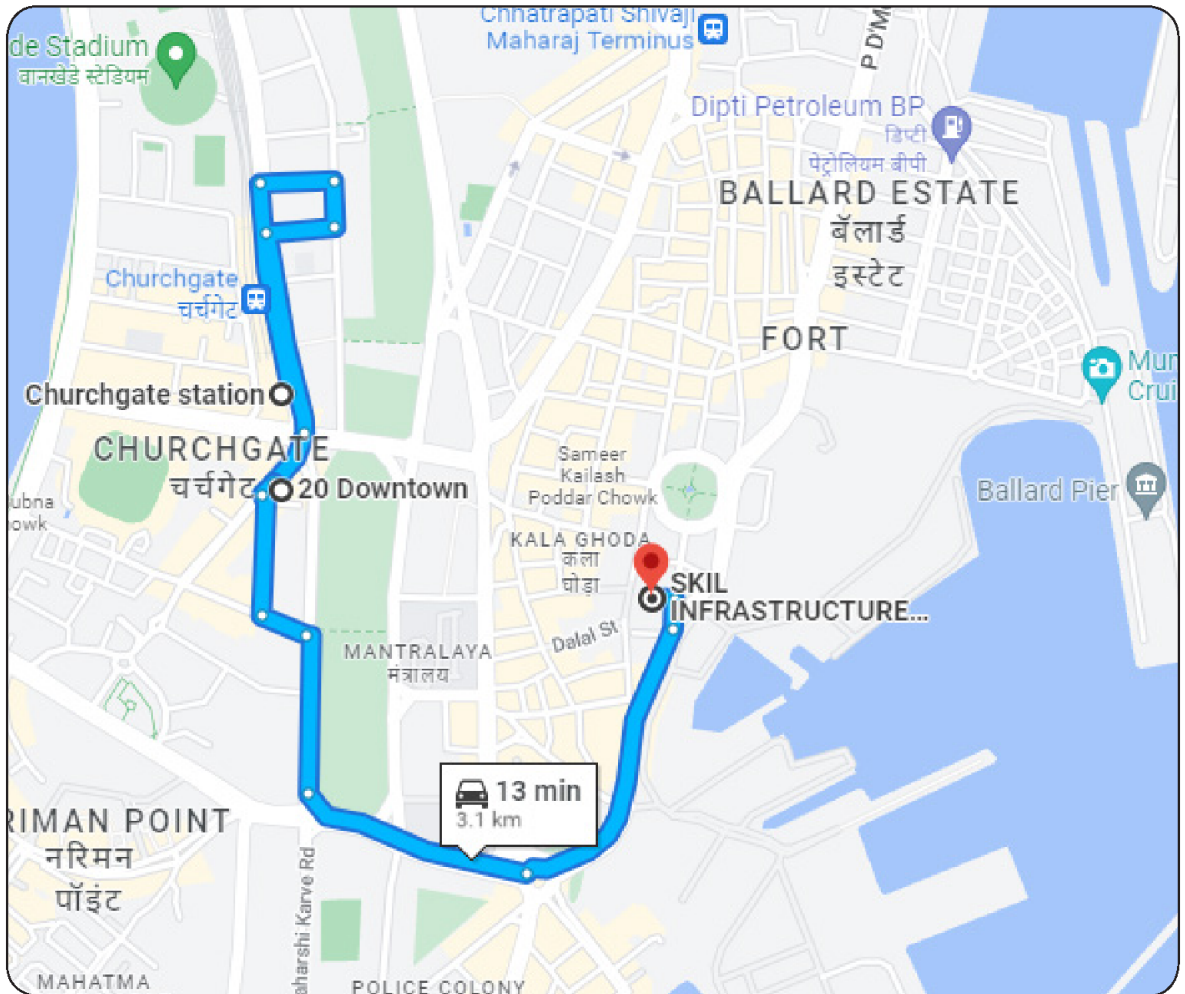
Name of the Director	:	Mr. Rakesh Bajaj (DIN: 02894631)
Designation	:	Independent Director
Date of Birth	:	June 15, 1953
Age	:	69 years
Nationality	:	Indian
Qualification	:	MBA
Date of First Appointment on the Board	:	February 11, 2022
Experience/ Brief Profile	:	He possesses B.E. in Electronics & Telecommunication from REC, Trichy, M.tech in Radar & Communications from IIT, Delhi and MBA with HR as specialization from IGNOU. Also, he was with the Indian Navy for over 3 decades.
Terms and Conditions of appointment/re-appointment	:	As per resolution at Item No. 4 of the Notice
Number of Board Meetings attended during the financial year 2021-22	:	1
Remuneration	:	Nil
Memberships/ Chairmanships of committees (includes only Audit Committee/ Investor Grievances Committee/ Stakeholder's Relationship Committee) of other public Companies as on March 31, 2022	:	
a) Audit Committee		1. JPT Securities Limited
b) Stakeholders Relationship Committee		Nil
c) Nomination and Remuneration Committee		Nil
Directorships held in other companies as on March 31, 2022	:	1. SKIL Infrastructure Limited 2. JPT Securities Limited 3. Karanja Terminal & Logistics Private Limited 4. ImiclDighi Maritime Limited 5. Porto Novo Maritime Limited
Number of shares held in the Company as on March 31, 2022	:	Nil
Inter-se relationship with other Directors and KMPs	:	None

Annexure IV

Name of the Director	:	Priyanka Nikhil Gandhi (DIN: 07428192)
Designation	:	Additional Director
Date of Birth	:	April 10, 1990
Age	:	32 years
Nationality	:	Indian
Qualification	:	BBA
Date of First Appointment on the Board	:	February 11, 2022
Experience/ Brief Profile	:	She possesses International Baccalaureate from the American School of Bombay and BBA from the American University in Dubai. Also, she has experience in development of logistics and Infrastructure Projects.
Terms and Conditions of appointment/re-appointment	:	As per resolution at Item No. 5 of the Notice
Number of Board Meetings attended during the financial year 2021-22	:	1
Remuneration	:	Nil
Memberships/ Chairmanships of committees (includes only Audit Committee/ Investor Grievances Committee/ Stakeholder's Relationship Committee) of other public Companies as on March 31, 2022	:	
a) Audit Committee		Nil
b) Stakeholders Relationship Committee		Nil
c) Nomination and Remuneration Committee		Nil
Directorships held in other companies as on March 31, 2022	:	<ol style="list-style-type: none"> 1. JPT Securities Limited 2. Adel Agro Private Limited 3. Adel Infrastructure Private Limited 4. Sakura Infrastructure Limited 5. South City Orchard Limited 6. Daloy Realtech Private Limited 7. Charanamrut Properties Private Limited 8. Dua Foundation
Number of shares held in the Company as on March 31, 2022	:	Nil

Route Map for Venue of the 28th Annual General Meeting

Address: 20Downtown Conference Hall, 2nd Floor, South-West Wing, Cambata Building, 42,
M. Karve Road, Churchgate, Mumbai- 400020.



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 28th Annual Report of KLG Capital Securities Limited ('Company') together with the Audited Financial Statements for the year ended March 31, 2022.

Financial Highlights (Standalone)

The financial performance of the Company for the financial year ended March 31, 2022 is summarized below:

(Rupees In Lacs)

Particulars	2021-2022	2020-2021
Total Income	77.40	76.83
Less: Expenditure	75.87	70.86
Profit/(Loss) before Depreciation & Tax	1.53	5.97
Less: Depreciation	0.00	0.00
Profit before Tax	1.53	5.97
Less: Taxes	0.70	1.67
Profit after Tax	0.83	4.29
Less: Transfer to Statutory Reserve Account as per Section 45-IC of the Reserve Bank of India Act, 1934	-	-
Balance carried forward to Balance Sheet	0.83	4.29

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 77.40 Lacs as compared to the income of Rs.76.83 Lacs during the previous financial year. The profit after tax as on March 31, 2021 amounted to Rs.0.83 Lacs as against Profit of Rs.4.29 Lacs during the previous financial year.

Impact of COVID-19 on business

As in case of all other businesses and companies all over the world, the business of the Company has also been impacted due to COVID-19 pandemic for the FY 2021-22. Notwithstanding the same, the Company is optimistic about the country's economic revival as well as the Company's own business activities.

Dividend

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

Transfer to Reserves

During the year under review, no amount has been 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 Annual Return in Form MGT-7 as required under Section 92 (3) of the Companies Act, 2013 (Act) is available on the website of the Company viz. www.klgcapital.com/investor-desk-annual-report.php

Material Changes and Commitments

From April 01, 2019 IND-AS is applicable to your Company a part from this there have been no material changes and commitments 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, 2022.

Particulars of Loan, Guarantees and Investments

Details of Loans, Guarantees and Investment covered under the provisions of Section 186 of the 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

All Related Party Transactions (RPTs) are placed on a quarterly basis before the Audit Committee and before the Board for

approval. Prior omnibus approval of the Audit and the Board is obtained for the transactions which are of a foreseeable and repetitive nature.

All RPTs entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material RPTs, entered during the year as per Section 188 of the Act which require approval of the member. The disclosures on RPTs are made in the Notes to the Financial Statements of the Company. Hence, the Company has nothing to report in Form AOC-2 and the same is not annexed.

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, the 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 Act.

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

Ms. Gayathri Ramachandran resigned as a Chairperson & Independent Director of the Company due to pre-occupation, health issues age factor w.e.f September 15, 2021. The Board placed on record the appreciation for the valuable contribution rendered during her tenure as a Director of the Company.

Mr. J. Alexander ceased to be Director of the Company due to his death on January 14, 2022.

The Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Rakesh Bajaj as Additional (Independent) Director and Ms. Priyanka Gandhi as Director of the Company w.e.f February 11, 2022.

Pursuant to the provisions of Section 152 of the Act, Mr. Chintan Chheda (DIN: 08098371) retires by rotation at ensuing AGM and being eligible, offers himself for re-appointment.

Mr. Chakrddhar Das resigned as Manager & Mr. Akhilesh Kumar was appointed as Manager of the Company w.e.f November 11, 2021. Further, Mr. Chandan Chetnani resigned as the Company Secretary under the category of Whole-time Key Managerial Personnel of the Company w.e.f February 11, 2022.

In terms of provisions of Section 203 of Companies Act, 2013, as on March 31, 2022, Mr. Akhilesh Kumar, Manager and Mr. Ankit Pratap Singh, Chief Financial Officer are the KMP's of the Company.

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, Ms. Gayathri Ramachandran and Mr. V. Ramanan 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 Companies Act, 2013 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

KLG Capital Services Limited

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 Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties. The performance of all directors was also evaluated by the Nomination and Remuneration Committee.

