

# **KLG CAPITAL SERVICES LIMITED**

## **21<sup>ST</sup> ANNUAL REPORT**

### **2014 - 2015**

**ANNUAL GENERAL MEETING**

**Date :** September 25, 2015

**Day :** Friday

**Time :** 1500 Hours

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

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**BOARD OF DIRECTORS**

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

**MANAGER**

Mr. Milan Mandani

**COMPANY SECRETARY**

Ms. Nishita M. Nagrecha

**REGISTERED AND CORPORATE OFFICE**

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

**STATUTORY AUDITORS**

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

**REGISTRAR AND SHARE TRANSFER AGENTS**

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

**BANKERS**

Central Bank of India  
Kotak Mahindra Bank

## NOTICE

**NOTICE** is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of KLG Capital Services Limited will be held on Friday, September 25, 2015 at 1500 hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400001 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nikhil Gandhi (DIN 00030560), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"Resolved That** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the Members of the Company at the 20<sup>th</sup> Annual General Meeting ("AGM") held on September 30, 2014; the Company hereby ratifies the appointment of M/s. NBS & Co, Chartered Accountants (Firm Registration No. 110100W), as the Statutory Auditors of the Company to hold office from the conclusion of ensuing AGM till the conclusion of 23<sup>rd</sup> AGM of the Company to be held in the year 2017; on such remuneration as may be mutually agreed between the Board of Directors of the Company and the auditors based on the recommendation of the Audit committee."

**By Order of the Board of Directors**

**Place :** Mumbai  
**Date :** August 12, 2015

**Nishita M. Nagrecha**  
**Company Secretary**

### Registered Office:

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

### NOTES:

- 1) Pursuant to the requirements on Corporate Governance under Clause 49 of Listing Agreement entered into with Stock Exchange, the brief profile of the Director proposed to be reappointed is given in the Exhibit to Notice.
- 2) **PROXIES**
  - a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY 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.**
  - b. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case of a Member who is holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer are companies, societies, partnership firms, etc., it shall be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation.
  - c. During the period beginning 24 hours before the time fixed for the commencement of the Annual General Meeting ("AGM") and ending with the conclusion of the AGM, a Member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- 3) Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
- 4) Members/ Proxies/ Representatives are requested to bring their copies of the Annual Reports and the Attendance Slips sent herewith to attend the AGM.

## KLG Capital Services Limited

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- 5) 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.
- 6) The Register of Members and Transfer Books of the Company shall remain closed from Saturday, September 19, 2015 to Friday, September 25, 2015 (both days inclusive).
- 7) The Members are requested to:
  - a) intimate to Link Intime India Private Limited, Registrar and Share Transfer Agents of the Company (for shares held in physical form) and to their respective Depository Participant (for shares held in Dematerialised form) the changes, if any, in their registered address, Bank account details, Email address, etc. at an early date. The said details will be automatically reflected in the Company's records. This will help the Company and the Registrar and Share Transfer Agents to provide efficient and better services to the Members;
  - b) quote ledger folio numbers/DP Identity and Client Identity Numbers in all their correspondence with the Company;
  - c) approach the Company for consolidation of folios, if shareholdings of a person are under multiple folios;
- 8) Members who have not registered their email addresses with the Depositories are requested to register the same so that the Company can send the future communications in electronic mode. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the Members may also send requests to the Company's investor Email Id: [company.secretary@klgcapital.com](mailto:company.secretary@klgcapital.com).
- 9) Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company at least seven days in advance of the AGM so that the information required can be made readily available at the meeting.
- 10) In support of the Green Initiative, copies of the Annual Report for FY15 along with the Notice of the 21<sup>st</sup> AGM, Attendance Slip and Proxy Forms are being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company / DPs for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report, etc., are being sent by the permitted mode. Members may also note that the Annual Report of the Company is also available for download from the website of the Company i.e. [www.klgcapital.com](http://www.klgcapital.com).
- 11) All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company between 11:00 a. m. to 1:00 p. m. on all working days up to the date of the AGM.
- 12) The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ RTA.
- 13) Voting through electronic means: In compliance with provisions of Section 108 of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company is pleased to provide remote 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 Company has availed the remote e-voting services of Central Depository Services (India) Limited ("CDSL"). The Company has appointed Mr. Aashish K. Bhatt (C.P. No. 7023), Practising Company Secretary, Mumbai, as Scrutinizer for conducting the e-voting process in a fair and transparent manner.

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

- (i) The voting period begins on Tuesday, September 22, 2015 at 900 hours and ends on Thursday, September 24, 2015 at 1700 hours. During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 18, 2015, may cast their vote electronically. The remote 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](http://www.evotingindia.com).
- (iii) Click on 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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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 Members as well as physical Members) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number ("EVSN" i.e. 150821045) for KLG Capital Services Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same 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) Note for Non-Individual Members & Custodians:
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk@cdslindia.com](mailto:helpdesk@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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 14) Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 18, 2015 may follow the same procedure as mentioned above for e-Voting. However, if you are already registered with CDSL for remote e-voting then you can use your existing password for casting your vote.

## KLG Capital Services Limited

- 15) The facility for voting through polling paper shall also be made available at the meeting and Members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 16) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM 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 three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith.
- 17) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at [www.klgcapital.com](http://www.klgcapital.com) and of CDSL and shall also be communicated to BSE Limited.

### EXHIBIT TO NOTICE

**Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished in respect of Director proposed to be appointed / re-appointed:**

<b>Name of the Director</b>	<b>Mr. Nikhil Gandhi</b>
Date of Birth	April 25, 1959
Nationality	Indian
Date of Appointment	June 19, 2008
Designation	Non-Executive, Non-Independent Director
Brief Profile including nature of Expertise in specific functional areas	Mr. Nikhil Gandhi is a first-generation entrepreneur. In 1990, he received the 'Best Young Entrepreneur' award from the Ministry of Chemicals and Petrochemicals, Government of India and in 2001, he was conferred the 'Great Son of Soil' award by the All India Conference of Intellectuals. Mr. Nikhil Gandhi has contributed in undertaking various projects of national importance, several such projects being first-of-its-kind in aspects such as bringing private sector initiative into hitherto public domain. He has 29 years of experience in conceiving and developing infrastructure projects across India.
Directorships held in other Companies	<ul style="list-style-type: none"> <li>• Pipavav Defence and Offshore Engineering Company Limited</li> <li>• SKIL Infrastructure Limited (Erstwhile Horizon Infrastructure Limited)</li> <li>• Mazagon Dock Pipavav Defence Private Limited</li> <li>• SKIL-Himachal Infrastructure and Tourism Limited</li> <li>• JPT Securities Limited</li> <li>• Nayroh Lifestyle and Leisure Infrastructure Limited</li> <li>• Awaita Properties Private Limited</li> <li>• Urban Infrastructure Holdings Private Limited</li> <li>• Karanja Terminal &amp; Logistics Private Limited</li> <li>• Navi Mumbai SEZ Private Limited</li> <li>• SKIL Institute of Nursing Private Limited</li> <li>• Pipavav Electronic Warfare Systems Private Limited</li> <li>• Sohar Free Zone LLC</li> <li>• SKIL Ports &amp; Logistics Limited</li> <li>• PDOC Pte. Limited</li> <li>• SKIL (Singapore) Pte. Limited</li> </ul>
Memberships/ Chairmanships of committees of other public companies (only Audit and Stakeholders Relationship Committee) included	<ul style="list-style-type: none"> <li>• SKIL- Himachal Infrastructure and Tourism Limited- Member of Audit Committee</li> <li>• Pipavav Defence and Offshore Engineering Company Limited - Chairman of Stakeholders Relationship Committee</li> <li>• SKIL Infrastructure Limited (Erstwhile Horizon Infrastructure Limited) - Member of Stakeholders Relationship Committee</li> <li>• JPT Securities Limited - Member of Audit Committee and Member of Stakeholders Relationship Committee</li> </ul>
Shareholding in the Company	Nil
Inter-se relationship with other Directors	None

**DIRECTORS' REPORT**

To,  
**The Members,**  
 Your Directors have pleasure in presenting 21<sup>st</sup> Annual Report of the Company together with the Audited Financial Statement for the year ended March 31, 2015.

**Financial Highlights (Standalone)**

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

(Rupees in Lacs)

Particulars	2014-2015	2013-2014
Net Income	48.67	47.77
Less: Expenditure	28.05	22.87
Profit before Depreciation & Taxation	20.62	24.90
Less: Depreciation	0.17	0.07
Profit before Tax	20.45	24.83
Less: Taxes	5.38	10.20
Profit after Tax	15.07	14.63
Less: Transfer to Statutory Reserve Account as per Section 45-IC of Reserve Bank of India Act, 1934	3.01	2.93
Balance carried forward to Balance Sheet	12.06	11.70

**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. 48.67 Lacs as compared to the income of Rs. 47.77 Lacs during the previous financial year. The profit after tax as on March 31, 2015 amounted to Rs. 15.07 Lacs as against profit of Rs. 14.63 Lacs during the previous financial year.

**Dividend**

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

**Reserves**

During the year under review, Rs. 3.01 Lacs (Previous year Rs. 2.93 Lacs) was transferred to Statutory Reserve Account as prescribed under section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profits after taxes for the year.

**Authorised Share Capital**

The Members of the Company had in the 20th AGM held on September 30, 2014, ratified & approved the decision of the Board of Directors for rescission & withdrawal of Postal Ballot resolution passed on April 12, 2013, for increasing the Authorised Share Capital of the Company, alteration of Memorandum and Articles of Association of the Company and Preferential allotment of preference shares to Promoter Company. Accordingly, the Authorised Share Capital of the Company remains unaltered.

**Extract of Annual Return**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return for the Financial Year 2014-15 in Form MGT-9 is annexed herewith as 'Annexure I'.

**Material Changes and Commitments**

No material changes and commitments have occurred between the end of financial year of the Company and the date of this report affecting the financial position of the Company as at March 31, 2015.

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

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

Also, pursuant to Clause 32 of the Listing Agreement, 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 attracting compliance under Section 188 of the Companies Act, 2013, are placed before the Audit Committee as also before the Board for approval. The details of related party transactions are given in the Notes to the Financial Statements.

**Deposits**

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

**Details of Subsidiary, Associate Companies**

The Company has one wholly owned subsidiary namely KLG Stock Brokers Private Limited ("KSBPL"). There are no associate



companies within the meaning of Section 2(6) of the Companies Act, 2013. In accordance with Section 129(3) of the Companies Act, 2013 and AS-21 on Consolidated Financial Statements, the Audited Consolidated Financial Statements forms part of this Annual Report.

The performance and financial position of KSBPL, as per Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed to the Notes to Financial Statements in Form AOC – 1 and hence not repeated here for the sake of brevity, under Rule 8 of the Companies (Accounts) Rules, 2014.

Further, during the financial year under review, none of the Companies became or ceased to be the Subsidiary or Associate of the Company, though the Board of Directors, in their Meeting held on August 12, 2015, approved the ceasing of KSBPL as subsidiary of the Company.

#### **Details of Directors and Key Managerial Personnel**

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

Mr. Milan Mandani, Manager of the Company is the Key Managerial Personnel pursuant to the provisions of Section 203 of the Companies Act, 2013 and was already in office before the commencement of the the Companies Act, 2013. Further, Ms. Nishita M. Nagrecha was appointed as the Whole-time Key Managerial Personnel of the Company under the category of Company Secretary with effect from November 13, 2014.

Mr. Mitul Shah was appointed as the Whole-time Key Managerial Personnel of the Company under the category of Chief Financial Officer with effect from November 13, 2014 who ceased to hold the said positions with effect from May 25, 2015.

Brief profile of Director proposed to be re-appointed as aforesaid is provided in the Exhibit to the Notice of ensuing AGM.