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

Directors Responsibility Statement

In accordance with the provisions of Section 134(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, 2022 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 2021-22, four meetings of the Board of Directors of the company were held on June 30, 2021, August 11, 2021, November 10, 2021 and February 11, 2022. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

The attendance of each Director at the said Board Meetings for FY 2021-22 is given below:

Name of the Directors	No. of Board Meetings Held [Refer Note (i)]	No. of Board Meetings attended
Ms. Gayathri Ramachandran*	2	2
Mr. J. Alexander**	3	3
Mr. V. Ramanan	4	4
Ms. Priyanka Gandhi#	1	1
Mr. Chintan Chheda	4	4
Mr. Rakesh Bajaj#	1	1

Note: (i) No. of Board Meetings held reflects the no. of meetings held in the tenure of the concerned Director in financial year 2021-22.

*Ms. Gayathri Ramachandran ceased to be Director w.e.f September 15, 2021.

**Mr. J. Alexander ceased to be director on account of his death on January 14, 2022.

#Mr. Rakesh Bajaj & Ms. Priyanka Gandhi appointed as a director w.e.f February 11, 2022.

Audit Committee

As on March 31, 2022 the Audit Committee comprises of Mr. V. Ramanan (Chairman), Mr. Rakesh Bajaj and Mr. Chintan Chheda 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 June 30, 2021, August 11, 2021, November 10, 2021 and February 11, 2022.

The attendance of each Members at the said Committee Meetings for FY 2021-22 is given below:

Name of the Members	No. of Committee Meetings held [Refer Note (i)]	No. of Committee Meetings Attended
Mr. V. Ramanan	4	4
Mr. J. Alexander*	3	3
Ms. Gayathri Ramachandran**	2	2
Mr. Chintan Chheda	4	4
Mr. Rakesh Bajaj***	1	1

Note: (i) No. of Meetings held reflects the no. of meetings held in the tenure of the concerned Members in financial year 2021-22.

*Mr. J. Alexander ceased to be Member on account of his death on January 14, 2022.

** Ms. Gayathri Ramachandran resigned as Member w.e.f September 15, 2021.

*** Mr. Rakesh Bajaj was appointed as Member w.e.f February 11, 2022.

Nomination and Remuneration Committee:

As on March 31, 2022 the Nomination and Remuneration Committee comprises of, Mr. V. Ramanan and Mr. Chintan Chheda as Members.

The meeting of the Committee was held on August 10, 2021, November 10, 2021 and February 11, 2022.

The attendance of each Members at the said Committee meetings for FY 2021-22 is given below:

Name of the Members	No. of Committee Meetings held [Refer Note (i)]	No. of Committee Meetings Attended
Ms. Gayathri Ramachandran*	1	1
Mr. J. Alexander**	2	2
Mr. V. Ramanan	3	3

Note: (i) No. of Committee Meetings held reflects the no. of meetings held in the tenure of the concerned Members in financial year 2021-22.

*Ms. Gayathri Ramachandran resigned as Member w.e.f September 15, 2021.

** Mr. J. Alexander ceased to be Member on account of his death on January 14, 2022.

Stakeholders Relationship Committee:

The Stakeholders Relationship Committee comprises of Mr. Chintan Chheda (Chairman), and Mr. V. Ramanan as Members. As per Regulation 15 of SEBI Regulations the compliance with Corporate Governance provisions is not applicable to the meeting, no meeting is conducted in FY 2020-21.

Statutory Auditors:

M/s. Bharat Shah & Associates, Chartered Accountants (Registration No. 101249W) were appointed as the Statutory Auditors of the Company at the 27th AGM held on September 30, 2021 for a term of five years until the conclusion of the Company at the 32th AGM. In accordance with the Companies (Amendment) Act, 2017 enforced on May 07, 2018, by the Ministry of the Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM by members and same has been dispensed with. Accordingly, no such item has been considered in 28th AGM notice.

Auditors' Report

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended March 31, 2022, does not contain any qualification. The observation in the Auditor's Report by M/s. Bharat Shah & Associates., Chartered Accountants have been dealt with in the relevant Notes to Accounts, which are self - explanatory.

Internal Auditors:

Looking the size and nature of the business, Board of Directors in their meeting held on February 11, 2022 decided to appoint Mr. Ankit Singh, Chief Financial Officer, Employee of the Company as Internal Auditor of the Company pursuant to Section 138 (1) of the Act. The Audit Committee reviewed the Internal audit Report.

Secretarial Auditor:

Pursuant to Section 204 of the Act, the Board has appointed M/s. Jaisal Mohatta & Associates, Practicing Company Secretary, Mumbai, as its Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022, is as annexed to this report as **Annexure I**. There has been a delay/non-filing of a form/returns due to unavailability of requisite information/technical issues/ documents. With respect to other observation, the Secretarial Audit Report is self-explanatory and have been addressed under the specific heading in the later part of this Report.

Management Discussion and Analysis

The Management Discussion and Analysis 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 II**.

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 Management Discussion and Analysis (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 Mr. V. Ramanan and Mr. Chintan Chheda as Members. 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 III**.

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.

Listing Fees

The Company is yet to pay Annual Listing Fees (ALF) of BSE Limited for FY 2020-21, FY 2021-22 & FY 22-23. For the Non-Payment of ALF, the Company has received the reminders for making the said payment.

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**

**Chintan Chheda
Director
DIN: 08098371**

Place: Mumbai

Date: August 30, 2022

Annexure I

Form MR - 3

Secretarial Audit Report

for the Financial Year Ended 31st March, 2022

[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

We 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 our 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, We hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2022** 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 :

We 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, 2022** 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; **[Not Applicable as the Company has not issued any further share capital during the period under review];**
- (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - d. 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];**
 - e. 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];**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2015; **[Not Applicable as there was no reportable event during the period under review];**
 - h. 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];**
 - i. 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.
- h. Prevention of Money Laundering Act, 2002 and the Rules made thereunder; and
- i. 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

We have also examined compliance with the applicable clauses of:

- (i) The Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited (BSE);

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except (i) Form DPT-3 (Return of Deposit) is yet to be filed to Registrar of Companies(ii) As Reg. 14 of SEBI (LODR), 2015 Company is yet to pay listing fees to Stock Exchange (iii) The Company has delayed in filing of Disclosures pursuant to Reg. 13(3)-Statement of Investor Complaints, Reg. 31 -Share Holding Pattern, Reg7(3) – Compliance Certificate, Reg. 40(9) - Certificate from PCS and Reg.76- Reconciliation of share capital audit to Stock Exchange for the Quarter ended on March 2022 (iv) As per Reg. 25(6) of SEBI (LODR), 2015 the Company has delayed in the Appointment of Mr. Rakesh Bajaj Non-Executive Independent Director to fill the vacancy caused by Resignation of Mrs. Comal Ramachandran Gayathri(v) As per second Proviso to Section 149(1) read with Rule 3 of the Companies(Appointment and Qualification of directors)Rules,2014 the Company has delayed in Appointment of Women Director(vi) As per Reg. 30 of SEBI (LODR), 2015, the Company is yet to intimate the Resignation of Mr. Chandan Chetnani, Company Secretary & Compliance officer of the Company to Stock Exchange (vii) As per Reg.19 of SEBI (LODR), 2015, Nomination & Remuneration Committee of Company was not properly constituted for a brief period of time (viii) The Company is yet to Comply with the Reserve Bank of India Compliance to the extent applicable to the Company for the Half Year/Year Ended March 31, 2022.

We further report that we have relied 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.

We 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 except with delayed in Appointment of Mr. Rakesh Bajaj Non-Executive Independent Director to fill the vacancy caused by Resignation of Mrs. Comal Ramachandran Gayathri and Appointment of Women Director.

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.

We further report that based on the review of the Compliance mechanism established by the Company and on the basis of Compliance Certificates issued by the Chairman and taken in record by the Board of Directors at their meetings, we are of the opinion 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.

We 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 and Resignation of Mr. Chandan Chetnani as a Company Secretary of the Company w.e.f 11th August 2021 and 14th February 2022 respectively
- Resignation of Mrs. Comal Ramachandran Gayathri from the directorship of the Company w.e.f 15th September 2021
- Resignation of Mr. Chakradhar Das from the post of Manager of the Company w.e.f 10th November 2021.

KLG Capital Services Limited

- Appointment of Mr. Akhilesh Kumar as a Manager of the Company w.e.f 10th November 2021.
- Appointment of Mr. Rakesh Bajaj as Non-Executive Independent Director of the Company w.e.f. 11th February 2022
- Appointment of Mrs. Priyanka Nikhil Gandhi as Non-Executive Non-Independent Director of the Company w.e.f. 11th February 2022

For Jaisal Mohatta & Associates
Company Secretaries

(Jaisal Mohatta)

Proprietor

ACS - 35017, COP – 16090

Peer Review Certificate No. 2372/2022

Surat, August 10, 2022
UDIN: A035017D000746959

*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 40023

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Jaisal Mohatta & Associates
Company Secretaries

(Jaisal Mohatta)

Proprietor

ACS - 35017, COP – 16090

Peer Review Certificate No. 2372/2022

Surat, August 10, 2022
UDIN: A035017D000746959

Annexure II 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 2021-22 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 2021-22 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, 2022, there were 2 permanent employees on the pay roll of the Company.
- v) Average percentile increases 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 III 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 provisions of Section 178 of the Companies Act, 2013 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.

POLICY FOR APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

1) General appointment criteria:

- i) The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

- ii) The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel does not stand disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.
- i) The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the applicable provisions of the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

II) Other appointment criteria:

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

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

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

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

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

ii) 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

- 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 up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
 - c) At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

IV) Evaluation

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

V) Removal

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

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

I) Remuneration to Directors, KMP and Senior Management:

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

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

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

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

II) Remuneration to Non-executive / Independent Director:

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

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

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

III) Remuneration to other employees:

The authority to determine remuneration and terms of appointment of other employees stands delegated to the Managing Director / Chief Executive Officer of the Company.

COMMITTEE MEMBERS' INTERESTS

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

VOTING

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

DISCLOSURES

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

MISCELLANEOUS

Any terms used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, or any other 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 Companies Act, 2013 and/or other applicable laws in this regard shall automatically apply to this Policy.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is 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 Reserve Bank of India Act, 1934. The Equity Shares of the Company are listed on BSE 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. The Registered Office of the Company was shifted from New Delhi to Mumbai in May 2010.

The Company has Subsidiary Company namely, KLG Stock Broker Private Limited, which has been admitted as a Deposit Based Trading Member of Cash Segment and Equity Derivatives Segment of BSE Limited.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards notified under Section 133 of the Act. The management of KLG Capital Services Limited has used estimates and judgments relating to the financial statement on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner, the state of affairs and Loss for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statement and the notes to these statements included in the Annual Report.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

Future capital spending of the government in the Indian economy is expected to be supported by factors such as tax buoyancy, streamlined tax system, thorough assessment and rationalisation of the tariff structure and digitisation of tax filing. In the medium term, an increase in capital spending on infrastructure and asset-building projects is set to increase growth multipliers. Furthermore, revival in monsoon and Kharif sowing helped the agriculture sector gain momentum.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's nominal GDP at current prices was estimated at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy, and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between this period. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 1.2% of GDP in 2021-22.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines lost steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

India is primarily a domestic demand-driven economy, with consumption and investments contributing 70% to the country's economic activity. With the economic scenario improving on recovering from the COVID-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also launching growth-oriented policies to boost the economy. In view of this, the country witnessed many developments in the recent past, some of which are mentioned below.

- a) As of July 15, 2022, India's foreign exchange reserves reached US\$ 572.71 billion.
- b) Private equity-venture capital (PE-VC) sector investments stood at US\$ 34.1 billion, up 28% YoY, across 711 deals through January-June 2022.
- c) India's merchandise exports stood at US\$ 676.2 billion in FY22. In June 2022, India's merchandise exports stood at US \$ 37.9 billion, recording the highest ever exports in June 2022.

- d) PMI Services was at 58.9 in May 2022 compared to 57.9 in April 2022.
- e) In June 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 1.44 trillion (US\$ 18.1 billion).
- f) According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 588.53 billion between April 2000-March 2022.
- g) In May 2022, the Index of Industrial Production (IIP) stood at 137.7 driven by mining, manufacturing and electricity sectors.
- h) Consumer Price Index (CPI) inflation stood at 7.01% in June 2022 compared to 7.04% in May 2022.
- i) In July 2022 (until 21 July 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 228,862 crore (US\$ 28.65 billion)
- j) Wheat procurement in Rabi 2021-22 and anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over the recent decade, India's rapid economic growth has led to a substantial increase in demand for exports. Moreover, many of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- a) In July 2022, the Union Cabinet chaired by the Prime Minister, Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India and Maldives. This MoU will provide a platform to tap the benefits of IT for court digitisation, and can be a potential growth area for IT companies and start-ups in both the countries.
- b) India and Namibia entered into an MoU on wildlife conservation and sustainable biodiversity utilisation on July 20, 2022, for establishing the cheetah's habitat in the historical forest range in India.
- c) In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- d) Mr. Rajnath Singh, Minister of Defense, launched 75 newly-developed artificial intelligence (AI) products and technologies during the first-ever "AI in Defense" (AIDef) symposium and exhibition, organised by the Ministry of Defense in New Delhi on July 11, 2022.
- e) In June 2022:
 - i. Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow.
 - ii. The projects encompass diverse sectors such as Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defense & Aerospace and Handloom & Textiles.
- f) The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked an MoU with Lysterra, LLC, a Russia-based company, for the commercialisation of bio capsule, an encapsulation technology for bio-fertilisation on June 30, 2022.
- g) As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners, including major trade agreements such as the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (Ind Aus ECTA).
- h) The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM Gati Shakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- i) Under PM Gati Shakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.

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- j) In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of Atma Nirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
 - k) In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
 - l) In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
 - m) In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
 - n) In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
 - o) In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
 - p) Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
 - q) In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
 - r) Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
 - s) In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
 - t) To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
 - u) In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected 2% and 6%, respectively, in FY22.
 - v) In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
 - w) Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
 - x) On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
 - y) National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
 - z) By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
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- aa) In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- ab) In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- ac) In April 2021, Dr. Ahmed Abdul Rahman Al Banna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- ad) India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- ae) The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

GDP Growth

India is likely to be the fastest-growing Asian economy in the Asian region in 2022-23, according to analysts at Morgan Stanley, who expect the expect India's gross domestic product (GDP) growth to average 7 per cent during this period – the strongest among the largest economies – and contributing 28 per cent and 22 per cent to Asian and global growth, respectively. The Indian economy, they said, is set for its best run in over a decade, as pent-up demand is being unleashed.

Industrial Production

The Index of Industrial Production (IIP) had grown 2.2 per cent in March 2022. Compared with pre-Covid levels of April 2019, industrial output recorded a growth of 6.8 per cent and compared with February 2020 level, it grew by just 0.7 per cent. While there are continuing question marks over the durability of the industrial sector recovery amidst festering inflation and an inclement external situation, the year-on-year growth in the IIP is projected to surge further next month on the back of a favourable base linked to the second wave of Covid-19.

Inflation and Interest Rate

The Reserve Bank of India raised its key repo rate by 50 bps to 5.4% during its August meeting, the third rate hike in a row, surprising markets had forecast a 35 bps rate hike, as policymakers stepped up efforts to bring down inflation which has stayed above the upper end of the central bank's target this year. The decision followed a 50bps hike in June, bringing the rate to level not seen since September 2019. The central bank maintained its inflation forecast for FY 2023 at 6.7% and its economic growth at 7.2%. The annual inflation eased slightly to 7.01% in June of 2022, amid surging food prices. However, it remained above the RBI's target range of 2-6% for the sixth straight month. The central bank also raised both the standing deposit facility (SDF) rate and the marginal standing facility (MSF) rate and the bank rate by 50 bps to 5.15% and 5.65%, respectively.

2. OPPORTUNITIES AND THREATS Opportunities

- Low retail penetration of financial services / products in India
- Extensive distribution reach and strong brand recognition
- Opening of financial sector in India along with introduction of innovative products
- Opportunity to cross sell services
- Increasing per-capita GDP
- Changing demographic profile of the country in favour of the young

Threats

- Inflationary pressures, slowdown in policy making and reduction in household savings in financial products
- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Attraction and retention of human capital

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, 2022, 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, 2022, 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. 441.91 Lacs (previous year Rs.441.08 Lacs).

8. HUMAN RESOURCE

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

9. THE KEY FINANCIAL RATIOS ARE AS UNDER:

S. No.	Particulars	as on 31.03.2022	as on 31.03.2021
1	Current Ratio	7.61	7.71
2	Debt- Equity Ratio	NA	NA
3	Debt Service Coverage Ratio	NA	NA
4	Return on Equity Ratio	-	0.01
5	Inventory turnover Ratio	NA	NA
6	Trade Receivables turnover Ratio	NA	NA
7	Trade payables turnover Ratio	NA	NA
8	Net Capital Turnover Ratio	0.10	0.10
9	Net profit Ratio	0.01	0.06
10	Return on Capital employed	-	0.01
11	Return on investment	0.02	0.12

10. RISK MANAGEMENT FRAME WORK

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

12. 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

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **KLG Capital Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit/loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current year. We have determined that there are no Key Matters to Communicate in our report.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is other information included in Board of Directors Report including Annexure to such report but does not include the standalone financial statements and our Auditor's Report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of 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 standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind As financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind As financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind As financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind As financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 it 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 relevant books of account.

- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 with reference to these standalone Ind AS financial statements 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 the requirements of section 197(16) of the Act, as amended; we would like to state that the remuneration which is paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements ;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**AS PER OUR REPORT OF EVEN DATE
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
(Firm Reg. No.: 101249W)**

**(BHARAT A. SHAH)
PROPRIETOR**

**Membership No.32281
UDIN: 22032281AJSICZ8333**

**PLACE: Mumbai
DATE : 27.05.2022**

Annexure A to the Independent Auditors' Report

The Annexure referred to in our report to the members of KLG Capital Services Limited ("the Company") for the year Ended on 31st March, 2022. We report that:

- i. (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(B) There are no intangible assets owned by the company hence this clause is not applicable
- (b) All the fixed assets has been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the company and nature of its fixed assets and no material discrepancies were noticed on such physical verification.
- (c) The Company does not hold any immovable property; hence clause (c) is not applicable.
- (d) The company has not revalued any of his property, Plant & Equipment during the year
- (e) No Proceedings have been initiated during the year or are pending against the company as at March 31st 2022 for holding any benami property under the Benami Transactions (Prohibition) act 1988 (as amended in 2016)and the rules made thereunder.
- ii. The Company doesn't have any inventory, hence this clause is Not Applicable.
- iii. During the year The company has not made any fresh investment or provided any guarantee or security or granted any Loans and advances in the nature of Loans secured or unsecured to Companies, firms, Limited Liability Partnership or any other entity
 - (a) Regarding Outstanding Loans or advances in the nature of Loans this clause is not applicable as Principle business of the company is of giving Loans
 - (b) The Investments made, guarantee provided, security given and Terms & Conditions of Giving all Loans and advances in nature of Loan and guarantee provided in our opinion are prime facie not pre judicial to the interest of the company
 - (c) (c),(d) & (e) Since the Loans and Advances in the nature of Loans are repayable on demand and there is not stipulation regarding terms or period of repayment the clause (c), (d), & (e) are not applicable
 - (f) There are total loans of Rs.11,82,00,000/- which are repayable on demand or without specifying any terms or period of repayment , aggregate amount of Loans Rs.11,82,00,000/- and which is 100% of Total Loans Granted and there are no amount of loan granted to promoters , related parties as defined in clause (76) of Section 2 of Companies act 2013
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- v. According to information and explanation given to us, the company has not accepted any public deposits, and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable for the year under audit.
- vi. We have been informed by the management that the Central Government has not prescribed maintenance of cost records for the Company under sub-section (1) of section 148 of the Companies Act, 2013. Therefore the provision of clause (vi) of para 3 is not applicable.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess, GST and other material statutory dues applicable with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2022, for the period of more than six months from the date becoming payable except Income tax Payable of Rs.3,33,21,141/-
- (b) According to the information and explanations given to us there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excess Duty, VAT and cess on account of any dispute which have not been deposited. Except the disputed Income Tax demand of Rs.11,90,14,556 as per following details.

Name of the Statute	Nature of Dues	Forum where dispute is Pending	Period to which related	Amount of Rs.
Income Tax Act, 1961	Income Tax	CIT(A) National Faceless Appeal Centre (NAFC) Delhi.	AY. 2012-13	11,90,14,556