#### **Declaration by Independent Directors**

The Company has received necessary declaration from each of the Independent Directors under section 149(6) of the Companies Act, 2013 that they meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **Number of Board Meetings**

The Board met four times during the financial year, May 30, 2014, August 14, 2014, November 13, 2014 and February 13, 2015. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

#### **Independent Directors' Meeting:**

The Independent Directors met on February 13, 2015, without the attendance of Non- Independent Directors and members of the Management. The Independent Directors, inter alia, reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors 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 and Clause 49 of the Listing Agreement entered with the Stock Exchanges stipulate the performance evaluation of the Directors, Board and its Committees. The Company has devised the criteria based on which the annual performance evaluation of the Directors, Board and Board Committees has been carried out.

The Committee of Independent Directors at their Meeting held on February 13, 2015, evaluated the performance of Non-Independent Directors including Chairperson of the Company and the Board as a whole. The Board of Directors, at their Meeting held on February 13, 2015, 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 Director being evaluated and based on the evaluation process the Board had determined to continue the term of all the Independent Directors.

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 Companies Act, 2013 and are annexed to this Report as "Annexure II".

#### **Directors Responsibility Statement**

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit /loss of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.



- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Audit committee**

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

The details with respect to the powers, roles, terms of reference, etc. of the Audit Committee are given in the Corporate Governance Report that forms part of this Annual Report.

#### **Statutory Auditors**

At the AGM held on September 30, 2014, M/s. NBS & Co., Chartered Accountants (ICAI Registration No. 110100W), were appointed as the Statutory Auditors of the Company to hold office until the conclusion of the 23<sup>rd</sup> AGM to be held in the calendar year 2017. In terms of Section 139 of the Companies Act, 2013, read with the Rules thereto the appointment of the auditors shall be placed for ratification at every AGM. Accordingly, the appointment of M/s. NBS & Co., Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the Members in the ensuing AGM.

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

#### **Auditors' Report**

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended March 31, 2015, does not contain any qualification, reservation and adverse remark.

#### **Secretarial Auditor**

Pursuant to Section 204 of the Companies Act 2013, the Board had appointed Mr. Aashish K. Bhatt, Practicing Company Secretary, Mumbai, as Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2014-15.

The Secretarial Audit Report for the financial year ended March 31, 2015, does not contain any qualification, reservation and adverse remark and is annexed to this report as '*Annexure III*'.

#### **Corporate Governance**

Your Company adopts high standards of Corporate Governance and adheres to the corporate governance requirements set out by the Securities and Exchange Board of India (SEBI). A report on Corporate Governance along with a certificate for compliance with the Clause 49 of the Listing Agreement issued by Mr. Aashish K. Bhatt, Practicing Company Secretaries, forms part of this Report.

#### **Management Discussion and Analysis**

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement is presented in a separate section forming part of this Annual Report.

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

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

#### **Managerial Remuneration**

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

None of the Directors of the Company are in receipt of any commission from the Company or from Subsidiary of the Company.

The details of remuneration paid to the Directors and Key Managerial Personnel of the Company are given in '*Annexure I*' to this Report.

#### **Risk Management Policy**

Pursuant to the requirement of Section 134 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company already has in place a Risk Management Policy. It has a robust Risk Management framework to identify and evaluate business risks and opportunities. The framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage.

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

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

#### **Nomination & Remuneration Policy**

The Nomination and Remuneration Committee comprises of Ms. Gayathri Ramachandran (Chairperson), Mr. V. Ramanan and Mr. Nikhil Gandhi as Members. The terms of reference of the Committee are given in the Corporate Governance Report which forms part of this Annual Report.

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 V*'.

### **Familiarisation Programme for Board Members**

The Board Members are provided with necessary documents and policies to enable them to familiarise themselves with the Company's procedures and practices.

The details of such familiarisation programmes for Independent Directors of the Company are posted on the website of the Company at [www.klgcapital.com/images/pdf/Policies-Codes/Familiarisation-Programme-for-IDs-klg.pdf](http://www.klgcapital.com/images/pdf/Policies-Codes/Familiarisation-Programme-for-IDs-klg.pdf).

### **Vigil Mechanism/Whistle Blower Policy**

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

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

### **Sexual Harassment**

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

### **Particulars of Employees**

None of the employees exceed the limit pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

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

### **Certificate under clause 49(IX) of the Listing Agreement**

In lieu of CEO/CFO, the Board of the Directors of the Company, has authorized the Manager to issue certificate under Clause 49(IX) of the Listing Agreement. The certificate forms part of this Report.

### **Code of Conduct**

The Board of Directors has adopted the Code of Conduct for the Board Members and Senior Management Personnel. A confirmation from the Manager regarding compliance with the said Code by all the Directors and Senior Management Personnel forms part of this Annual Report. The Code of Conduct is posted on the website of the Company [www.klgcapital.com](http://www.klgcapital.com).

### **Green Initiative**

In accordance with the 'Green Initiative', the Company has been sending the Annual Report / Notice of AGM in electronic mode to those Members whose E-mail IDs are registered with the Company and / or the Depository Participants.

Your Directors are thankful to the Members for actively participating in the Green Initiative.

### **Appreciations and Acknowledgment**

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

#### **Registered Office:**

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

**By Order of the Board of Directors**

**Gayathri Ramachandran**  
Chairperson  
DIN 02872723

**Place:** Mumbai

**Date:** August 12, 2015

**Annexure I - FORM NO. MGT 9**

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

**EXTRACT OF ANNUAL RETURN****I REGISTRATION & OTHER DETAILS:**

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

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

1

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Consultancy & Arrangement fees	74140	100.00

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

No. of Companies for which information is being filled	2
--	---

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Awaita Properties Private Limited 209, SKIL House, Bank Street Cross Lane, Fort, Mumbai - 400 023.	U45102MH1995PTC084308	HOLDING	60.46	2(46)
2	KLK Stock Brokers Private Limited 209, SKIL House, Bank Street Cross Lane, Fort, Mumbai - 400 023.	U74120MH2010PTC207363	SUBSIDIARY	100	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	1936075	0	1936075	60.46	1936075	0	1936075	60.46	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1)	1936075	0	1936075	60.46	1936075	0	1936075	60.46	0.00
<b>(2) Foreign</b>									
a) NRI - Individual/	0	0	0	0	0	0	0	0	0.00
b) Other - Individual/	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Others	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (2)	0								
<b>Total shareholding of Promoter 2 (A)</b>	1936075	0	1936075	60.46	1936075	0	1936075	60.46	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	0	0	0	0	0	0	0	0	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0.00
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	590696	0	590696	18.45	574698	0	574698	17.95	-0.50
ii) Overseas	0	0	0	0	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lacs	415769	10633	426402	13.32	403909	2933	406842	12.70	-0.61
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lacs	207785	24000	231785	7.24	268632	0	268632	8.39	1.15
c) Others (specify)									
c-i) Clearing Member	2525	0	2525	0.08	3538	0	3538	0.11	0.03
c-ii) Non resident Indians (Repat)	13779	0	13779	0.43	8477	0	8477	0.26	-0.17
c-iii) Non resident Indians (Non Repat)	638	0	638	0.02	638	0	638	0.02	0.00
c-iv) Directors / Relatives	500	0	500	0.02	3500	0	3500	0.11	0.09
<b>Sub-total (B)(2):-</b>	1231692	34633	1266325	39.54	1263392	0	1266325	39.54	0.00
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	1231692	34633	1266325	39.54	1263392	2933	1266325	39.54	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	3167767	34633	3202400	100	3199467	2933	3202400	100.00	0.00

ii **Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Awaita Properties Pvt Ltd	1936075	60.46	0.00	1936075	60.46	0.00	0.00
	<b>TOTAL</b>	1936075	60.46	0.00	1936075	60.46	0.00	0.00

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

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1936075	60.46	1936075	60.46
Changes During the Year	-	-	-	-
At the End of the year	1936075	60.46	1936075	60.46

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

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1. Ranveer Infrastructure Ltd.</b>				
At the beginning of the year	103500	3.23	103500	3.23
Changes During the Year	-	-	-	-
<b>At the End of the year</b>			103500	3.23
<b>2.Parag Infrastructure Pvt. Ltd</b>				
At the beginning of the year	103000	3.22	103000	3.22
Changes During the Year	-	-	-	-
<b>At the End of the year</b>			103000	3.22
<b>3. Manish Infrastructure Limited</b>				
At the beginning of the year	102000	3.19	102000	3.19
Changes During the Year	-	-	-	-
<b>At the End of the year</b>			102000	3.19
<b>4. Verona Capital Ltd</b>				
At the beginning of the year	95898	2.99	95898	2.99
Changes During the Year - Purchase of shares after April 01, 2014	100	0.00	95998	3.00
<b>At the End of the year</b>			95998	3.00
<b>5. Hansa Infrastructure Ltd</b>				
At the beginning of the year	85000	2.65	85000	2.65
Changes During the Year	-	-	-	-
<b>At the End of the year</b>			85000	2.65
<b>6. Prabhat Infrastructure Ltd</b>				
At the beginning of the year	54928	1.72	54928	1.72
Changes During the Year	-	-	-	-
<b>At the End of the year</b>			54928	1.72
<b>7. Suchitra G. Shanbhag*</b>				
At the beginning of the year	19200	0.60	19,200	0.60
Changes During the Year - Purchase of shares During the Year	27192	0.85	46392	1.45
Sale of Shares During the Year	6200	0.19	40192	1.26
<b>At the End of the year</b>			40192	1.26

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>8. Priyanka Singhvi</b>				
At the beginning of the year	28673	0.90	28673	0.90
Changes During the Year	-	-	-	-
<b>At the End of the year</b>			28673	0.90
<b>9. Sushila Garg</b>				
At the beginning of the year	24000	0.75	24000	0.75
Changes During the Year	-	-	-	-
<b>At the End of the year</b>			24000	0.75
<b>10. Puneeta Garg</b>				
At the beginning of the year	24000	0.75	24000	0.75
Changes During the Year	-	-	-	-
<b>At the End of the year</b>			24000	0.75
<b>11. Vivek Garg**</b>				
At the beginning of the year	21600	0.67	21600	0.67
Changes During the Year	-	-	-	-
<b>At the End of the year</b>			21600	0.67
* Not in the list of Top 10 shareholders as on 1 April, 2014. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31 March, 2015.				
** Ceased to be in the list of Top 10 shareholders as on 31 March, 2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 1 April, 2014.				

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

Nilesh Mehta (Director)*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	3500	0.11	3500	0.11
Changes During the Year	-	-	-	-
<b>At the End of the year</b>			3500	0.11
*No. of shares include consolidated holding of Director & his relative.				

**V INDEBTEDNESS**

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

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

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Mr. Milan Mandani Manager	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)		
	Ceiling as per the Act		

**B. Remuneration to other directors:**

<b>1</b>	<b>Independent Directors</b>				
	<b>Particulars of Remuneration</b>	<b>Ms. Gayathri Ramachandran<sup>(1)</sup></b>	<b>Mr. V. Ramanan<sup>(2)</sup></b>	<b>Mr. B.S. Bhalerao<sup>(3)</sup></b>	<b>Total Amount</b>
	Fee for attending board committee meetings	45,000	50,000	10,000	
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>45,000</b>	<b>50,000</b>	<b>10,000</b>	<b>1,05,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
		<b>Mr. Nikhil Gandhi</b>	<b>Mr. Nilesh Mehta</b>		
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>45,000</b>	<b>50,000</b>	<b>10,000</b>	<b>1,05,000</b>
	<b>Total Managerial Remuneration</b>	<b>45,000</b>	<b>50,000</b>	<b>10,000</b>	<b>1,05,000</b>

<sup>(1)</sup> <sup>(2)</sup> For the period April 01, 2014 to March 31, 2015.

<sup>(3)</sup> For the period April 01, 2014 to August 14, 2014 as he ceased to be the Director w.e.f. August 14, 2014.



**KLG Capital Services Limited****C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mitul Shah Chief Financial Officer (CFO)	Nishita M. Nagrecha* Company Secretary (CS)	Total
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-

\*Ms. Nishita M Nagrecha, Company Secretary, currently draws her remuneration from the Holding Company, in which she is a Key Managerial Personnel under the category of Company Secretary under section 203 of the Companies Act, 2013.