KLG Capital Services Limited

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in tax Assessments under the income tax act, 1961 during the year
- ix. (a) The Company has not defaulted in repayment of Loans or other borrowings or in the payment of interest thereon to any lender and hence reporting under clause (ix)(a) is not applicable.
- (b) The Company has not been declared willful defaulter by any Bank or Financial Institution or other lender
- (c) The Company has not taken any Term Loan during the year & there are no unutilized term loan at the beginning of the year and hence reporting under clause ix.(c) is Not applicable
- (d) On overall examination of the financial statement of the company funds raised on short term basis have prime facie not been used during the year for long term purposes of the company
- (e) On Overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of his subsidiary company. The Company did not have any Associates or Joint venture during the year.
- (f) Company has not raised any Loan during the year on the pledge of security of its subsidiary company hence reporting under clause ix. (f) of the Order is not applicable
- x. (a) In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including Debt Instruments) during the year. Therefor provision of Clause x.(a) of order is not applicable
- (b) During the year Company has not made any preferential allotment or Private placement of shares or convertible debenture (fully/Partly/optionally) and hence reporting under Clause (b) is not applicable to the company
- xi. (a) During the course of our examination of the books and records of the company carried out in accordance with the generally accepted Auditing practices in India and according to the information and explanations given to us they have neither come across any instance of material fraud on or by the Company noticed or reported during the year, nor have been informed of such case by the Management
- (b) to the bet of our knowledge no report under sub-section (12) of section 143 of the companies act 2013 has been filed in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central Government during the year and up to the date of this Report
- (c) There are no whistle blower Complaints received by the company during the year and upto the date of the report
- xii. The company is not a Nidhi Company. Therefore the Reporting under clause (xii) (a),(b) and (c) of the order is not applicable.
- xiii. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc, as required by the applicable accounting standard.
- xiv. (a) In Our Opinion the company has adequate internal audit system commensurate with the size and nature of its business
- (b) Since the Company is a Small Company, the internal Audit work is assigned to separate officer of the company, its internal Audit report for the audit period is considered by us.
- xv. In our Opinion the company during the year the company has not entered into any non-cash transactions with any of its directors or directors of its Holding Company , Subsidiary company , associate Company or persons connected with such directors and hence provisions of section 192 of Companies Act is not applicable to Company
- xvi. (a) In our opinion, and according to the information and explanations given to us, the Company is required to be registered under section 45-IA of The Reserve Bank of India Act, 1934 and it has obtained certificate of registration.
- (b) Since the company has valid certificate of registration (COR) from Reserve Bank Of India as per The Reserve Bank of India Act, 1934 and hence reporting under clause (b) is not applicable
- (c) A Company is not a core Investment Company (CIC) as defined in Regulation of Reserve Bank of India so it does not required to register as CIC
- (d) The Group does not have more than one CIC accordingly reporting under Clause XVI.(d) is not applicable
- xvii. The Company has not incurred cash loss in current financial year & in the preceding financial year.
- xviii. The Previous Auditor of the Company Batra Sapra & Co. Chartered Accountant has resigned during the year, The Current Auditor has taken into Consideration the issues, objective or Concern's raised by outgoing auditor

- xix. On the basis of Financial ratios, ageing and expected dates of Realization of Financial Assets & Payment of Financial Liabilities, other information accompanying the financial statements and our knowledge of board of directors and Managements plans and based on our examination of evidence supporting the assumption nothing has come to our attention which cause us to believe that any material uncertainty exist as on the date of Audit report indicating that company is not capable of meeting its liabilities existing as on the date of Balance sheet
- xx. The Provision of Section 135 of The companies act 2013 is not applicable to the company during the year and hence reporting under this clause is not applicable.

**AS PER OUR REPORT OF EVEN DATE
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
(Firm Reg. No.: 101249W)**

**(BHARAT A. SHAH)
PROPRIETOR
Membership No.32281
UDIN: 22032281AJSICZ8333**

**PLACE: Mumbai
DATE : 27.05.2022**

Annexure B to the Independent Auditors' Report

The Annexure referred to in our report to the members of KLG CAPITAL SERVICES LIMITED ("the Company") for the year Ended on 31st March, 2022.

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, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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. 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 with reference to these standalone Ind AS financial statements based on our audit. We have 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 and as 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 with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind As 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 with reference to these standalone Ind AS financial statements.

Meaning of internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements

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

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

Inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting reference to these standalone Ind AS financial statements, 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 reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting reference to these standalone Ind AS financial statements 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 reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2022, 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.

**AS PER OUR REPORT OF EVEN DATE
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
(Firm Reg. No.: 101249W)**

**(BHARAT A. SHAH)
PROPRIETOR**

**PLACE: Mumbai
DATE : 27.05.2022**

**Membership No.32281
UDIN: 22032281AJSICZ8333**

BALANCE SHEET AS AT MARCH 31, 2022

Amount in Rs

Particulars	Note	As at March 31, 2022	As at March 31, 2021
I ASSETS			
(1) Financial Assets			
Cash and Cash Equivalants	2	2,67,457	1,12,656
Investment	3	37,01,520	37,01,520
Loans	4	11,82,00,000	11,82,00,000
Other Financial Assets	5	41,58,604	41,15,235
		12,63,27,581	12,61,29,411
(2) Non Financial Assets			
Property, plant and Equipments	6	-	-
Deferred Tax Assets	7	2,384	2,384
TOTAL		12,63,29,965	12,61,31,795
II EQUITY AND LIABILITIES			
(1) LIABILITIES			
Financial Liabilities			
Borrowings	8	1,59,76,038	67,41,303
Other Financial Liabilities	9	6,21,787	96,21,585
		1,65,97,825	1,63,62,888
(2) Non Financial Liabilities			
Current Tax	10	3,32,21,141	3,33,41,085
Provisions	11	2,95,500	2,95,500
(3) EQUITY			
Equity Share Capital	12	3,20,24,000	3,20,24,000
Other Equity	13	4,41,91,499	4,41,08,322
		7,62,15,499	7,61,32,322
TOTAL		12,63,29,965	12,61,31,795
Significant Accounting Policies	1		
Notes on Financial Statements	2-24	-	-

In terms of our report of even date attached

For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
Firm Reg. No.101249W

BHARAT A. SHAH
PROPRIETOR
Membership No. 32281

PLACE: Mumbai
DATE : 27-05-2022

For and on behalf of the Board of Directors

Chintan Chheda Priyanka Gandhi
Director Director
DIN :08098371 DIN :07428192

Ankit Pratap Singh
Chief Financial Officer

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note	Amount in Rs	
		For the year ended March 31, 2022	For the year ended March 31, 2021
REVENUE			
Revenue from Operations	14	76,83,000	76,83,001
Other Income	15	57,467	750
Total Revenue		77,40,467	76,83,751
EXPENSES			
Employee Benefits Expenses	16	5,68,667	8,55,828
Depreciation and Amortisation Expenses	6	-	-
Other Expenses	17	70,18,486	62,31,004
Total Expenses		75,87,153	70,86,832
Profit / (Loss) Before Tax		1,53,314	5,96,919
Tax Expense - Current Tax		40,000	1,60,000
- Deferred Tax		-	393
- Income tax for earlier years		30,137	6,620
Profit (Loss) After Tax		83,177	4,29,906
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income to be reclassified to profit and loss in subsequent year		-	-
Other Comprehensive Income not to be reclassified to profit and loss in subsequent year			
Actuarial gains/(losses) on defined benefit plans		-	-
Income Tax effect		-	-
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		83,177	4,29,906
Earnings per Equity share of Rs. 10/- each	24		
- Basic (In Rupees)		0.03	0.13
- Diluted (In Rupees)		0.03	0.13
Significant Accounting Policies	1		
Notes on Financial Statements	2-24		

In terms of our report of even date attached
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
Firm Reg. No.101249W

BHARAT A. SHAH
PROPRIETOR
Membership No. 32281

PLACE: Mumbai
DATE : 27-05-2022

For and on behalf of the Board of Directors

Chintan Chheda Priyanka Gandhi
Director Director
DIN :08098371 DIN :07428192

Ankit Pratap Singh
Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Sr. No.	Particulars	Amount in Rs	
		Mar-22	Mar-21
A	Cash Flow from Operating Activities		
	Net Profit / (Loss) before Tax	1,53,314	5,96,919
	Adjustments for :-		
	Depreciation and Amortisation Expenses	-	-
	Fair Value of Investment	-	-
	Operating profit before working capital changes	<u>1,53,314</u>	<u>5,96,919</u>
	Adjusted for		
	Trade and Other Receivables	(43,369)	(17,700)
	Trade and Other Payables	(89,99,798)	1,13,994
	Cash Generated from Operations	(88,89,853)	6,93,213
	Direct Taxes (Paid) / Refund	(1,90,139)	(71,620)
	Net Cash from/(used in) Operating Activities	<u>(90,79,992)</u>	<u>6,21,593</u>
B	Cash Flow from Investing Activities		
	Inter Corporate Deposit to Holding Company (net)	-	-
	Interest Received	-	-
	Net Cash used in Investing Activities	<u>-</u>	<u>-</u>
C	Cash Flow from Financing Activities		
	Short Term Borrowings from related parties(Net)	92,34,735	(5,74,101)
	Net Cash Flow from Financing Activities	<u>92,34,735</u>	<u>(5,74,101)</u>
	Net (decrease) / increase in Cash and Cash Equivalents (A+B+C)	<u>1,54,743</u>	<u>47,492</u>
	Cash & Cash Equivalents - Opening balance	1,12,713	65,221
	Cash & Cash Equivalents - Closing balance	2,67,456	1,12,713

Notes:

- (1) The above cash flow statement has been prepared under the "indirect method" as set out in Ind AS 7 - Statement on Cash flows.
- (2) Figures in brackets indicate outflow.
- (3) Previous Year figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.

In terms of our report of even date attached
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
Firm Reg. No.101249W

For and on behalf of the Board of Directors

BHARAT A. SHAH
PROPRIETOR
Membership No. 32281

Chintan Chheda
Director
DIN :08098371

Priyanka Gandhi
Director
DIN :07428192

PLACE: Mumbai
DATE : 27-05-2022

Ankit Pratap Singh
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR MARCH 31, 2022

<i>Amount in Rs</i>				
A Equity Share Capital				
Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
Equity shares at the beginning of the year	32,02,400	3,20,24,000	32,02,400	3,20,24,000
Add: Shares Issued during the year	-	-	-	-
Equity shares at the end of the year	<u>32,02,400</u>	<u>3,20,24,000</u>	<u>32,02,400</u>	<u>3,20,24,000</u>
B Other Equity				
Particulars	<i>Amount in Rs</i>			
	General Reserve	Statutory Reserve	Retained Earning	Total
As at April 1, 2021	10,12,242	79,47,380	3,51,48,701	4,41,08,323
Transfer from retained earnings		16,635	(16,635)	-
Profit/(Loss) for the year		-	83,177	83,177
Other Comprehensive Income		-	-	-
As at March 31, 2022	<u>10,12,242</u>	<u>79,64,015</u>	<u>3,52,15,243</u>	<u>4,41,91,500</u>

In terms of our report of even date attached
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
Firm Reg. No.101249W

For and on behalf of the Board of Directors

BHARAT A. SHAH
PROPRIETOR
Membership No. 32281

Chintan Chheda
Director
DIN :08098371

Priyanka Gandhi
Director
DIN :07428192

PLACE: Mumbai
DATE : 27-05-2022

Ankit Pratap Singh
Chief Financial Officer

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR MARCH 31, 2022

NOTE - 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a General Information

KLG Capital Services Limited is a Public Company Listed with BSE and domiciled in India and incorporated under the Provisions of Companies Act, 1956. It is registered as a Non banking Financial Company ("NBFC") with the Reserve Bank of India. The registered office of the company is located at SKIL House, 209, Bank Street Cross Lane, Fort Mumbai-400023. The Company is engaged in the business of providing Loans.

b Basis of Preparation of Financial Statements:

These financial statements have been prepared in compliance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, on the accrual basis. The Company has prepared its Financial Statements in accordance with Indian GAAP, including accounting standards (AS) notified under the Companies (Accounting Standards) Rules, 2006 (as amended), which is considered as "Previous GAAP".

The financial statements were approved for issue by the Board of Directors on 27th May, 2022

c Functional and Presentation Currency:

The Financial Statements are presented in Indian rupees which is the functional currency for the Company.

d Use of Estimates:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised and if material, their effects are disclosed in the notes to the Financial Statements.

Estimates and assumptions are required in particular for:

i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

ii. **Recognition of deferred tax assets**

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

iii. **Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

iv. **Discounting of long-term financial liabilities**

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

f Current Versus Non Current Classification:

i. The assets and liabilities in the Balance Sheet are based on current/ non - current classification. An asset as current when it is:

- 1 Expected to be realised or intended to be sold or consumed in normal operating cycle
- 2 Held primarily for the purpose of trading
- 3 Expected to be realised within twelve months after the reporting period, or
- 4 Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

ii A liability is current when it is:

- 1 Expected to be settled in normal operating cycle
- 2 Held primarily for the purpose of trading

- 3 Due to be settled within twelve months after the reporting period, or
- 4 There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

g Significant Accounting Policies:

I Property, Plant and Equipments:

- i. All other property, plant and equipments have been carried at value in accordance with the previous GAAP.
- ii. Property, plant and equipments are stated at cost net of cenvat / value added tax less accumulated depreciation and impairment loss, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use.

II Depreciation:

- i. Depreciation on Tangible Fixed Assets is provided on the Straight Line Method over the useful life of assets prescribed in Part C of Schedule II to the Companies Act, 2013. The Management believes that the useful lives prescribed in Part C of Schedule II to the Companies Act, 2013 best represents the period over which management expects to use assets.
- ii. In respect of additions/extensions forming an integral part of existing assets, depreciation has been provided over residual life of the respective assets. Significant addition which are required to be replaced/performed at regular interval are depreciated over the useful life of their specific life.

III Revenue Recognition:

- i. Interest income is recognized on a time proportion basis.
- ii. Dividend is considered when the right to receive is established.

IV Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

i Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

ii Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

iii Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables.

iv Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

v Financial Assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

vi Investment in Subsidiary and Associates:

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

vii Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from other comprehensive income to profit or loss

viii Investment in Debt Instruments:

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. Debt instruments included with in the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

ix Derecognition of Financial Assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

x Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instrument and trade receivables.

Financial Liabilities

i Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

ii Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

iii Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

iv Loans and Borrowings

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

v Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

V Provision for Current and Deferred Tax:

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- > has a legally enforceable right to set off the recognised amounts; and
- > intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred Tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rate and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised.

Deferred tax assets and liabilities are offset only if:

- > entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- > deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

VI Impairment of Assets:

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

VII Provision for Doubtful Debts and Loans and Advances:

Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debts, loans and advances to be doubtful of recovery.

VIII Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

IX Details of Shareholding of Promoters as on 31.3.2022

S. No.	Promoter Name	No.of Share	% of Total Shares	% Change during the year
1	Awaita Properties Pvt. Ltd.	1936075	60.46	0
	Total	1936075	60.46	0

X Details of Trade Payables**Outstanding for following periods from due date of payment as on 31.03.2022**

S. No.	Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
1	MSME *	0	0	0	0	0
2	Others	0	0	0	0	0
3	Disputed dues-MSME	0	0	0	0	0
4	Disputed dues-Others	0	0	0	0	0
	Total	0	0	0	0	0

Outstanding for following periods from due date of payment as on 31.03.2021

S. No.	Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
1	MSME *	0	0	0	0	0
2	Others	0	0	0	0	0
3	Disputed dues-MSME	0	0	0	0	0
4	Disputed dues-Others	0	0	0	0	0
	Total	0	0	0	0	0

*There are no amounts payable to small-scale industrial undertaking as at the balance sheet date. This disclosure is based on the information available with the Company. The Company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.

XI Details of Trade Receivables

Outstanding for following periods from due date of payment as on 31.03.2022

S. No.	Particulars	Less than 6 Months	6 months -1 Year	1-2 years	2-3 years	More than 3 Years	Total
1	Undisputed Trade receivables - considered good	0	0	0	0	0	0
2	Undisputed Trade receivables - considered doubtful	0	0	0	0	0	0
3	Disputed Trade receivables - considered good	0	0	0	0	0	0
4	Disputed Trade receivables - considered doubtful	0	0	0	0	0	0
	Total	0	0	0	0	0	0

Outstanding for following periods from due date of payment as on 31.03.2021

S. No.	Particulars	Less than 6 Months	6 months -1 Year	1-2 years	2-3 years	More than 3 Years	Total
1	Undisputed Trade receivables - considered good	0	0	0	0	0	0
2	Undisputed Trade receivables - considered doubtful	0	0	0	0	0	0
3	Disputed Trade receivables - considered good	0	0	0	0	0	0
4	Disputed Trade receivables - considered doubtful	0	0	0	0	0	0
	Total	0	0	0	0	0	0

XII Details of title deeds of Immovable Property not held in name of the Company:

The Company do not have the immovable property whose title deeds are not held in the name of the Company as on 31.03.2022. (Previous Year 31.03.2021: Nil).

XIII Details of Capital-Work-in Progress (CWIP) as on 31.03.2022

The Company do not have Capital Work in Progress as on 31.03.2022. (Previous Year 31.03.2021: Nil)

XIV Details of Intangible assets under development as on 31.03.2022:

The Company do not have Intangible assets under development in Progress as on 31.03.2022. (Previous Year 31.03.2021: Nil)

XV Details of Benami Property as on 31.03.2022:

Company do not have any Benami Property as on 31.03.2022.(previous Year 31.03.2021:NIL)

XVI Details of Surrender Income as on 31.03.2022:

The Company do not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the income tax Act,1961 (Such as Search or survey or any other relevant provisions of the Income tax Act, 1961). as on 31.03.2022. (Previous Year 31.03.2021 : Nil)

XVI Ratio Analysis

S. No.	Particulars	as on 31.03.2022	as on 31.03.2021
1	Current Ratio	7.61	7.71
2	Debt- Equity Ratio	NA	NA
3	Debt Service Coverage Ratio	NA	NA
4	Return on Equity Ratio	-	0.01
5	Inventory turnover Ratio	NA	NA
6	Trade Receivables turnover Ratio	NA	NA
7	Trade payables turnover Ratio	NA	NA
8	Net Capital Turnover Ratio	0.10	0.10
9	Net profit Ratio	0.01	0.06
10	Return on Capital employed	-	0.01
11	Return on investment	0.02	0.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022

Particulars	Amount in Rs	
	As at March 31, 2022	As at March 31, 2021
NOTE 2 CASH AND CASH EQUIVALANTS		
Balances with Banks		
- In Current Accounts	2,58,635	1,03,644
Cash on Hand	8,822	9,012
Total	<u>2,67,457</u>	<u>1,12,656</u>

NOTE 3 NON-CURRENT INVESTMENT**Long-term Non-Trade Investments****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 (P.Y. 360,000 Equity Shares)		

CURRENT INVESTMENT**Quoted: Fully Paid up****In Equity Shares of other Companies**

Neha International Ltd	1,01,520	1,01,520
1,41,000 (1,41,000) Equity Shares of Rs. 10 each		
Total	<u>37,01,520</u>	<u>37,01,520</u>

NOTE 4 LOANS**(Unsecured & considered good)**

Interest Corporate Deposits	11,82,00,000	11,82,00,000
Total	<u>11,82,00,000</u>	<u>11,82,00,000</u>

NOTE 5 OTHER FINANCIAL ASSETS**(Unsecured & considered good)**

Interest Receivable	-	-
Security Deposit	40,00,000	40,00,000
Advance recoverable in cash or in kind for value to		
- Related Parties	1,58,604	1,15,235
- Others	-	-
Total	<u>41,58,604</u>	<u>41,15,235</u>

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Depreciation and Amortisation				Net Block		
	As at 1-Apr-21	Additions during the year	Deductions/ Adjustments	As at 31-Mar-22	Upto 31-Mar-21	For the year	Deductions / Adjustments	Upto 31-Mar-22	As at 31-Mar-22	As at 31-Mar-21
Tangible Assets										
Office Equipment	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

6.1 In accordance with the Ind-AS 36 on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Assets during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022

Particulars	Amount in Rs	
	As at March 31, 2022	As at March 31, 2021
NOTE 7 DEFERRED TAX ASSETS		
Deferred Tax Assets on Property, Plant and equipments	2,384	2,384
Total	2,384	2,384
NOTE 8 BORROWINGS		
Unsecured Loans from:		
Holding Company	1,59,76,038	67,41,303
Total	1,59,76,038	67,41,303
NOTE 9 OTHER CURRENT FINANCIAL LIABILITIES		
Statutory Dues	26,062	90,17,738
Other Payables	5,95,725	6,03,847
Total	6,21,787	96,21,585
NOTE 10 CURRENT TAX		
Provisions for Income Tax (Net)	3,32,21,141	3,33,41,085
Total	3,32,21,141	3,33,41,085
NOTE 11 PROVISIONS		
Contingent provision against standard assets	2,95,500	2,95,500
Total	2,95,500	2,95,500
NOTE 12 SHARE CAPITAL		
Equity Shares		
Authorised		
3,500,000 (3,500,000) Equity Shares of Rs.10/- each	3,50,00,000	3,50,00,000
Issued, Subscribed and Fully paid up		
32,02,400 (32,02,400) Equity Shares of Rs. 10/- each (Fully Paid-up)	3,20,24,000	3,20,24,000
Total	3,20,24,000	3,20,24,000

(a) Reconciliation of Equity shares outstanding at the beginning and at the end of the year Amount in Rs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
Equity shares at the beginning of the year	32,02,400.00	3,20,24,000	32,02,400	3,20,24,000
Add: Shares Issued during the year	-	-	-	-
Equity shares at the end of the year	32,02,400.00	3,20,24,000	32,02,400	3,20,24,000

(b) Shareholders holding more than 5% Shares in the Company

Shares held by	No. of Shares	% Holding	No. of Shares	% Holding
Awaita Properties Pvt. Ltd.	19,36,075	60.46	19,36,075	60.46

(c) Terms and Rights attached to Equity Shares

The Company has only one class of Equity Share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity share holders will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022

Particulars	Amount in Rs	
	As at March 31, 2022	As at March 31, 2021
NOTE 13 OTHER EQUITY		
General Reserve	10,12,242	10,12,242
Statutory Reserve	79,64,015	79,47,380
Retained Earning		
	3,51,48,700	3,48,04,775
	(16,635)	(85,981)
	83,177	4,29,906
	<u>3,52,15,242</u>	<u>3,51,48,700</u>
Total	<u>4,41,91,499</u>	<u>4,41,08,322</u>

Particulars	Amount in Rs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE 14 REVENUE FROM OPERATIONS		
Interest Income From ICD	76,83,000	76,83,001
Total	<u>76,83,000</u>	<u>76,83,001</u>

NOTE 15 OTHER INCOME		
Other Income	1,350	750
Sundry Balance w/back	56,117	-
Total	<u>57,467</u>	<u>750</u>

NOTE 16 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Allowances	5,68,667	8,55,828
Staff welfare	-	-
Total	<u>5,68,667</u>	<u>8,55,828</u>

NOTE 17 OTHER EXPENSES		
Advertisement	49,014	41,380
Bank Charges	10,573	1,791
Electricity Expenses	10,70,104	8,86,866
Fee, Taxes & Legal Charges	34,220	43,660
Filing Fees	21,169	5,501
Hotel Expenses	4,78,224	-
Payment to Auditor	1,32,750	47,200
Interest on Late Payment	-	762
Miscellaneous Expenses	-	11,500
Other Administrative Expenses	1,16,442	68,525
Printing & Stationary	30,547	11,365
Professional Charges	1,83,300	12,35,450
Provision for Loss on Current Investments	-	-
Rent Expenses	43,20,000	36,00,000
Reimbursement Expenses	14,893	-
Sitting Fees to Directors	1,53,400	1,29,800
Travelling & Conveyance	2,89,092	4,215
Telephone Expenses	1,12,558	1,30,709
Web Design Expenses	2,200	12,280
Contingent Provision against Standard assets	-	-
Total	<u>70,18,486</u>	<u>62,31,004</u>

NOTE 18 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022

Note 19

In the opinion of the management, Current Assets, Loans and Advances are of the value stated, if realized in the ordinary course of business.