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

By Order of the Board of Directors

Place: Mumbai  
Date: August 12, 2015

Gayathri Ramachandran  
Chairperson  
DIN 02872723

## **Annexure II - Criteria for Evaluation of Independent Directors**

### **CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTORS:**

The Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- i) uphold ethical standards of integrity and probity;
- ii) act objectively and constructively while exercising their duties;
- iii) exercise their responsibilities in a bona fide manner in the interest of the Company;
- iv) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- v) assist the Company in implementing the best corporate governance practices;
- vi) strive to attend all Meetings of the Board of Directors and of the Board committees of which they are members;
- vii) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and Shareholder's interest;
- viii) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk Management are robust and defensible;
- ix) strive to safeguard the interests of all stakeholders, particularly the minority shareholders;
- x) balance the conflicting interest of the stakeholders;
- xi) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts;
- xii) keep themselves well informed about the Company and the external environment in which it operates;
- xiii) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- xiv) strive to attend the general Meetings of the Company;
- xv) acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xvi) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- xvii) ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xviii) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;
- xix) maintain confidentiality of information such as commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law;
- xx) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc;
- xxi) they express concerns about the running of the Company or a proposed action and ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that the concerns are recorded in the Minutes of the Board Meeting;
- xxii) develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior Management of the Company;
- xxiii) fairly contribute towards proper functioning of Board or Committees of the Board.
- xxiv) satisfy the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges;
- xxv) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk Management, resources, key appointments and standards of conduct;
- xxvi) bring an objective view in the evaluation of the performance of Board and Management;
- xxvii) actively scrutinise the performance of Management in Meeting agreed goals and objectives and monitor the reporting of performance;
- xxviii) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- xxix) contribute to determine appointment and remuneration of executive Directors, Key Managerial Personnel (KMP) and senior Management;
- xxx) exercise objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.

**Annexure III**  
**Secretarial Audit Report**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] for the financial year ended 31<sup>st</sup> March, 2015*

To,

**The Members,**

**KLG Capital Services Limited**

**Mumbai**

Dear Sir(s)/ Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions as agreed and the adherence to good corporate governance practice by **KLG Capital Services Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31<sup>st</sup> March, 2015, 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 the Company, for the financial year ended on 31<sup>st</sup> March, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not Applicable;
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable :-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
- f) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFCs till the extent applicable;

We have also examined compliances with applicable clauses of:

- I. Secretarial Standards issued by the Institute of the Company Secretaries of India – **Not Applicable as were not notified**
- II. The Listing Agreements entered into by the company with BSE Limited.

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

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

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

for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

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.

- (i) Appointment of Independent and other Director(s)
- (ii) Resignation of Director
- (iii) Constitution and Reconstitution of various Committees
- (iv) Appointment of Key Managerial Personnel(s)
- (v) Approval of borrowing limits under Section 180(1)(c) of the Act ;

For **Aashish K. Bhatt & Associates**  
**Company Secretaries**  
(ICSI Unique Code S2008MH100200)

**Aashish Bhatt**  
**Proprietor**

**Place:** Mumbai

**Date:** August 12, 2015

**ACS No.: 19639, COP No.: 7023**

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

**APPENDIX A**

To,

The Members,

**KLG Capital Services Limited**

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

1. The responsibility of maintaining Secretarial record is of the management and based on our audit, we have expressed our opinion on these records.
2. We are of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the Secretarial records were reasonable for verification on test check basis.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. Our examination was limited to the verification of procedure on test basis and wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**  
**Company Secretaries**  
(ICSI Unique Code S2008MH100200)

**Aashish Bhatt**  
**Proprietor**

**Place:** Mumbai

**Date:** August 12, 2015

**ACS No.: 19639, COP No.: 7023**

**Annexure IV: Managerial Remuneration:**

**Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15: Since the Employees are drawing NIL remuneration from the Company, the median is 0.
- (ii) The percentage increase in the remuneration of each Director, Chief Financial Officer, Company Secretary, Manager in the financial year 2014-15:

<b>Name</b>	<b>Designation</b>	<b>Percentage increase in Remuneration during FY 2014-15</b>
Ms. Gayathri Ramachandran^	Chairperson, Independent Director	NA*
Mr. V. Ramanan^	Independent Director	25.00
Mr. Nikhil Gandhi	Director	NA
Mr. Nilesh Mehta	Director	NA
Mr. B. S. Bhalerao^	Independent Director	NA #
Mr. Milan Mandani	Manager	NA
Mr. Mitul Shah	Chief Financial Officer	NA
Ms. Nishita M. Nagrecha	Company Secretary	NA

Note:

^ Indicates Sitting fees to Independent Directors.

\*Ms. Gayathri Ramachandran was appointed as Director w.e.f. February 14, 2015.

# Mr. B. S. Bhalerao ceased to be the Director w.e.f. August 14, 2014.

- (iii) The percentage increase in the median remuneration of employees in the financial year 2014-15: Not Applicable.
- (iv) The number of permanent employees on the rolls of the Company: As on March 31, 2015, there were 3 permanent employees.
- (v) An explanation on the relationship between average increase in remuneration and Company's performance: Not Applicable
- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: Not Applicable
- (vii) (a) Variations in the market capitalization of the Company and price earnings ratio as at the closing date of the current financial year and previous financial year:

<b>Particulars</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Market Capitalization (in Rs.)	76,857,600	69,171,840
Price Earnings Ratio	51.06	46.96

- (b) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer: The Company had come out with initial public offer (IPO) in the year 1995 at a price of Rs. 10/- per share. The closing price of the Company's share on BSE as on the last trading day of the financial year was Rs. 24/-. The compounded annual growth rate increase in share price of the Company is 4.47% per year.
- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable
- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company: Not Applicable
- (x) The key parameters for any variable component of remuneration availed by the Directors: Not Applicable
- (xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable.
- (xii) 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 V - Nomination, Remuneration & Evaluation Policy**

### **LEGAL FRAMEWORK**

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

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

### **DEFINITIONS**

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

### **MEMBERSHIP**

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

### **CHAIRPERSON**

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

### **FREQUENCY OF MEETINGS**

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

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

The role/terms of reference of the Committee include:

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

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

#### **I) General appointment criteria:**

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

- iii) The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the applicable provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement 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 Clause 49 of the Listing Agreement and section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder.

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

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

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

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

**ii) Independent Director**

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

**IV) Evaluation**

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

**V) Removal**

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

**VI) Retirement**

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

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

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

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

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

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



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

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

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

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

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

## **III) Remuneration to other employees**

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

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

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

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

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

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

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

## **COMMITTEE MEMBERS' INTERESTS**

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

## **VOTING**

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

## **DISCLOSURES**

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

## **MISCELLANEOUS**

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

## **AMENDMENT**

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

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

## REPORT ON CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange, a report on Corporate Governance is set out below:

### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE:

The Company's philosophy on the code of Corporate Governance envisages working towards higher levels of integrity, transparency, empowerment, accountability, consistent value systems, respect for law and fair business practices with all its stakeholders. The Company upholds these values and ensures their protection.

### 2. BOARD OF DIRECTORS ('Board'):

#### i) Composition and category of the Directors and number of other Directorships/Committee Memberships held by them:

The composition of the Board is in conformity with Clause 49 of the Listing Agreement. As on March 31, 2015, the Board of Directors comprises four Non-Executive Directors of which two are Independent Directors.

As mandated under Clause 49 of the Listing Agreement, none of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all companies in which they are Director. The disclosures made by Directors regarding Board and Committee Memberships held by them in other companies have been duly recorded by the Board in its Meetings from time to time. None of the Directors of the Company are inter-se related to each other.

A detailed chart showing the names and categories of the Directors on the Board of the Company, number of Directorships held by the Directors in other Indian Public Limited Companies (Listed and Unlisted) and Membership/Chairmanship of the Committees of the Boards of such Companies is given below. Other Directorships excludes Alternate Directorships, Directorships Indian Private Limited Companies, Section 25 Companies and Foreign Companies. Membership/Chairmanship of Board Committees includes only Audit Committee and Stakeholders Relationship Committee:

Name of Directors	Category of Directorship	Designation	Other Directorships as on March 31, 2015	Memberships/ Chairmanship in Committees of Board of other Public Companies as on March 31, 2015	
				Chairman	Member
Ms. Gayathri Ramachandran*	Non-Executive, Independent	Chairperson	9	3	4
Mr. V. Ramanan	Non-Executive, Independent	Director	8	3	4
Mr. Nikhil Gandhi	Non-Executive, Non-Independent	Director	7	1	2
Mr. Nilesh Mehta	Non-Executive, Non-Independent	Director	6	-	-
Mr. B. S. Bhalerao**	Non-Executive, Independent	Director	NA	NA	NA

\*Appointed as an Additional (Independent) Director w.e.f. May 30, 2014 and confirmed as an Independent Director in the 20<sup>th</sup> Annual General Meeting held on September 30, 2014.

\*\*Ceased to be the Director of the Company w.e.f. August 14, 2014

#### i) Meetings and Attendance of Directors during the year ended March 31, 2015:

During the year ended March 31, 2015, four Board Meetings were held on May 30, 2014, August 14, 2014, November 13, 2014 and February 13, 2015.

The attendance of each Director at the said Board Meetings and at the 20<sup>th</sup> AGM held on September 30, 2014, is given below:

Name of the Directors	No. of Board Meetings		Whether attended the 20 <sup>th</sup> AGM
	Held *	Attended by the Director	
Ms. Gayathri Ramachandran	4	4	No
Mr. V. Ramanan	4	4	Yes
Mr. Nikhil Gandhi	4	1	No
Mr. Nilesh Mehta	4	4	Yes
Mr. B. S. Bhalerao	1	1	NA

\* No. of Board Meetings held reflects the no. of Meetings held in the tenure of the concerned Director during the financial year 2014-15.

### 3. AUDIT COMMITTEE:

In the Board Meeting held on August 14, 2014, the terms of reference and scope of Audit Committee was aligned in tandem with the revised Clause 49 of the Listing Agreement.

#### i) Brief description of Terms of Reference:

The terms of reference of the Audit Committee, inter alia, includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee, as amended from time to time.
21. Carrying out any other function as may from time to time be required under any statutory, contractual or other regulatory requirement.

**Review of information by Audit Committee:**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Further, Audit committee has been granted powers as prescribed under Clause 49(III)(C) of the Listing Agreement.

**ii) Composition:**

Ms. Gayathri Ramachandran, Chairperson of Audit Committee verbally communicated that due to pre-occupation she will not be able to attend the 20<sup>th</sup> AGM of the Company to be held on September 30, 2014. Therefore, in connection to that a board resolution was passed authorizing Mr. V. Ramanan on behalf of the Chairman of the Committee to attend and answer Members' queries at the 20<sup>th</sup> AGM.

As on March 31, 2015, the Audit Committee comprises three Directors as Members. The detailed composition of the Audit Committee is as follows:

Name of the Members	Category	Position
Mr. V. Ramanan*	Non-Executive Independent Director	Chairman
Ms. Gayathri Ramachandran**	Non-Executive Independent Director	Member
Mr. Nilesh Mehta	Non-Executive Non-Independent Director	Member
Mr. B. S. Bhalerao***	Non-Executive Independent Director	--

\* Appointed as the Chairman w.e.f. November 10, 2014.

\*\* Appointed as a Member w.e.f. May 30, 2014 and then Chairman w.e.f. August 14, 2014 and again as a Member w.e.f. November 10, 2014.

\*\*\* Ceased to be a Director w.e.f. August 14, 2014 and as a Chairman of the Committee.

**iii) Meetings and Attendance of Members during the year ended March 31, 2015:**

During the year ended March 31, 2015, four Audit Committee Meetings were held on May 30, 2014, August 14, 2014, November 13, 2014 and February 13, 2015. Required quorum was present at all the said Meetings.

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

Name of the Member	No. of Audit Committee Meetings	
	Held *	Attended by the Member
Ms. Gayathri Ramachandran	3	3
Mr. V. Ramanan	4	4
Mr. Nilesh Mehta	4	4
Mr. B. S. Bhalerao	1	1

\*No. of Audit Committee Meetings held reflects the no. of Meetings held in the tenure of the concerned Member during the financial year ended 2014-15.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

In the Board Meeting held on August 14, 2014, the role/reference of Nomination and Remuneration Committee was aligned in tandem with the revised Clause 49 of the Listing Agreement.

**i) Brief description of terms of reference:**

The brief description of the terms of reference of Remuneration Committee is as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Carrying out other functions as may from time to time be required under any statutory, contractual or other regulatory requirement.

ii) **Composition:**

As on March 31, 2015, the Nomination and Remuneration Committee comprises three Non-Executive Directors as Members.

The detailed composition of the Nomination and Remuneration Committee is as follows:

Name of the Members	Category	Position
Ms. Gayathri Ramachandran*	Non-Executive Independent Director	Chairperson
Mr. V. Ramanan**	Non-Executive Independent Director	Member
Mr. Nikhil Gandhi	Non-Executive Non-Independent Director	Member
Mr. B. S. Bhalerao***	Non-Executive Independent Director	--

\*Appointed as a Member w.e.f. May 30, 2014 and as the Chairman w.e.f. November 13, 2014.

\*\*Appointed as Chairman w.e.f. August 14, 2014 and Member w.e.f. November 13, 2014.

\*\*\*Ceased to be a Director w.e.f. August 14, 2014 and accordingly as a Chairman of the Committee.

iii) **Meetings and Attendance of Members during the year ended March 31, 2015:**

During the year ended March 31, 2015, Meeting of the Nomination and Remuneration Committee was held on August 14, 2014. Required quorum was present at the said Meeting.

The attendance of each Member at the said Nomination and Remuneration Committee Meeting is given below:

Name of the Member	No. of Nomination and Remuneration Committee Meeting	
	Held *	Attended by the Member
Ms. Gayathri Ramachandran	1	1
Mr. Mr. V. Ramanan	1	1
Mr. Nikhil Gandhi	1	1
Mr. B. S. Bhalerao	NA	NA

\*No. of Nomination and Remuneration Committee Meetings held reflects the no. of Meetings held in the tenure of the concerned Member during the financial year ended 2014-15.

iv) **Remuneration Policy:**

The Company's Nomination and Remuneration policy for Directors, Key Managerial Personnel and other Employees is annexed to the Directors Report.

v) **Details of Directors' remuneration paid for the year ended March 31, 2015:**

The Non-Executive Directors are paid sitting fees of Rs. 5000/- for attending each Meeting of the Board of Directors and the Board Committees, which is within the limits prescribed under the Companies Act, 2013.

Details of the remuneration paid to the Directors of the Company during the year ended March 31, 2015, is as follows:

(Amount in Rs.)

Name of Directors	Sitting Fees for attending Board and Committee Meetings	Salary, Perquisites, Commission, etc	Total
Ms. Gayathri Ramachandran	45,000	-	45,000
Mr. V. Ramanan	50,000	-	50,000
Mr. Nikhil Gandhi	-	-	-
Mr. Nilesh Mehta	-	-	-
Mr. B. S. Bhalerao	10,000	-	10,000
<b>Total</b>	<b>105,000</b>	<b>-</b>	<b>105,000</b>

- None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company and vis-à-vis, except sitting fee as mentioned above.
- None of the Non-Executive Directors held any Equity Shares in the Company except Mr. Nilesh Mehta who holds 3500 Equity Shares alongwith the relative.
- The Company does not have any Employee Stock Option Scheme (ESOS).

5. **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In the Board Meeting held on August 14, 2014, the role of Stakeholders Relationship Committee was aligned in tandem with the revised Clause 49 of the Listing Agreement, to consider and resolve grievance of shareholders, debentureholders and other security holders including compliants related to transfer of shares, non-receipt of notices/annual reports, etc. and carrying out other functions as may from time to time be required under any statutory or other regulatory requirements.

**i) Composition:**

As on March 31, 2015, the Stakeholders Relationship Committee comprises three Directors as Members.

The detailed composition of the Stakeholders Relationship Committee is as follows:

<b>Name of the Members</b>	<b>Category</b>	<b>Position</b>
Mr. V. Ramanan*	Non-Executive Independent Director	Chairman
Mr. Nikhil Gandhi	Non-Executive Non-Independent Director	Member
Mr. Nilesh Mehta	Non-Executive Non-Independent Director	Member
Mr. B. S. Bhalariao**	Non-Executive Independent Director	--

\*Appointed as Chairman w.e.f. August 14, 2014.

\*\* Ceased to be a Director w.e.f. August 14, 2014 and accordingly as a Chairman of the Committee.

**ii) Meetings and Attendance of Members during the year ended March 31, 2015:**

During the year March 31, 2015, no Meeting of the Stakeholders Relationship Committee was held.

**iii) Name and designation of Compliance Officer:**

The Board has designated Ms. Nishita M. Nagrecha as the Compliance Officer of the Company w.e.f. November 13, 2014.

**iv) Details of shareholders complaints received and resolved during the year ended March 31, 2015:**

No. of shareholders complaints pending as on April 1, 2014	NIL
No. of shareholders complaints received during the year	NIL
No. of complaints solved to the satisfaction of shareholders	NIL
No. of shareholders complaints pending as on March 31, 2015	NIL

**6. GENERAL BODY MEETINGS:****i) Annual General Meetings:**

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

<b>Financial Year</b>	<b>Date &amp; Time</b>	<b>Venue</b>	<b>Special Resolutions passed</b>
2013 -2014	September 30, 2014, 4.00 p.m.	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001	a) To borrow money in excess of paid up share capital and free reserves under 180(1)(c) of the Companies Act, 2013. b) To ratify and approve the decision of the Board of Directors for rescission of resolution passed by Postal Ballot previously relating to Alteration of Article 3 of Articles of Association. c) To ratify and approve the decision of the Board of Directors for rescission of resolution passed by Postal Ballot previously relating to issue of preference shares.
2012-2013	September 30, 2013, 4.30 p.m.	Bombay Club Suite, Royal Bombay Yacht Club, Chatrapati Shivaji Maharaj Marg, Apollo Bunder, Near Taj Mahal Hotel, Mumbai – 400 001	None
2011-2012	September 28, 2012, 5.00 p.m.	Bombay Club Suite, Royal Bombay Yacht Club, Chatrapati Shivaji Maharaj Marg, Apollo Bunder, Near Taj Mahal Hotel, Mumbai - 400 001	None

**ii) Special Resolution passed during the year ended March 31, 2015, through Postal Ballot: None****iii) Person who conducted the Postal Ballot exercise: N.A.****iv) Special Resolution proposed to be conducted through Postal Ballot:**

During the year, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Notice dated Friday, February 13, 2014 was circulated through postal ballot for seeking of the approval of the Members' of the Company for creating mortgage /charge / hypothecation / pledge on the moveable / immoveable properties and / or undertaking(s) of the Company under Section 180 (1) (a) of the Companies Act, 2013.

In the said Postal Ballot conducted pursuant to Clause 35B of the Listing Agreement, the Company has also offered e-voting

facility, through Central Depository Services (India) Limited ("CDSL"), as an alternate, to enable the Members to cast their votes electronically.

The Company completed the dispatch of Postal Ballot Notices to all its Members by February 25, 2015. The date of declaration of result of Postal Ballot is Friday, April 3, 2015.

v) **Procedure for Postal Ballot:**

In compliance with Clause 35B of the Listing Agreement and Section 108, 110 and other applicable provisions of the companies Act, 2013, read with the related Rules, the Company provides electronic facility to all its members, to enable them to cast their votes electronically. The Company engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Board also appointed M/s. Aashish K. Bhatt & Associates, Practising Company Secretaries, Mumbai, as the Scrutinizer for conducting the said Postal Ballot process.

The Company dispatched the Postal ballot notices and forms along with postage prepaid envelopes to its Members whose names appear on the Register of Members /List of Beneficiaries as on a cut-off date. Notice of Postal Ballot along with the Postal Ballot Form containing the process, instructions and the manner of conducting e-voting is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participant(s). For Members who request for a hard copy and for those Members who have not registered their e-mail addresses, physical copies of the same are being sent by the permitted mode to their registered addresses. The Company also published a notice in the newspaper on February 26, 2015, declaring the details of completion of dispatch ballot papers and Notice of Postal Ballot as mandated under the Act and applicable Rules.

Voting rights reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical Postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of business hours i.e. 1800 hours on Tuesday, March 31, 2015. Members desiring to exercise their votes by electronic mode were also requested to vote before close of business hours i.e. 1800 hours on Tuesday, March 31, 2015.

On receipt of the Postal Ballot Forms, the Scrutinizer scrutinized and submitted his report and the result of Postal Ballot was announced on April 3, 2015, that the resolution was passed with the requisite majority.

7. **DISCLOSURES:**

- i) Transactions with related parties entered into by the Company in the normal course of business were placed before the Audit Committee. Details of related party transactions are included at Note No. 19 in Notes to Accounts of Standalone Financial Statements. There were no related party transactions of material nature that may have a potential conflict with the interests of the Company.
- ii) The Company has followed the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, as amended from time to time, in preparation of its financial statements.
- iii) Management Discussion and Analysis Report is set out in a separate Section included in this Annual Report and forms part of this Report.
- iv) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.
- v) During the year ended March 31, 2015, the Whistle Blower Policy, has been adopted in meeting held on May 30, 2014.
- vi) Pursuant to SEBI Circular dated September 15, 2014 bearing Ref. no. CIR/CFD/POLICY CELL/7/2014, since the paid up equity share capital of the Company is less than Rs. 10 Crore and Net worth does not exceed Rs. 25 Crore for the year ended March 31, 2015, the compliance with the provisions of Clause 49 is not mandatory for the time being. However, the Company has voluntarily complied with the provisions of Clause 49 except for few provisions including Related Party Transactions, etc.
- vii) A Certificate pursuant to Clause 49(IX) of the Listing Agreement issued by the Manager, in lieu of CEO and CFO, for the year ended March 31, 2015, is annexed to this Report.
- viii) A Company Secretary in Practice carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.
- ix) In accordance with the requirement of Corporate Governance the Board of Directors of the Company has formulated a code of conduct for Directors and Key / Senior Management Personnel of the Company. All the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct during the year ended March 31, 2015. A declaration to this effect signed by the Manager, in lieu of CEO, is annexed to this Report.



- x) Details of the familiarization programme of the independent directors are available on the website of the company at [www.klgcapital.com/images/pdf/Policies-Codes/Familiarisation-Programme-for-IDs-klg.pdf](http://www.klgcapital.com/images/pdf/Policies-Codes/Familiarisation-Programme-for-IDs-klg.pdf).

**8. MEANS OF COMMUNICATION:**

- i) **Quarterly results and newspaper published:** The Company's Quarterly, Half Yearly and Annual Financial Results are published in 'Business Standard' an English Newspaper and 'Lakshdeep' a Marathi Newspaper, and are displayed on the website [www.klgcapital.com](http://www.klgcapital.com).
- ii) **Website:** The Company's website [www.klgcapital.com](http://www.klgcapital.com) contains a separate dedicated section 'Investor Desk' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.
- iii) **Official News releases:** There are no such official news releases, press releases and presentation made to analysts, institutional investors etc. during the year ended March 31, 2015.
- iv) For the benefit of the Members, a separate Email id has been created for Investors' correspondence viz. company.secretary@klgcapital.com.

**9. GENERAL SHAREHOLDERS' INFORMATION:****i) 21st AGM:**

<b>Date</b>	Friday, September 25, 2015
<b>Time</b>	1500 Hours
<b>Venue</b>	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001

**ii) Financial Year:**

The financial year of the Company covers the financial period from April 1 to March 31 of that year. The tentative schedule of the Board Meetings for consideration of financial results and of the AGM for the year ending March 31, 2016, is as follows:

<b>Tentative Schedule</b>	<b>Tentative Date of Board Meeting</b>
Financial reporting for the quarter ending June 30, 2015	On or before August 14, 2015
Financial reporting for the quarter ending September 30, 2015	On or before November 14, 2015
Financial reporting for the quarter ending December 31, 2015	On or before February 14, 2016
Financial reporting for the year ending March 31, 2016	On or before May 30, 2016
AGM for the year ending March 31, 2016	On or before September 30, 2016

**iii) Date of Book Closure:**

The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 19, 2015 to Friday, September 25, 2015 (both days inclusive).