NOTE 20 SEGMENT REPORTING

Segment Information : The Company is engaged in the business of providing Loans. All other activities of the Company are related to the main business. As such there are no separate reportable segments, as per the Ind-AS 108 on Operating Segment

NOTE 21 RELATED PARTY DISCLOSURES**a) List of Related parties****i) Holding Company**

Awaita Properties Pvt. Ltd

ii) Subsidiary Company

KLG Stock Brokers Pvt. Ltd

iii) Key Management Personnel

Chintan Chheda , Director, (W.E.F Nov. 13, 2020)

Ankit Pratap Singh ,Chief Financial Officer

Akhilesh Kumar ,Manager (W.E.F Nov. 11, 2021)

Chandan Pratap Chetnani, Company Secretary (From 05-08-2021 to 14-02-2022)

b) Terms and Conditions of transactions with related parties

The Transactions from related parties are made on arm's length price. Outstanding balances at the year-end are unsecured and interest have been accounted on market rate except the advances which is merely reimbursement of expenses. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

c) Details of transactions with related parties**1 With Holding Company - Awaita Properties Pvt. Ltd**

Amount in Rs

Nature of Transactions	2021-22	2020-21
Short Term Borrowing		
Opening Balance	67,41,303	73,15,404
Received during the year	2,43,99,734	1,34,65,899
Returned during the year	1,51,65,000	1,40,40,000
Closing Balance	1,59,76,037	67,41,303
Security Deposits	40,00,000	40,00,000

2 With Subsidiary Company - KLG Stock Brokers Pvt. Ltd

Nature of Transactions	2021-22	2020-21
Advances		
Opening Balance	1,15,235	97,535
Paid during the year	43,369	17,700
Closing Balance	1,58,604	1,15,235
Investment in Equity Shares	36,00,000	36,00,000

3 Key Managerial Personnel

	2021-22	2020-21
Salary of Chief Financial Officer	3,60,000	3,60,000
Salary of Manager	-	1,62,500
Salary of Company Secretary	2,08,667	3,33,328

NOTE - 22 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include Investment, loans and advances, trade and other receivables, and cash and bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management advises on financial decision and the appropriate financial risk governance framework for the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, Letter of Credit and working capital limits.

NOTE - 23 CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

NOTE - 24 EARNING PER SHARE:

Particulars	2021-22	2020-21
Net Profit / (Loss) After Tax available for Equity Shareholders (in Rs.)	83,177	4,29,906
Weighted Average Number of Equity Shares of Rs. 10/- each outstanding during the year	3202400	32,02,400
Basic/Diluted Earning Per Share (in Rs.)	0.03	0.13

In terms of our report of even date attached
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
Firm Reg. No.101249W

For and on behalf of the Board of Directors

BHARAT A. SHAH
PROPRIETOR
Membership No. 32281

Chintan Chheda
Director
DIN :08098371

Priyanka Gandhi
Director
DIN :07428192

PLACE: Mumbai
DATE : 27-05-2022

Ankit Pratap Singh
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

To the Members of KLG CAPITAL SERVICES LIMITED

Opinion

We have audited the accompanying consolidated Ind As financial statements of **KLG CAPITAL SERVICES LIMITED** (hereinafter referred to as "the Holding Company") and its Subsidiary **KLG STOCK BROKERS PVT. LTD.** (the Holding Company and its subsidiary together referred to as "the Group, comprising of the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the companies act 2013 read with Companies (Indian Accounting Standards) Rule 2015 as amended and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, their consolidated profit/loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS Financial Statements of the current year. We have determined that there are no Key Audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in the Group are responsible for 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Consolidated Ind AS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind As financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the group to express an opinion on the Consolidated financial statements. We remain solely responsible for our audit opinion

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

Relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit 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 Ind AS financial statements;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;.
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

- e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 with reference to these consolidated Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". ;
- 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. There were no pending litigations which would impact the consolidated financial position of the Group;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- h) With respect to the matters specified in paragraphs 3(xxi) and 4 of the companies (Auditor's Report) order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the act, to be included in Auditor's report, According to the information and explanations given to us , we report that CARO is applicable only to the holding Company and to no other Companies included in the Consolidated financial Statements. We have not reported any qualifications or adverse remarks in the CARO Report of the Holding Company.

**AS PER OUR REPORT OF EVEN DATE
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
(Firm Reg. No.: 101249W)**

**(BHARAT A. SHAH)
PROPRIETOR**

**PLACE: Mumbai
DATE : 27.05.2022**

**Membership No.32281
UDIN: 22032281AJSJFS7038**

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of KLG CAPITAL SERVICES LIMITED ("the Company") for the year Ended on 31st March, 2022.

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, We have audited the internal financial controls over financial reporting of **KLG Capital Service Limited** (hereinafter referred to as "the Holding Company") and its Subsidiary company **KLG Stock Brokers Pvt. Ltd.**, (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

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 the 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 internal financial controls over financial reporting of the Company and its Subsidiary 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") issued by the ICAI 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 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 consolidated Ind AS 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 internal financial controls system over financial reporting of the Company and its Subsidiary.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting with reference to these consolidated Ind As financial statements 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 with reference to these Ind AS financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind As financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind As 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, and to best of our information and according to explanation given to us, 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 March 31, 2022, based on the internal control over financial reporting criteria established by the respective Companies 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.

**AS PER OUR REPORT OF EVEN DATE
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
(Firm Reg. No.: 101249W)**

**(BHARAT A. SHAH)
PROPRIETOR**

**PLACE: Mumbai
DATE : 27.05.2022**

**Membership No.32281
UDIN: 22032281AJSJFS7038**

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

Amount in Rs

Particulars	Note	As at March 31, 2022	As at March 31, 2021
I ASSETS			
(1) Financial Assets			
Cash and Cash Equivalents	2	2,87,933	1,33,132
Investment	3	1,01,520	1,01,520
Loans	4	11,82,00,000	11,82,00,000
Other Financial Assets	5	71,30,000	71,30,000
		12,57,19,453	12,55,64,652
(2) Non Financial Assets			
Property, plant and Equipments	6	-	-
Deferred Tax Assets	7	2,384	2,384
		<u>2,384</u>	<u>2,384</u>
TOTAL		<u>12,57,21,837</u>	<u>12,55,67,036</u>
II EQUITY AND LIABILITIES			
(1) LIABILITIES			
Financial Liabilities			
Borrowings	8	1,59,76,038	67,41,303
Other Financial Liabilities	9	6,63,287	96,43,285
		1,66,39,325	1,63,84,588
(2) Non Financial Liabilities			
Current Tax	10	3,32,21,141	3,33,41,085
Provisions	11	2,95,500	2,95,500
(3) EQUITY			
Equity Share Capital	12	3,20,24,000	3,20,24,000
Other Equity	13	4,35,41,871	4,35,21,863
		7,55,65,871	7,55,45,863
TOTAL		<u>12,57,21,837</u>	<u>12,55,67,036</u>
Significant Accounting Policies	1		
Notes on Financial Statements	2-24	-	-

In terms of our report of even date attached

For BHARAT SHAH & ASSOCIATES,

Chartered Accountants

Firm Reg. No.101249W

BHARAT A. SHAH

PROPRIETOR

Membership No. 32281

PLACE: Mumbai

DATE : 27-05-2022

For and on behalf of the Board of Directors

Chintan Chheda

Director

DIN :08098371

Priyanka Gandhi

Director

DIN :07428192

Ankit Pratap Singh

Chief Financial Officer

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022*Amount in Rs*

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
REVENUE			
Revenue from Operations	14	76,83,000	76,83,001
Other Income	15	57,467	750
Total Revenue		77,40,467	76,83,751
EXPENSES			
Employee Benefits Expenses	16	5,68,667	8,55,828
Depreciation and Amortisation Expenses	6	-	-
Other Expenses	17	70,81,655	62,48,704
Total Expenses		76,50,322	71,04,532
Profit / (Loss) Before Tax		90,145	5,79,219
Tax Expense - Current Tax		40,000	1,60,000
- MAT credit entitlement		-	-
- Deferred Tax		-	393
- Income tax for earlier years		30,137	6,620
Profit (Loss) After Tax		20,008	4,12,206
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income to be reclassified to profit and loss in subsequent year		-	-
Other Comprehensive Income not to be reclassified to profit and loss in subsequent year			
Actuarial gains/(losses) on defined benefit plans		-	-
Income Tax effect		-	-
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		20,008	4,12,206
Earnings per Equity share of Rs. 10/- each	24		
- Basic (In Rupees)		0.01	0.13
- Diluted (In Rupees)		0.01	0.13
Significant Accounting Policies	1		
Notes on Financial Statements	2-24		

In terms of our report of even date attached
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
Firm Reg. No.101249W

BHARAT A. SHAH
PROPRIETOR
Membership No. 32281

PLACE: Mumbai
DATE : 27-05-2022

For and on behalf of the Board of Directors

Chintan Chheda Priyanka Gandhi
Director Director
DIN :08098371 DIN :07428192

Ankit Pratap Singh
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Amount in Rs

Sr. No.	Particulars	Mar-22	Mar-21
A	Cash Flow from Operating Activities		
	Net Profit / (Loss) before Tax	90,145	5,79,219
	Adjustments for :-		
	Depreciation and Amortisation Expenses	-	-
	Fair Value of Investment	-	-
	Operating profit before working capital changes	<u>90,145</u>	<u>5,79,219</u>
	Adjusted for		
	Trade and Other Receivables	-	-
	Trade and Other Payables	(89,79,998)	1,13,937
	Cash Generated from Operations	(88,89,853)	6,93,156
	Direct Taxes (Paid) / Refund	(1,90,081)	(71,620)
	Net Cash from/(used in) Operating Activities	<u>(90,79,934)</u>	<u>6,21,536</u>
B	Cash Flow from Investing Activities		
	Inter Corporate Deposit to Holding Company (net)	-	-
	Interest Received	-	-
	Net Cash used in Investing Activities	<u>-</u>	<u>-</u>
C	Cash Flow from Financing Activities		
	Short Term Borrowings from related parties(Net)	92,34,735	(5,74,101)
	Net Cash Flow from Financing Activities	<u>92,34,735</u>	<u>(5,74,101)</u>
	Net (decrease) / increase in Cash and Cash Equivalents (A+B+C)	<u>1,54,801</u>	<u>47,435</u>
	Cash & Cash Equivalents - Opening balance	1,33,132	85,697
	Cash & Cash Equivalents - Closing balance	2,87,933	1,33,132

Notes:

- (1) The above cash flow statement has been prepared under the "indirect method" as set out in Ind AS 7 - Statement on Cash flows.
- (2) Figures in brackets indicate outflow.
- (3) Previous Year figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.