**iv) Dividend Payment Date:**

Not Applicable, since no dividend is recommended by the Directors for the year ended March 31, 2015.

**v) Listing on Stock Exchanges:**

The Equity Shares of the Company are listed at BSE Limited. The Company has paid annual listing fees for the year 2015-16 to BSE Limited.

**vi) Stock Code/ISIN No./ Corporate Identity Number (CIN):**

BSE Scrip Code: 530771

DEMAT ISIN No. for CDSL/NSDL: INE929C01018

CIN: L67120MH1994PLC218169

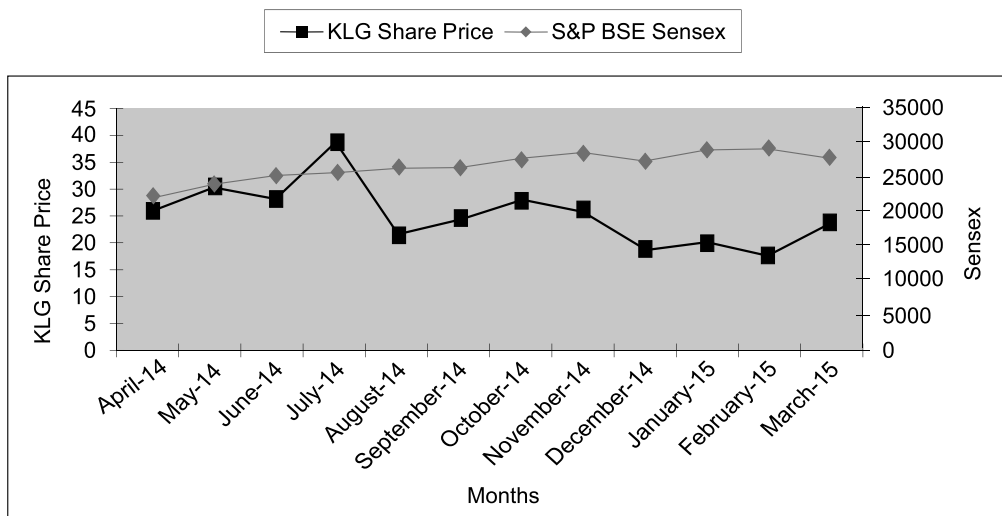
**vii) Market Price Data:**

The high and low market prices of the Company's Equity Shares traded on BSE Limited during each month in the financial year ended March 31, 2015, are as follows:

<b>Month &amp; Year</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>
April 2014	28.85	22.65
May 2014	30.60	27.45
June 2014	34.75	24.05
July 2014	39.00	28.10
August 2014	40.00	21.50
September 2014	26.30	21.90

Month & Year	High (Rs.)	Low (Rs.)
October 2014	28.40	25.30
November 2014	30.30	24.50
December 2014	28.50	18.20
January 2015	20.35	17.30
February 2015	20.00	17.00
March 2015	27.10	17.00

## viii) Share Price Performance in Comparison to S&amp;P BSE Sensex:



## ix) Registrar and Share Transfer Agents of the Company:

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

## x) Share Transfer System:

The Company has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agents. All share transfer and related operations are conducted by Link Intime India Private Limited.

## xi) a) The Company's distribution of shareholding as on March 31, 2015, is given below:

No. of Equity Shares held	No. of Shareholders	% to total Shareholders	No. of Shares	% to total Shares
1-500	1221	85.68	130,174	4.06
501-1000	93	6.52	72,875	2.27
1001-2000	50	3.50	72,578	2.26
2001-3000	16	1.12	40,651	1.26
3001-4000	7	0.49	24,897	0.77
4001-5000	4	0.28	18,540	0.57
5001 - 10000	14	0.98	93,552	2.92
10001 & above	20	1.40	2,749,133	85.84
<b>Total</b>	<b>1425</b>	<b>100.00</b>	<b>3,202,400</b>	<b>100.00</b>

**b) Shareholding Pattern as on March 31, 2015:**

Category	No. of Shareholders	No. of Shares	% of Shareholding
Promoters	1	1,936,075	60.46
Bodies Corporate	45	578,236	18.05
NRI/OCB	12	9,115	0.28
Others	1367	678,974	21.202
<b>Total</b>	<b>1411</b>	<b>3,202,400</b>	<b>100.00</b>

**xii) Dematerialization of shares & liquidity:**

As on March 31, 2015, 3,199,467 Equity Shares i.e., 99.90% (approx) of the total Equity Shares of the Company are in electronic form with NSDL and CDSL. The Promoters hold their entire equity shareholding in the Company in dematerialized form.

**(xiii) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:**  
Not Applicable**(xiv) Plant Locations:** None**(xv) Address for Investor Correspondence:**

For transfer/dematerialization of shares, corporate actions or change of address or any query relating to the shares of the Company or any other query, the Members are requested to contact:

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: 011 - 41410592/93/94, Fax: 011 - 41410591.

Email: delhi@linkintime.co.in

Further, the Company has maintained an exclusive Email ID viz. [company.secretary@klgcapital.com](mailto:company.secretary@klgcapital.com) which is designated for investor correspondence for the purpose of registering any complaint relating to the Equity Shares of the Company and the said Email ID has been displayed on the Company's website [www.klgcapital.com](http://www.klgcapital.com) as well.

**11. CERTIFICATE ON CORPORATE GOVERNANCE:**

The Company has obtained a Certificate from Mr. Aashish K. Bhatt, Proprietor of M/s. Aashish K. Bhatt & Associates, Practising Company Secretaries, regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, which together with this Report is annexed to the Directors' Report and shall be sent to all the shareholders of the Company and the Stock Exchange along with the Annual Report of the Company.

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## CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by KLG Capital Services Limited (the Company) for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with BSE Limited.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Aashish K. Bhatt & Associates**  
**Company Secretaries**  
(ICSI Unique Code S2008MH100200)

**Place:** Mumbai  
**Date:** August 12, 2015

**Aashish Bhatt**  
**Proprietor**  
**ACS No.: 19639, COP No.: 7023**

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## CERTIFICATE ISSUED BY MANAGER IN LIEU OF CHIEF EXECUTIVE OFFICER, ON COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

This is to affirm that the Board of Directors of KLG Capital Services Limited has adopted a Code of Conduct for its Board Members and Senior Management Personnel in compliance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange and the Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said Code for the financial year ended March 31, 2015.

**Date:** May 28, 2015  
**Place:** Mumbai

**Milan Mandani**  
**Manager**

**CERTIFICATE FROM THE MANAGER, IN LIEU OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015 AS PER CLAUSE 49(IX) OF THE LISTING AGREEMENT**

- (A) I, Milan Mandani, Manager of KLG Capital Services Limited, have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (C) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (D) I have indicated to the auditors and the Audit committee that
- (1) no significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) there have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Milan Mandani**  
**Manager**

**Date:** May 28, 2015  
**Place:** Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The year 2014 - 15 began with multiple macroeconomic challenges, including rising inflation, falling industrial output and a sliding rupee. The Reserve Bank of India (RBI) had to intervene to stem the rupee's slide by increasing the marginal standing facility rate and the bank rate by 200 bps each to 10.25%, resulting in a pullback from the bond market by frequent issuers such as Non Banking Financial Companies (NBFCs). By the first quarter of 2015, there were signs of a moderation in inflation, leading to the RBI cutting the repo rate by 50 bps to 7.50%.

Overall GDP growth in the fiscal settled at around 7.4%, mostly driven by the industry and services sector. Wholesale Price Index has registered moderation at (2.33%), while Consumer Price Index has moderated to 5.17% up to March 2015. Structural shifts in inflation have occurred due to lower oil prices, deceleration in agriculture prices & wages and improved household inflation expectations. The trading environment is becoming more challenging as the buoyancy of Indian exports has declined with respect to world growth.

The new government has a rather pragmatic vision of inclusive growth with thrust on infrastructure, measures to revive the investment cycle, boost to savings, 'Make in India' initiative, ease of doing business and boosting entrepreneurship being major focus areas of the government

The NBFCs were impacted by a moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby having a negative impact on their profitability. However conservative liquidity management continues to provide comfort to the credit profile of well run NBFCs.

### 2. OPPORTUNITIES AND THREATS

The Monetary Policy Framework Agreement between the Government of India and Reserve Bank of India is a vital step to keep inflation below 6%. This is also supported by the steep decline in the international crude oil prices, which controlled food inflation and increased consumption of the basic commodities in rural areas. Government has announced a number of policy measures to achieve the projected GDP growth in 2015-16 like approval of large infrastructure projects, addressing challenges of mining and power sectors, increasing foreign investment limits in Insurance, Railways, Defence manufacturing and Aerospace. Growth in agricultural sector output will drive demand from rural areas. In view of the aforesaid initiatives of the Government, NBFCs can also look for growth in asset financing and collateral backed lending activities.

Your Company is examining various new avenues of business in financial activities. The present business of your Company is investment and financing.

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

### 3. SEGMENT WISE PERFORMANCE

The Company operates in single segment.

### 4. FUTURE PROSPECTS & OUTLOOK

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

### 5. RISK AND CONCERNS

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

### 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### 7. FINANCIAL PERFORMANCE

- a) Share Capital: As on March 31, 2015, 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, 2015, stood at Rs. 320.24 Lacs comprising of 32,02,400 Equity Shares of Rs. 10/- each (previous year Rs. 320.24 Lacs).

- b) Reserves and Surplus: During the year under review, the Reserves and Surplus stood at Rs. 337.75 Lacs (previous year Rs. 322.68 Lacs).
- c) Financial Result: During the year ended March 31, 2015, the Company has earned total income of Rs. 48.67 Lacs as compared to the income of Rs. 47.77 Lacs during the previous financial year. The profit after tax as on March 31, 2015 amounted to Rs. 15.07 Lacs as against profit of Rs. 14.63 Lacs during the previous financial year.

**8. HUMAN RESOURCE**

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

**9. RISK MANAGEMENT FRAMEWORK**

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

**10. CAUTIONARY STATEMENT**

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



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of

### **KLG CAPITAL SERVICES LIMITED**

#### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of **M/s KLG Capital Services Limited**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
  - b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
8. As required by section 143(3) of the Act, we further 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 purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) The Company does not have any pending litigations which would impact its financial position.
  - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

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

**Devdas Bhat**  
**Partner**  
**Membership No. 48094**

**Place : Mumbai**  
**Date: May 28, 2015**

**Annexure referred to in paragraph 7 Our Report of even date to the members of KLG Capital Services Limited on the accounts of the company for the year ended March 31, 2015**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
- (ii) (a) The Company was in the business of dealing in shares and securities. There is no closing stock at the year end. Hence this clause (a) and (b) are not applicable.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories (shares and securities).
- (iii) The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services.

Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.

- (v) The company has not accepted any deposits from the public.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to information and explanation given to us and on the basis of our examination of records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Cess & other material statutory dues except Income Tax and Service Tax applicable to it have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanation given to us, there are no undisputed amounts in respect of Sale Tax, Income-Tax, Customs Duty, Service Tax, Wealth-Tax, Excise Duty and Cess and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable, except for the dues mentioned below:

Particulars	Amount
Income tax	Rs. 3,18,53,527/-
Service tax	Rs. 95,73,371/-

- (b) According to the information and explanation given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures.
- (ix) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
- (x) In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year
- (xi) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

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

**Devdas Bhat**  
**Partner**  
**Membership No. 48094**

**Place : Mumbai**  
**Date: May 28, 2015**

**BALANCE SHEET AS AT MARCH 31, 2015**

Particulars	Note No.	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>I EQUITY &amp; LIABILITIES:</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
Share Capital	2	32,024,000	32,024,000
Reserves and Surplus	3	33,775,408	32,268,197
		<b>65,799,408</b>	<b>64,292,197</b>
<b>(2) NON-CURRENT LIABILITIES</b>			
Deferred Tax Liabilities (Net)	4	-	2,075
		<b>-</b>	<b>2,075</b>
<b>(3) CURRENT LIABILITIES</b>			
Short-term Borrowings	5	5,878,390	2,756,289
Other Current Liabilities	7	9,800,755	14,759,287
Short-term Provisions	8	31,853,527	31,762,707
		<b>47,532,672</b>	<b>49,278,283</b>
<b>TOTAL</b>		<b>113,332,080</b>	<b>113,572,555</b>
<b>II ASSETS:</b>			
<b>(1) NON-CURRENT ASSETS</b>			
Fixed Assets	9		
- Tangible Assets		1,588	18,520
		<b>1,588</b>	<b>18,520</b>
Deferred Tax asset		2,742	
Non-Current Investments	10	99,495,600	99,495,600
		<b>99,495,600</b>	<b>99,495,600</b>
<b>(2) CURRENT ASSETS</b>			
Current Investments	11	970,081	1,854,150
Trade Receivables	12	8,758,376	8,093,480
Cash and Cash Equivalents	13	103,693	110,805
Short-term Loans, Advances and Deposit	14	4,000,000	4,000,000
		<b>13,832,150</b>	<b>14,058,435</b>
<b>TOTAL</b>		<b>113,332,080</b>	<b>113,572,555</b>
See accompanying notes forming part of the financial statements	1 to 24		

IN TERMS OF OUR REPORT ATTACHED

For and on behalf of the Board of Directors

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

Devdas Bhat  
Partner  
Membership No. 48094

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Place: Mumbai  
Date : May 28, 2015

Nishita M. Nagrecha  
Company Secretary

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015**

<b>Particulars</b>	<b>Note No.</b>	<b>Current Year Amount (Rs.)</b>	<b>Previous Year Amount (Rs.)</b>
Revenue from Operations	15	4,460,000	4,166,748
Other Income	16	407,200	610,800
<b>Total Revenue</b>		<b>4,867,200</b>	<b>4,777,548</b>
<b>Expenditure</b>			
Employee Benefits Expenses	17	68,055	145,815
Depreciation and Amortization Expenses	9	16,932	6,890
Other Expenses	18	2,736,819	2,141,592
<b>Total Expenses</b>		<b>2,821,805</b>	<b>2,294,297</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>2,045,395</b>	<b>2,483,251</b>
Exceptional Items		-	-
<b>Profit/(Loss) before Extraordinary Items and Tax</b>		<b>2,045,395</b>	<b>2,483,251</b>
Extraordinary Items		-	-
<b>Profit/(Loss) before Tax</b>		<b>2,045,395</b>	<b>2,483,251</b>
<u>Tax Expenses</u>			
- Current Tax		543,000	1,020,650
- Deferred Tax		(4,817)	(702)
		<b>538,183</b>	<b>1,019,948</b>
<b>Profit/(Loss) for the period from Continuing Operations</b>		<b>1,507,212</b>	<b>1,463,303</b>
<b>Profit/(Loss) for the period from Discontinuing Operations (After Tax)</b>		-	-
<b>Profit/(Loss) for the period</b>		<b>1,507,212</b>	<b>1,463,303</b>
<b>Earnings Per Share (Basic and Diluted)</b> (Refer Note No. 23)		0.47	0.46
<b>See accompanying notes forming part of the financial statements</b>	1 to 24		

IN TERMS OF OUR REPORT ATTACHED

For and on behalf of the Board of Directors

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

Devdas Bhat  
Partner  
Membership No. 48094

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Place: Mumbai  
Date : May 28, 2015

Nishita M. Nagrecha  
Company Secretary

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2015**

Particulars		Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>A. Cash flow from Operating Activities</b>			
Net Profit after Tax & Extraordinary Items		1,507,212	1,463,303
Adjustment for:			
Depreciation and Amortization Expenses		12,115	6,188
Dividend Income		(407,200)	(610,800)
<b>Operating Profit before Working Capital changes</b>		<b>1,112,126</b>	<b>858,691</b>
<b>Adjustment for Working Capital changes</b>			
(Increase)/Decrease in Trade Receivables		(664,896)	(1,548,792)
Increase/(Decrease) in Trade and Other Payable		(4,958,532)	(8,452,697)
Increase/(Decrease) in Provisions		90,819	7,026,022
Cash generated from Operations		(4,420,483)	(2,116,776)
Direct taxes		-	-
Cash flow before Extraordinary Items		(4,420,483)	(2,116,776)
Extraordinary Items		-	-
<b>Cash flow from Operating Activities</b>	(A)	<b>(4,420,483)</b>	<b>(2,116,776)</b>
<b>B. Cash flow from Investing Activities</b>			
Purchase of Fixed Assets		-	(11,250)
(Increase)/Decrease in Investments		884,069	-
Dividend Income		407,200	610,800
Sale of Investment		-	-
<b>Net Cash used in Investment Activities</b>	(B)	<b>1,291,269</b>	<b>599,550</b>
<b>C. Cash flow from Financing Activities</b>			
Increase/(Decrease) in Short-term Borrowings		3,122,101	1,452,262
<b>Net Cash used in Financing Activities</b>	(C)	<b>3,122,101</b>	<b>1,452,262</b>
Net increase / decrease in Cash & Cash Equivalents	(A+B+C)	(7,113)	(64,964)
Cash & Cash Equivalents as at April 1, 2014		110,806	175,770
(Opening Balance) Cash in Hand & Balance with Banks			
Cash & Cash Equivalents as at March 31, 2015		<b>103,693</b>	<b>110,806</b>
(Closing Balance) Cash in Hand & Balance with Banks			
Note: Figures in brackets represent outflows			

IN TERMS OF OUR REPORT ATTACHED

For and on behalf of the Board of Directors

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

Devdas Bhat  
Partner  
Membership No. 48094

Place: Mumbai  
Date : May 28, 2015

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Nishita M. Nagrecha  
Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015

## NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES

a. **Basis of preparation of Accounts**

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

b. **Use of Estimates**

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

c. **Fixed Assets**

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

d. **Depreciation**

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

e. **Revenue Recognition**

All the incomes are accounted on accrual basis.

f. **Employee Benefits**

i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account for the year in which the related service is rendered.

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

g. **Retirement Benefits**

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

h. **Impairment of Assets**

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

i. **Derivative Instruments**

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

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

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

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 2 - SHARE CAPITAL</b>		
(a) <b>Authorised</b>		
3,500,000 Equity Shares of Rs.10/- each (Previous Year 3,500,000)	35,000,000	35,000,000
(b) <b>Issued, Subscribed and Paid-up</b>		
3,202,400 Equity Shares of Rs. 10/- each (Fully Paid-up) (Previous Year 3,202,400)	32,024,000	32,024,000
	<u>32,024,000</u>	<u>32,024,000</u>
(c) <b>Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>	<b>Current Year No. of Shares</b>	<b>Previous Year No. of Shares</b>
Equity Shares at the beginning of the year	3,202,400	3,202,400
Add: Issue of Shares during the year	-	-
No. of Shares at the end of the year	<u>3,202,400</u>	<u>3,202,400</u>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015

## (d) Details of Shareholder holding more than 5%

	Current Year		Previous Year	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares held by</b>				
Holding Company:				
-Awaita Properties Pvt. Ltd	1,936,075	60.46%	1,936,075	60.46%

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 3 - RESERVES AND SURPLUS</b>		
(a) <b>General Reserve</b>		
Balance as per last Balance Sheet	1,012,242	1,012,242
Add: Transfer from Profit & Loss Account	-	-
	<b>1,012,242</b>	<b>1,012,242</b>
(b) <b>Statutory Reserve Fund</b>		
Balance as per last Balance Sheet	5,441,397	5,148,737
Add: Transfer from Profit & Loss Account	301,442	292,661
	<b>5,742,840</b>	<b>5,441,397</b>
(c) <b>Profit &amp; Loss Account</b>		
Balance as per last Balance Sheet	25,814,557	24,643,915
Add: Profit & Loss during the Year	1,507,212	1,463,303
Less: *Transfer to Statutory Reserve Account	301,442	292,661
	<b>27,020,327</b>	<b>25,814,557</b>
*Rs. 3,01,608 (Previous Year: Rs. 2,92,660) to Statutory Reserve as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profits after taxes for the year.	<b>33,775,408</b>	<b>32,268,197</b>

**NOTE NO. 4 - DEFERRED TAX LIABILITIES (NET)****Deferred Tax Liabilities**

(a) Fixed Assets	-	2,075
(Impact of difference between tax depreciation and depreciation charged for financial reporting)		
(b) Others Timing differences	-	-
	<b>-</b>	<b>2,075</b>

**Deferred Tax Assets**

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

**Net Deferred Tax Liabilities**

<b>-</b>	<b>2,075</b>
----------	--------------

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

-From Holding Company	5,878,390	2,756,289
(Repayable on Demand)		
	<b>5,878,390</b>	<b>2,756,289</b>

**NOTE NO. 6 - TRADE PAYABLES**

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

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

Creditors for Expenses	217,384	181,720
Others-Duties and Taxes	9,583,371	14,577,567
	<b>9,800,755</b>	<b>14,759,287</b>

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

Provisions for Income Tax (Net)	31,853,527	31,762,707
	<b>31,853,527</b>	<b>31,762,707</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015

## NOTE NO. 9 - FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK			
	As at April 1, 2014	Additions during the year	Acquisitions through Business combinations	Deductions/ Adjustments during the year	As at March 31, 2015	Upto April 1, 2014	Provided during the year	Deductions/ Adjustments during the year	Upto March 31, 2015	Before Impairment as at March 31, 2015	Impairment	As at March 31, 2015	As at March 31, 2014
(Owned Asset)													
Tangible Assets													
Computer	35,000	-	-	-	35,000	26,504	8,496	-	35,000	0	-	0	8,496
Office Equipment	11,250	-	-	-	11,250	1,226	8,435	-	9,661	1,588	-	1,588	10,024
Total	46,250	-	-	-	46,250	26,504	16,932	-	44,661	1,588	-	1,588	18,520
Previous Year	35,000	11,250	-	-	46,250	20,839	6,890	-	27,730	18,520	-	18,520	14,161

In accordance with the Accounting Standard (AS - 28) on "Impairment of Assets", there was no impairment loss on Fixed Assets during the year ended March 31, 2015

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 10 - NON-CURRENT INVESTMENT</b>		
(a) <b>Long-term Non-Trade Investments</b>		
(i) <b>Unquoted: Fully Paid up</b>		
<b>In Equity Shares of Subsidiary Company</b>		
KLG Stock Brokers Pvt. Ltd	3,600,000	3,600,000
360,000 Equity Shares of Rs. 10 each		
(360,000 Equity Shares)		
(ii) <b>Unquoted: Fully Paid up</b>		
<b>In Equity Shares of other Companies</b>		
Catholic Syrian Bank Ltd	95,895,600	95,895,600
407,200 Equity Shares of Rs. 10 each		
(305,400 Equity Shares)		
	<b>99,495,600</b>	<b>99,495,600</b>
(b) <b>Aggregate Value of: -</b>		
Book value	99,495,600	99,495,600

## NOTE NO. 11 - CURRENT INVESTMENT

(a) <b>Short-term Investments</b>		
<b>Quoted: Fully Paid up</b>		
<b>In Equity Shares of other Companies</b>		
Neha International Ltd	18,392,295	18,392,295
141,000 Equity Shares of Rs.10 each.		
(141,000 Equity Shares)		
Less:-Provision for Diminution in value of Investments held	(17,422,214)	(16,538,145)
	<b>970,081</b>	<b>1,854,150</b>
(b) <b>Aggregate Value of: -</b>		
-Quoted Investment		
Book value	18,392,295	18,392,295
Market Value	970,080	1,854,150
(Diminution in value of Investments is provided in Profit & Loss Account)		

## NOTE NO. 12 - TRADE RECEIVABLES

(Unsecured & Considered Good)		
(a) Debts due for a period exceeding six months	7,059,200	7,059,200
(b) Debts due for a period less than six months	1,699,176	1,034,280
	<b>8,758,376</b>	<b>8,093,480</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015**