In terms of our report of even date attached
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
Firm Reg. No.101249W

For and on behalf of the Board of Directors

BHARAT A. SHAH
PROPRIETOR
Membership No. 32281

Chintan Chheda
Director
DIN :08098371

Priyanka Gandhi
Director
DIN :07428192

PLACE: Mumbai
DATE : 27-05-2022

Ankit Pratap Singh
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR MARCH 31, 2022

A Equity Share Capital		<i>Amount in Rs</i>			
Particulars	As at March 31, 2022		As at March 31, 2021		
	No of Shares	Amount	No of Shares	Amount	
Equity shares at the beginning of the year	32,02,400	3,20,24,000	32,02,400	3,20,24,000	
Add: Shares Issued during the year	-	-	-	-	
Equity shares at the end of the year	<u>32,02,400</u>	<u>3,20,24,000</u>	<u>32,02,400</u>	<u>3,20,24,000</u>	
B Other Equity		<i>Amount in Rs</i>			
Particulars	General Reserve	Statutory Reserve	Retained Earning	Total	
	As at April 01, 2021	10,12,242	79,47,369	3,45,62,195	4,35,21,806
Transfer from retained earnings		16,635	(16,635)	-	
Profit/(Loss) for the year		-	20,008	20,008	
Other Comprehensive Income		-	-	-	
As at March 31, 2022	<u>10,12,242</u>	<u>79,64,004</u>	<u>3,45,65,568</u>	<u>4,35,41,814</u>	

In terms of our report of even date attached
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
Firm Reg. No.101249W

For and on behalf of the Board of Directors

BHARAT A. SHAH
PROPRIETOR
Membership No. 32281

Chintan Chheda
Director
DIN :08098371

Priyanka Gandhi
Director
DIN :07428192

PLACE: Mumbai
DATE : 27-05-2022

Ankit Pratap Singh
Chief Financial Officer

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022

NOTE - 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a General Information

KLG Capital Services Limited is a Public Company Listed with BSE and domiciled in India and incorporated under the Provisions of Companies Act, 1956. It is registered as a Non banking Financial Company ("NBFC") with the Reserve Bank of India. The registered office of the company is located at SKIL House, 209, Bank Street Cross Lane, Fort Mumbai-400023. The Company is engaged in the business of providing Loans.

b Basis of Preparation of Financial Statements:

These Consolidated financial statements have been prepared in compliance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, on the accrual basis. The Company has prepared its Financial Statements in accordance with Indian GAAP, including accounting standards (AS) notified under the Companies (Accounting Standards) Rules, 2006 (as amended), which is considered as "Previous GAAP".

The financial statements were approved for issue by the Board of Directors on 27th May, 2022

Subsidiary

Subsidiaries are all entities over which the Company has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, consolidated statement of changes in equity and balance sheet respectively.

The following subsidiary has been considered while preparing Consolidated financial statement :

KLG Stock Brokers Pvt. Ltd- 100% Subsidiary of the Company and incorporated in India

c Functional and Presentation Currency:

The Financial Statements are presented in Indian rupees which is the functional currency for the Company.

d Use of Estimates:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised and if material, their effects are disclosed in the notes to the Financial Statements.

Estimates and assumptions are required in particular for:

- i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- ii. Recognition of deferred tax assets

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

iii. Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

iv. Discounting of long-term financial liabilities

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

f Current Versus Non Current Classification:**i. The assets and liabilities in the Balance Sheet are based on current/ non - current classification. An asset as current when it is:**

- 1 Expected to be realised or intended to be sold or consumed in normal operating cycle
- 2 Held primarily for the purpose of trading
- 3 Expected to be realised within twelve months after the reporting period, or
- 4 Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- 5 All other assets are classified as non-current.

ii A liability is current when it is:

- 1 Expected to be settled in normal operating cycle
- 2 Held primarily for the purpose of trading
- 3 Due to be settled within twelve months after the reporting period, or
- 4 There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
All other liabilities are treated as non - current.
- 5 Deferred tax assets and liabilities are classified as non-current assets and liabilities.

g Significant Accounting Policies:**I Property, Plant and Equipments:**

- i. All other property, plant and equipments have been carried at value in accordance with the previous GAAP.
- ii. Property, plant and equipments are stated at cost net of cenvat / value added tax less accumulated depreciation and impairment loss, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use.

II Depreciation:

- i. Depreciation on Tangible Fixed Assets is provided on the Straight Line Method over the useful life of assets prescribed in Part C of Schedule II to the Companies Act, 2013. The Management believes that the useful lives prescribed in Part C of Schedule II to the Companies Act, 2013 best represents the period over which management expects to use assets.
- ii. In respect of additions/extensions forming an integral part of existing assets, depreciation has been provided over residual life of the respective assets. Significant addition which are required to be replaced/performed at regular interval are depreciated over the useful life of their specific life.

III Revenue Recognition:

- i Interest income is recognized on a time proportion basis.
- ii Dividend is considered when the right to receive is established.

IV Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

i Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

ii Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

iii Financial Assets measured at amortised cost:

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables.

iv Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

v Financial Assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

vi Investment in Subsidiary and Associates:

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

vii Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from other comprehensive income to profit or loss.

viii Investment in Debt Instruments:

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. Debt instruments included with in the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

ix Derecognition of Financial Assets

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

x Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instrument and trade receivables.

Financial Liabilities

i Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

ii Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

iii Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

iv Loans and Borrowings

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

v Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

V Provision for Current and Deferred Tax:

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- > has a legally enforceable right to set off the recognised amounts; and
- > intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred Tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rate and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised.

Deferred tax assets and liabilities are offset only if:

- > entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- > deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

VI Impairment of Assets:

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

VII Provision for Doubtful Debts and Loans and Advances:

Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debts, loans and advances to be doubtful of recovery.

VIII Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

IX Details of Shareholding of Promoters as on 31.3.2022

S. No.	Promoter Name	No.of Share	% of Total Shares	% Change during the year
1	Awaita Properties Pvt. Ltd.	1936075	60.46	0
	Total	1936075	60.46	0

X Details of Trade Payables

Outstanding for following periods from due date of payment as on 31.03.2022

S. No.	Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
1	MSME *	0	0	0	0	0
2	Others	0	0	0	0	0
3	Disputed dues-MSME	0	0	0	0	0
4	Disputed dues-Others	0	0	0	0	0
	Total	0	0	0	0	0

Outstanding for following periods from due date of payment as on 31.03.2021

S. No.	Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
1	MSME *	0	0	0	0	0
2	Others	0	0	0	0	0
3	Disputed dues-MSME	0	0	0	0	0
4	Disputed dues-Others	0	0	0	0	0
	Total	0	0	0	0	0

*There are no amounts payable to small-scale industrial undertaking as at the balance sheet date. This disclosure is based on the information available with the Company. The Company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.

XI Details of Trade Receivables

Outstanding for following periods from due date of payment as on 31.03.2022

S. No.	Particulars	Less than 6 Months	6 months -1 Year	1-2 years	2-3 years	More than 3 Years	Total
1	Undisputed Trade receivables - considered good	0	0	0	0	0	0
2	Undisputed Trade receivables - considered doubtful	0	0	0	0	0	0
3	Disputed Trade receivables - considered good	0	0	0	0	0	0
4	Disputed Trade receivables - considered doubtful	0	0	0	0	0	0
	Total	0	0	0	0	0	0

Outstanding for following periods from due date of payment as on 31.03.2021

S. No.	Particulars	Less than 6 Months	6 months -1 Year	1-2 years	2-3 years	More than 3 Years	Total
1	Undisputed Trade receivables - considered good	0	0	0	0	0	0
2	Undisputed Trade receivables - considered doubtful	0	0	0	0	0	0
3	Disputed Trade receivables - considered good	0	0	0	0	0	0
4	Disputed Trade receivables - considered doubtful	0	0	0	0	0	0
	Total	0	0	0	0	0	0

XII Details of title deeds of Immovable Property not held in name of the Company:

The Company do not have the immovable property whose title deeds are not held in the name of the Company as on 31.03.2022. (Previous Year 31.03.2021: Nil).

XIII Details of Capital-Work-in Progress (CWIP) as on 31.03.2022

The Company do not have Capital Work in Progress as on 31.03.2022. (Previous Year 31.03.2021: Nil)

XIV Details of Intangible assets under development as on 31.03.2022:

The Company do not have Intangible assets under development in Progress as on 31.03.2022. (Previous Year 31.03.2021: Nil)

XV Details of Benami Property as on 31.03.2022:

Company do not have any Benami Property as on 31.03.2022.(previous Year 31.03.2021:NIL)

XVI Details of Surrender Income as on 31.03.2022:

The Company do not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the income tax Act,1961 (Such as Search or survey or any other relevant provisions of the Income tax Act, 1961). as on 31.03.2022. (Previous Year 31.03.2021 : Nil)

XVI Ratio Analysis

S. No.	Particulars	as on 31.03.2022	as on 31.03.2021
1	Current Ratio	7.56	7.66
2	Debt- Equity Ratio	NA	NA
3	Debt Service Coverage Ratio	NA	NA
4	Return on Equity Ratio	-	0.01
5	Inventory turnover Ratio	NA	NA
6	Trade Receivables turnover Ratio	NA	NA
7	Trade payables turnover Ratio	NA	NA
8	Net Capital Turnover Ratio	0.10	0.10
9	Net profit Ratio	-	0.05
10	Return on Capital employed	-	0.01
11	Return on investment	0.20	4.06

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022

Amount in Rs

Particulars	Amount in Rs	
	As at March 31, 2022	As at March 31, 2021
NOTE 2 CASH AND CASH EQUIVALANTS		
Balances with Banks		
- In Current Accounts	2,70,903	1,15,912
Cash on Hand	17,030	17,220
Total	2,87,933	1,33,132

NOTE 3 NON-CURRENT INVESTMENT

CURRENT INVESTMENT

Quoted: Fully Paid up

In Equity Shares of other Companies

Neha International Ltd	1,01,520	1,01,520
1,41,000 (1,41,000) Equity Shares of Rs. 10 each		
Total	1,01,520	1,01,520