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 13 - CASH AND CASH EQUIVALENTS</b>		
(a) Cash on Hand	78,467	77,315
(b) Balance with Banks	25,226	33,489
	<u>103,693</u>	<u>110,805</u>
<b>NOTE NO. 14 - SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured & Considered Good)		
(a) (i) Advance recoverable in cash or in kind for value to be received		
- Related Parties	-	-
- Others	-	-
(ii) Deposits for Rent		
- Related Parties	4,000,000	4,000,000
	<u>4,000,000</u>	<u>4,000,000</u>
(b) Loans and Advances and Deposits to Related Parties		
Deposit of Rs. 4,000,000 against use of Office Premises has been made to Awaita Properties Pvt Ltd, Holding Company.		
<b>NOTE NO. 15 - REVENUE FROM OPERATIONS</b>		
Income from Consultancy & Arrangement fees	4,460,000	3,500,000
Provision for Profit on Current Investments	-	666,748
	<u>4,460,000</u>	<u>4,166,748</u>
<b>NOTE NO. 16 - OTHER INCOME</b>		
Dividend Income	407,200	610,800
	<u>407,200</u>	<u>610,800</u>
<b>NOTE NO. 17 - EMPLOYEE BENEFITS EXPENSES</b>		
Salary & Wages	12,055	-
Staff Welfare Expenses	56,000	145,815
	<u>68,055</u>	<u>145,815</u>
<b>NOTE NO. 18 - OTHER EXPENSES</b>		
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Payment to Auditors		
- Audit Fees	75,000	56,180
- Tax Audit Fees	-	28,090
- Certification /other Charges	25,000	25,281
- Other matters	-	-
	<u>100,000</u>	<u>109,551</u>
Advertisement	74,864	66,990
Bank Charges	562	551
Fee, Taxes & Legal Charges	137,042	31,712
Filing Fees	31,448	2,523
Miscellaneous Expenses	1,046,256	23,145
Other Administrative Expenses	12,339	4,399
Printing & Stationary	61,968	29,209
Professional Charges	110,597	193,382
Provision for Loss on Current Investments	884,069	-
Demat Charges	1,202	-
Sundry Balance Written off	142,820	1,539,630
Sitting Fees to Directors	119,214	84,944
Travelling & Conveyance	3,119	45,862
Web Design Expenses	11,318	9,694
	<u>2,736,819</u>	<u>2,141,592</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015****NOTE NO. 19 - RELATED PARTY DISCLOSURE:**

- a) List of Related Parties where control exists and related parties with whom transaction have taken place and relationships:
- i) Holding Company  
Awaita Properties Pvt. Ltd
  - ii) Subsidiary Company  
KLG Stock Brokers Pvt. Ltd
  - iii) Key Management Personnel  
Milan Lalit Mandani, Manager  
Mitul Shah, Chief Financial Officer (From November 13, 2014 to May 25, 2015)  
Nishita M. Nagrecha, Company Secretary (Appointed on November 13, 2014)
- b) Disclosure of Related Party Transactions between the Company and related parties for the year ended March 31, 2015.

Particulars		As At March 31, 2015 (Amount in Rs.)	As At March 31, 2014 (Amount in Rs.)
i)	Unsecured Loans (Liability) Awaita Properties Pvt. Ltd	5,878,390	2,756,289
ii)	Deposit against use of Office Premises Awaita Properties Pvt. Ltd	4,000,000	4,000,000
iii)	Investment in Equity Shares/Advances KLG Stock Brokers Pvt. Ltd	3,600,000	3,600,000
iv)	Salary of Key Managerial Personnel	NIL	

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

No remuneration has been paid to any of the Directors.

**NOTE NO. 21 - FOREIGN CURRENCY TRANSACTIONS**

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

**NOTE NO. 22**

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

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

Particulars	As At March 31, 2015	As At March 31, 2014
Net Profit / (Loss) After Tax available for Equity Shareholders (in Rs.)	1,507,212	1,463,303
Weighted Average Number of Equity Shares of Rs.10/- each outstanding during the year	3,202,400	3,202,400
Basic/Diluted EPS (in Rs.)	0.47	0.46

**NOTE NO. 24**

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

**IN TERMS OF OUR REPORT ATTACHED**

For and on behalf of the Board of Directors

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

Devdas Bhat  
Partner  
Membership No. 48094

Place: Mumbai  
Date : May 28, 2015

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Nishita M. Nagrecha  
Company Secretary

**INDEPENDENT AUDITOR'S REPORT**

To the members of

**KLG CAPITAL SERVICES LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **M/S KLG CAPITAL SERVICES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries **M/S KLG STOCK BROKERS PRIVATE LIMITED** (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

**Opinion**

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure 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, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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, its associates and jointly controlled entities.
    - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

**Devdas Bhat**  
**Partner**  
**Membership No. 48094**

**Place** : Mumbai  
**Date** : May 28, 2015

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015**

Particulars	Note No.	Current Year		Previous Year
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>I EQUITY &amp; LIABILITIES:</b>				
<b>(1) SHAREHOLDERS' FUNDS</b>				
Share Capital	2	32,024,000		32,024,000
Reserves and Surplus	3	33,408,481		32,010,173
			65,432,481	64,034,173
Share Application Money Pending Allotment				-
<b>(2) NON-CURRENT LIABILITIES</b>				
Deferred Tax Liabilities (Net)	4		-	2,075
<b>(3) CURRENT LIABILITIES</b>				
Short-term Borrowings	5	5,878,390		2,756,289
Other Current Liabilities	7	9,817,609		14,776,141
Short-term Provisions	8	31,853,527		31,762,707
			47,549,526	49,295,137
<b>TOTAL</b>			<b>112,982,007</b>	<b>113,331,385</b>
<b>II. ASSETS:</b>				
<b>(1) NON-CURRENT ASSETS</b>				
Fixed Assets	9			
-Tangible Assets			1,588	18,520
Deferred Tax asset			2,742	-
Non-Current Investments	10		95,895,600	95,895,600
Long-term Loan, Advances and Deposit	11		100,000	100,000
Other Non-Current Assets	12		78,916	157,832
<b>(2) CURRENT ASSETS</b>				
Current Investments	13	970,081		1,854,150
Trade Receivables	14	8,758,376		8,093,480
Cash and Cash Equivalents	15	174,704		211,802
Short Term Loans, Advances and Deposit	16	7,000,000		7,000,000
			16,903,160	17,159,432
<b>TOTAL</b>			<b>112,982,007</b>	<b>113,331,385</b>
<b>Significant Accounting Policies</b>	1			
<b>Notes on Financial Statements</b>	2 to 26			

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors

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

Devdas Bhat  
Partner  
Membership No. 48094

Place: Mumbai  
Date : May 28, 2015

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Nishita M. Nagrecha  
Company Secretary



**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	Note No.	Current Year		Previous Year
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Revenue from Operation	17		4,460,000	4,166,748
Other Income	18		407,200	610,976
<b>Total Revenue</b>			<b>4,867,200</b>	<b>4,777,724</b>
<b>Expenditure</b>				
Employee Benefits Expenses	19		68,055	145,815
Depreciation and Amortization Expenses	9		95,848	85,806
Other Expenses	20		2,766,805	2,160,491
<b>Total Expenses</b>			<b>2,930,707</b>	<b>2,392,112</b>
<b>Profit/(Loss) before Exceptional and Extraordinary Items and Tax</b>			<b>1,936,493</b>	<b>2,385,612</b>
Exceptional Items			-	-
<b>Profit/(Loss) before Extraordinary Items and Tax</b>			<b>1,936,493</b>	<b>2,385,612</b>
Extraordinary Items			-	-
<b>Profit/(Loss) before Tax</b>			<b>1,936,493</b>	<b>2,385,612</b>
<u>Tax Expenses</u>				
- Current Tax			543,000	1,020,650
- Deferred Tax			(4,817)	(702)
<b>Profit/(Loss) for the period from Continuing Operations</b>			<b>1,398,310</b>	<b>1,365,664</b>
<b>Profit/(Loss) for the period from Discontinuing Operations (After Tax)</b>			-	-
<b>Profit/(Loss) for the period</b>			<b>1,398,310</b>	<b>1,365,664</b>
Earnings per share (Basic and Diluted)			<b>0.44</b>	<b>0.43</b>
(Refer Note No. 25)				
<b>Significant Accounting Policies</b>	1			
<b>Notes on Financial Statements</b>	2 to 26			

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors

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

Devdas Bhat  
Partner  
Membership No. 48094

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Place: Mumbai  
Date : May 28, 2015

Nishita M. Nagrecha  
Company Secretary

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>A) Cash flow from operating activities</b>		
Net profit after tax & extraordinary items	1,398,310	1,365,664
Adjustment for:		
Depreciation, Amortisation and Impairment of Goodwill	91,031	85,104
Dividend Income	(407,200)	(610,800)
<b>Operating Profit before working capital changes</b>	<b>1,082,140</b>	<b>839,968</b>
<b>Adjustment for working capital Changes</b>		
(Increase)/Decrease in Debtors	(664,896)	(1,548,792)
(Increase)/Decrease in Advance Payment	-	5,914
Increase/(Decrease) in Trade and Other Payable	(4,958,532)	(8,447,078)
Increase/(Decrease) in Provisions	90,820	7,026,022
Cash generated from Operations	(4,450,468)	(2,123,967)
Direct taxes	-	-
Cash flow before extraordinary items	(4,450,468)	(2,123,967)
Extraordinary items	-	-
Cash flow from operating activities (A)	<b>(4,450,468)</b>	<b>(2,123,967)</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of Fixed Assets	-	(11,250)
(Increase)/Decrease in Investments	884,069	-
Dividend Income	407,200	610,800
Net cash used in Investment activities (B)	<b>1,291,269</b>	<b>599,550</b>
<b>C. Cash flow from Financing activities</b>		
Increase/(Decrease) in Term Loan (Net of Repayment)	-	-
Increase/(Decrease) in Unsecured Loan (Net of Repayment)	3,122,101	1,452,262
Proceeds from issue of Share Capital	-	-
Dividend Paid (Net)	-	-
Net cash used in financing activities (C)	<b>3,122,101</b>	<b>1,452,262</b>
Net increase / decrease in cash and cash equivalents (A+B+C)	(37,098)	(72,155)
Cash & cash equivalents as at April 1, 2014	211,801	283,956
(opening balance ) cash in hand & balance with banks		
Cash & cash equivalents as at March 31, 2015	<b>174,704</b>	<b>211,801</b>
(closing balance ) cash in hand & balance with banks		
Note: Figures in brackets represent outflows		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors

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

Devdas Bhat  
Partner  
Membership No. 48094

Place: Mumbai  
Date : May 28, 2015

Gayathri Ramachandran  
Chairperson  
DIN :02872723

Nishita M. Nagrecha  
Company Secretary

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015

### NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES

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

Name	Percentage of Ownership interest	
	As At March 31, 2015	As At March 31, 2014
KLG Stock Brokers Pvt. Ltd (Incorporated in India)	100	100

The Financial statements of all the subsidiaries considered in the consolidated accounts are drawn up to March 31, 2015.

#### a. Basis of preparation of Accounts

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

#### b. Use of Estimates

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

#### c. Fixed Assets

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

#### d. Depreciation

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

#### e. Revenue Recognition

All the incomes are accounted on accrual basis.