NOTE 4 LOANS

(Unsecured & considered good)

Interest Corporate Deposits	11,82,00,000	11,82,00,000
Total	11,82,00,000	11,82,00,000

NOTE 5 OTHER FINANCIAL ASSETS

(Unsecured & considered good)

Interest Receivable	-	-
Security Deposit	71,00,000	71,00,000
Advance recoverable in cash or in kind for value to		
- Related Parties	-	-
- Others	30,000	30,000
Total	71,30,000	71,30,000

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at 1-Apr-21	Additions during the year	Deductions/ Adjustments	As at 31-Mar-22	Upto 31-Mar-21	For the year	Deductions / Adjustments	Upto 31-Mar-22	As at 31-Mar-22	As at 31-Mar-21
Tangible Assets										
Office Equipment	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

6.1 In accordance with the Ind-AS 36 on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Assets during the year.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022

Particulars	Amount in Rs	
	As at March 31, 2022	As at March 31, 2021
NOTE 7 DEFERRED TAX ASSETS		
Deferred Tax Assets on Property, Plant and equipments	2,384	2,384
Total	<u>2,384</u>	<u>2,384</u>
NOTE 8 BORROWINGS		
Unsecured Loans from:		
Holding Company	1,59,76,038	67,41,303
Total	<u>1,59,76,038</u>	<u>67,41,303</u>
NOTE 9 OTHER CURRENT FINANCIAL LIABILITIES		
Statutory Dues	26,062	90,17,738
Other Payables	6,37,225	6,25,547
Total	<u>6,63,287</u>	<u>96,43,285</u>
NOTE 10 CURRENT TAX		
Provisions for Income Tax (Net)	3,32,21,141	3,33,41,085
Total	<u>3,32,21,141</u>	<u>3,33,41,085</u>
NOTE 11 PROVISIONS		
Contingent provision against standard assets	2,95,500	2,95,500
Total	<u>2,95,500</u>	<u>2,95,500</u>
NOTE 12 SHARE CAPITAL		
Equity Shares		
Authorised		
3,500,000 (3,500,000) Equity Shares of Rs.10/- each	3,50,00,000	3,50,00,000
Issued, Subscribed and Fully paid up		
32,02,400 (32,02,400) Equity Shares of Rs. 10/- each (Fully Paid-up)	3,20,24,000	3,20,24,000
Total	<u>3,20,24,000</u>	<u>3,20,24,000</u>

(a) Reconciliation of Equity shares outstanding at the beginning and at the end of the year Amount in Rs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
Equity shares at the beginning of the year	32,02,400.00	3,20,24,000	32,02,400	3,20,24,000
Add: Shares Issued during the year	-	-	-	-
Equity shares at the end of the year	<u>32,02,400.00</u>	<u>3,20,24,000</u>	<u>32,02,400</u>	<u>3,20,24,000</u>

(b) Shareholders holding more than 5% Shares in the Company

Shares held by	No. of Shares	% Holding	No. of Shares	% Holding
Awaita Properties Pvt. Ltd.	19,36,075	60.46	19,36,075	60.46

(c) Terms and Rights attached to Equity Shares

The Company has only one class of Equity Share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity share holders will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022

Particulars	Amount in Rs	
	As at March 31, 2022	As at March 31, 2021
NOTE 13 OTHER EQUITY		
General Reserve	10,12,242	10,12,242
Statutory Reserve	79,64,004	79,47,369
Retained Earning		
- Balance at beginning of the year	3,45,62,252	3,42,36,016
- Transfer from retained earnings	(16,635)	(85,970)
- Add: Profit/(Loss) for the year	20,008	4,12,206
- Balance at closing of the year	3,45,65,625	3,45,62,252
Total	4,35,41,871	4,35,21,863

Particulars	Amount in Rs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE 14 REVENUE FROM OPERATIONS		
Interest Income From ICD	76,83,000	76,83,001
Total	76,83,000	76,83,001

Particulars	Amount in Rs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE 15 OTHER INCOME		
Other Income	1,350	750
Sundry Balance W/back	56,117	-
Total	57,467	750

Particulars	Amount in Rs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE 16 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Allowances	5,68,667	8,55,828
Staff welfare	-	-
Total	5,68,667	8,55,828

Particulars	Amount in Rs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE 17 OTHER EXPENSES		
Advertisement	49,014	41,380
Bank Charges	10,573	1,791
Demat Charges	-	-
Electricity Expenses	10,70,104	8,86,866
Fee, Taxes & Legal Charges	34,220	43,660
Filing Fees	46,838	5,501
Hotel Expenses	4,78,224	-
Payment to Auditor	1,62,250	64,900
Interest on Late Payment	-	762
Miscellaneous Expenses	-	11,500
Other Administrative Expenses	1,16,442	68,525
Printing & Stationary	30,547	11,365
Professional Charges	1,91,300	12,35,450
Provision for Loss on Current Investments	-	-
Rent Expenses	43,20,000	36,00,000
Reimbursement Expenses	14,893	-
Sitting Fees to Directors	1,53,400	1,29,800
Travelling & Conveyance	2,89,092	4,215
Telephone Expenses	1,12,558	1,30,709
Web Design Expenses	2,200	12,280
Contingent Provision against Standard assets	-	-
Total	70,81,655	62,48,704

NOTE 18 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities during the year.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022**Note 19**

In the opinion of the management, Current Assets, Loans and Advances are of the value stated, if realized in the ordinary course of business.

NOTE 20 SEGMENT REPORTING

Segment Information : The Company is engaged in the business of providing Loans. All other activities of the Company are related to the main business. As such there are no separate reportable segments, as per the Ind-AS 108 on Operating Segment.

NOTE 21 RELATED PARTY DISCLOSURES**a) List of Related parties****i) Holding Company**

Awaita Properties Pvt. Ltd

ii) Key Management Personnel

Chintan Chheda , Director (W.E.F Nov. 13,2020)

Ankit Pratap Singh ,Chief Financial Officer

Akhilesh Kumar ,Manager (W.E.F Nov. 11,2021)

Chandan Pratap Chetnani, Company Secretary (From 05-08-2021 to 14-02-2022)

b) Terms and Conditions of transactions with related parties

The Transactions from related parties are made on arm's length price. Outstanding balances at the year-end are unsecured and interest have been accounted on market rate except the advances which is merely reimbursement of expenses. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

c) Details of transactions with related parties**1 With Holding Company - Awaita Properties Pvt. Ltd***Amount in Rs*

Nature of Transactions	2021-22	2020-21
Short Term Borrowing		
Opening Balance	67,41,303	73,15,404
Received during the year	2,43,99,734	1,34,65,899
Returned during the year	1,51,65,000	1,40,40,000
Closing Balance	1,59,76,037	67,41,303
Security Deposits	70,00,000	70,00,000

2 Key Managerial Personnel

	2021-22	2020-21
Salary of Chief Financial Officer	3,60,000	3,60,000
Salary of Manager	-	1,62,500
Salary of Company Secretary	2,08,667	3,33,328

NOTE - 22 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include Investment, loans and advances, trade and other receivables, and cash and bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management advises on financial decision and the appropriate financial risk governance framework for the Company.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022
Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, Letter of Credit and working capital limits.

NOTE - 23 CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

NOTE - 24 EARNING PER SHARE:

Particulars	2021-22	2020-21
Net Profit / (Loss) After Tax available for Equity Shareholders (in Rs.)	20,008	4,12,206
Weighted Average Number of Equity Shares of Rs. 10/- each outstanding during the year	3202400	32,02,400
Basic/Diluted Earning Per Share (in Rs.)	0.01	0.13

In terms of our report of even date attached
For and on behalf of the Board of Directors**For BHARAT SHAH & ASSOCIATES,****Chartered Accountants****Firm Reg. No.101249W****BHARAT A. SHAH****PROPRIETOR****Membership No. 32281****Chintan Chheda****Director****DIN :08098371****Priyanka Gandhi****Director****DIN :07428192****PLACE: Mumbai****DATE : 27-05-2022****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	:	(6,49,628)
Total assets	:	31,50,476
Total Liabilities	:	2,00,104*
Investments	:	--
Turnover	:	--
Profit before taxation	:	(63,169)
Profit for taxation	:	(63,169)
Provision for taxation	:	--
Profit after taxation	:	--
Proposed Dividend	:	--
% of shareholding	:	100%

*Excluding Share Capital and Reserves & Surplus

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

In terms of our report of even date attached	For and on behalf of the Board of Directors
For BHARAT SHAH & ASSOCIATES,	
Chartered Accountants	
Firm Reg. No.101249W	Chintan Chheda
	Director
BHARAT A. SHAH	DIN :08098371
PROPRIETOR	
Membership No. 32281	Priyanka Gandhi
	Director
PLACE: Mumbai	DIN :07428192
DATE : 27-05-2022	

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	159.76	0.00
	Total	159.76	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	1223.59
	Total	1223.59
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	1.02
	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	1.02

		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:	Amount net of provisions		
		Category		
		Secured	Unsecured	Total
	1. Related Parties			
	a. Subsidiaries	0.00	1.59	1.59
	b. Companies in the same group	0.00	40.00	40.00
	c. Other related parties	0.00	0.00	0.00
	2. Other than related parties	0.00	0.00	0.00
	Total	0.00	41.59	41.59

KLG Capital Services Limited

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

In terms of our report of even date attached
For BHARAT SHAH & ASSOCIATES,
Chartered Accountants
Firm Reg. No.101249W

BHARAT A. SHAH
PROPRIETOR
Membership No. 32281

PLACE: Mumbai
DATE : 27-05-2022

For and on behalf of the Board of Directors

Chintan Chheda
Director
DIN :08098371

Priyanka Gandhi
Director
DIN :07428192

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 28th Annual General Meeting – Friday, September 30, 2022

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 28th Annual General Meeting of the Members of the Company being held on Friday, September 30, 2022 at 1515 hours at 20Downtown Conference Hall, 2nd Floor, South-West Wing, Cambata Building, 42, M. Karve Road, Churchgate, Mumbai- 400020.

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 : or falling him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Friday, September 30, 2022, at 1515 Hours at 20Downtown Conference Hall, 2nd Floor, South-West Wing, Cambata Building, 42, M. Karve Road, Churchgate, Mumbai- 400020 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, 2022 and the Reports of the Auditors and Directors thereon.			
2.	Ordinary Resolution for re-appointment of Mr. Chintan Chheda, Director (DIN: 08098371), who retires by rotation and being eligible, offers himself for re-appointment			
3.	Ordinary Resolution for appointment of Mr. Akhilesh Kumar as Manager of the Company			
4.	Special Resolution for appointment of Mr. Rakesh Bajaj as an Independent Director of the Company			
5.	Ordinary Resolution for appointment of Ms. Priyanka Gandhi as Director of the Company			

Signed this day of, 2022

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 28th 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