#### f. Employee Benefits

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

#### g. Retirement Benefits

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

#### h. Impairment of Assets

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

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

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

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)		
<b>NOTE NO. 2 - SHARE CAPITAL</b>				
(a) <b>Authorised</b>				
3,500,000 Equity Shares of Rs.10/- each (Previous Year 3,500,000)	35,000,000	35,000,000		
(b) <b>Issued, Subscribed and Paid-up</b>				
3,202,400 Equity Shares of Rs. 10/- each (Fully Paid-up) (Previous Year 3,202,400)	32,024,000	32,024,000		
	<u><b>32,024,000</b></u>	<u><b>32,024,000</b></u>		
(c) <b>Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>	<b>Current Year No. of Shares</b>	<b>Previous Year No. of Shares</b>		
Equity Shares at the beginning of the year	3,202,400	3,202,400		
Add: Issue of Shares during the year	-	-		
No. of Shares at the end of the year	<u><b>3,202,400</b></u>	<u><b>3,202,400</b></u>		
(d) <b>Details of Shareholder holding more than 5%</b>				
	<b>Current Year</b>	<b>Previous Year</b>		
<b>Equity Shares held by</b>	<b>No. of Shares</b>	<b>% of Holding</b>	<b>No. of Shares</b>	<b>% of Holding</b>
Holding Company:				
-Awaita Properties Pvt. Ltd	1,936,075	60.46%	1,936,075	60.46%
<b>Particulars</b>	<b>Current Year Amount (Rs.)</b>	<b>Previous Year Amount (Rs.)</b>		
<b>NOTE NO. 3 - RESERVE AND SURPLUS</b>				
(a) <b>General Reserve</b>				
Balance as per last Balance Sheet	1,012,242	1,012,242		
Add: Transfer from Profit & Loss Account	-	-		
	<u>1,012,242</u>	<u>1,012,242</u>		
(b) <b>Statutory Reserve Fund</b>				
Balance as per last Balance Sheet	5,441,258	5,148,738		
Add: Transfer from Profit & Loss Account	301,442	292,520		
	<u>5,742,700</u>	<u>5,441,258</u>		
(c) <b>Profit &amp; Loss Account</b>				
Balance as per last Balance Sheet	25,556,672	24,483,529		
Add: Profit & Loss during the Year	1,398,309	1,365,664		
Less: *Transfer to Statutory Reserve Account	301,442	292,520		
	<u>26,653,539</u>	<u>25,556,673</u>		
* Transfer to Statutory Reserve as per Section 45 IC of Reserve Bank of India Act, 1934.	<u><b>33,408,481</b></u>	<u><b>32,010,173</b></u>		
<b>NOTE NO. 4 - DEFERRED TAX LIABILITIES (NET)</b>				
<b>Deferred Tax Liabilities</b>				
(a) Fixed Assets	-	2,075		
(Impact of difference between tax depreciation and depreciation charged for financial reporting)				
(b) Others Timing differences	-	-		
	<u>-</u>	<u><b>2,075</b></u>		
<b>Deferred Tax Assets</b>				
(a) Any disallowance under Income Tax Act/Others	-	-		
<b>Net Deferred Tax Liabilities</b>	<u>-</u>	<u><b>2,075</b></u>		

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015**

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 5 - SHORT-TERM BORROWINGS</b>		
<b>Unsecured Loan</b>		
-From Holding Company	5,878,390	2,756,289
(Repayable on Demand)		
	<u><b>5,878,390</b></u>	<u><b>2,756,289</b></u>

**NOTE NO. 6 - TRADE PAYABLES**

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

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

Creditors for Expenses	234,238	198,574
Others-Duties and Taxes	9,583,371	14,577,567
	<u><b>9,817,609</b></u>	<u><b>14,776,141</b></u>

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

Provisions for Income Tax (Net)	31,853,527	31,762,707
	<u><b>31,853,527</b></u>	<u><b>31,762,707</b></u>

**NOTE NO. 9 - FIXED ASSETS**

(Amount in Rs.)

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK			
	As at April 1, 2014	Addi- tions during the year	Acquisi- tions through Busi- ness combi- nations	Deduc- tions/ Ad- justments during the year	As at March 31, 2015	Upto April 1, 2014	Provided during the year	Deduc- tions/ Adjust- ments during the year	Upto March 31, 2015	Before Impair- ment as at March 31, 2015	Impair- ment	As at March 31, 2015	As at March 31, 2014
(Owned Asset)													
Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer	35,000	-	-	-	35,000	26,504	8,496	-	35,000	0	-	0	8,496
Office Equipment	11,250	-	-	-	11,250	1,226	8,435	-	9,661	1,588	-	1,588	10,024
<b>Total</b>	<b>46,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,250</b>	<b>26,504</b>	<b>16,932</b>	<b>-</b>	<b>44,661</b>	<b>1,588</b>	<b>-</b>	<b>1,588</b>	<b>18,520</b>
<b>Previous Year</b>	<b>35,000</b>	<b>11,250</b>	<b>-</b>	<b>-</b>	<b>46,250</b>	<b>20,839</b>	<b>6,890</b>	<b>-</b>	<b>27,730</b>	<b>18,520</b>		<b>18,520</b>	<b>14,161</b>

In accordance with the Accounting Standard (AS - 28) on "Impairment of Assets", there was no impairment loss on Fixed Assets during the year ended March 31, 2015

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 10 - NON-CURRENT INVESTMENT</b>		
(a) <b>Long-term Non-Trade Investments</b>		
(i) <b>Unquoted: Fully Paid up</b>		
<b>In Equity Shares of other Companies</b>		
Catholic Syrian Bank Ltd	95,895,600	95,895,600
407,200 Equity Shares of Rs. 10 each		
(3407,200 Equity Shares)		
	<u><b>95,895,600</b></u>	<u><b>95,895,600</b></u>
(b) <b>Aggregate Value of: -</b>		
-Unquoted Investment		
Book value	95,895,600	95,895,600

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 11 - LONG-TERM LOANS &amp; ADVANCES</b>		
Membership Deposit	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>NOTE NO. 12 - OTHER NON-CURRENT ASSETS</b>		
Preliminary Expenses and Pre-operative Expenses	78,916	157,832
	<u>78,916</u>	<u>157,832</u>
<b>NOTE NO. 13 - CURRENT INVESTMENT</b>		
(a) <b>Short-term Investments</b>		
<b>Quoted: Fully Paid up</b>		
<b>In Equity Shares of other Companies</b>		
Neha International Limited	18,392,295	18,392,295
1,41,000 Equity Shares of Rs.10 each.		
(1,41,000 Equity Shares)		
Less:-Provision for Diminution in value of Investments held	(17,422,214)	(16,538,145)
	<u>970,081</u>	<u>1,854,150</u>
(b) <b>Aggregate Value of: -</b>		
-Quoted Investment		
Book value	18,392,295	18,392,295
Market Value	970,080	1,854,150
(Diminution in value of Investments is provided in Profit & Loss Account)		
<b>NOTE NO. 14 - TRADE RECEIVABLES</b>		
(Unsecured & Considered Good)		
(a) Debts due for a period exceeding six months	7,059,200	7,059,200
(b) Debts due for a period less then six months	1,699,176	1,034,280
	<u>8,758,376</u>	<u>8,093,480</u>
<b>NOTE NO. 15 - CASH AND CASH EQUIVALENTS</b>		
(a) Cash on Hand	88,494	83,417
(b) Balance with Banks	86,210	128,385
	<u>174,704</u>	<u>211,802</u>
<b>NOTE NO. 16 - SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured & Considered Good)		
(a) (i) Advance recoverable in cash or in kind for value to to be received		
- Related Parties	-	-
- Others	-	-
	<u>-</u>	<u>-</u>
(ii) Deposits for Rent		
- Related Parties	7,000,000	7,000,000
	<u>7,000,000</u>	<u>7,000,000</u>
(b) Loans and advances and Deposits to Related Parties		
Deposit of Rs. 4,000,000 against use of Office Premises has been made to Awaita Properties Pvt Ltd, Holding Company.		
<b>NOTE NO. 17 - REVENUE FROM OPERATIONS</b>		
Income from Consultancy & Arrangement fees	4,460,000	3,500,000
Loss in Futures & Options	-	-
Provision for Profit on Current Investments	-	666,748
	<u>4,460,000</u>	<u>4,166,748</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015**

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>NOTE NO. 18 - OTHER INCOME</b>		
Interest on Income Tax Refund	-	176
Dividend Income	407,200	610,800
	<b>407,200</b>	<b>610,976</b>
<b>NOTE NO. 19 - EMPLOYEE BENEFITS EXPENSES</b>		
Salary & Wages	12,055	-
Staff Welfare Expenses	56,000	145,815
	<b>68,055</b>	<b>145,815</b>
<b>NOTE NO. 20 - OTHER EXPENSES</b>		
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Advertisement	74,864	66,990
Payment to Auditors		
- Audit Fees	91,854	67,416
- Tax Audit Fees	-	28,090
- Certification /other Charges	25,000	25,281
- Other matters	-	-
	116,854	120,787
Bank Charges	562	551
Fee, Taxes & Legal Charges	137,042	31,712
Filing Fees	37,522	4,568
Miscellaneous Expenses	1,046,256	23,145
Other Administrative Expenses	13,779	4,399
Printing & Stationary	61,968	29,209
Professional Charges	116,215	199,000
Provision for Loss on Current Investments	884,069	-
Demat Charges	1,202	-
Sundry Balance Written off	142,820	1,539,630
Sitting Fees to Directors	119,214	84,944
Travelling & Conveyance	3,119	45,862
Web Design Expenses	11,318	9,694
	<b>2,766,805</b>	<b>2,160,491</b>

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

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

i) Holding Company

Awaita Properties Pvt. Ltd

iii) Key Management Personnel

Milan Lalit Mandani, Manager

Mitul Shah ,Chief Financial Officer (From November 13, 2014 to May 25, 2015)

Nishita M. Nagrecha, Company Secretary (Appointed from November 13, 2014)



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2015**

b) Disclosure of Related Party Transactions between the Company and related parties for the year ended March 31, 2015:

(Amount in Rs.)

Particulars	As At March 31, 2015	As At March 31, 2014
i) Unsecured Loans (Liability)		
Awaita Properties Pvt. Ltd	5,878,390	2,756,289
ii) Deposit against use of Office Premises	7,000,000	7,000,000
Awaita Properties Pvt. Ltd		
iii) Salary of Key Managerial Personnel	NIL	

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

No remuneration has been paid to any of the Directors.

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

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

**NOTE NO. 24**

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

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

Particulars	As At March 31, 2015	As At March 31, 2014
Net Profit / (Loss) After Tax available for Equity Shareholders (in Rs.)	1,398,310	1,365,664
Weighted Average Number of Equity Shares of Rs.10/- each outstanding during the year	3,202,400	3,202,400
Basic/Diluted EPS (in Rs.)	0.44	0.43

**NOTE NO. 26**

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

**AS PER OUR REPORT OF EVEN DATE****For and on behalf of the Board of Directors**

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

**Devdas Bhat**  
**Partner**  
**Membership No. 48094**

**Place:** Mumbai  
**Date :** May 28, 2015

**Gayathri Ramachandran**  
**Chairperson**  
**DIN :02872723**

**Nishita M. Nagrecha**  
**Company Secretary**

**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.)

1	Name of the subsidiary	:	KLG Stock Brokers Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	:	N.A.
4	Share capital	:	3,600,000
5	Reserves and Surplus	:	(366,928)
6	Total assets	:	3,249,926
7	Total Liabilities	:	16,854*
8	Investments	:	--
9	Turnover	:	--
10	Profit before taxation	:	(108,902)
11	Provision for taxation	:	--
12	Profit after taxation	:	(108,902)
13	Proposed Dividend	:	--
14	% of shareholding	:	100%

\*Excluding Share Capital and Reserves & Surplus

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

**AS PER OUR REPORT OF EVEN DATE**

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

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

**Devdas Bhat  
Partner  
Membership No. 48094**

**Gayathri Ramachandran  
Chairperson  
DIN :02872723**

**Place: Mumbai  
Date : May 28, 2015**

**Nishita M. Nagrecha  
Company Secretary**

## KLG Capital Services Limited

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

Rs. In Lacs

### Liabilities Side

Particulars		Amount Outstanding	Amount Overdue
1	Loans and Advances availed by the NBFCs inclusive of Interest accrued thereon but not paid	0.00	0.00
a.	Debentures	0.00	0.00
	Secured	0.00	0.00
	Unsecured (other than falling within the meaning of Public Deposits)	0.00	0.00
b.	Deferred Credits	0.00	0.00
c.	Term Loans	0.00	0.00
d.	Inter-corporate loans and borrowing	0.00	0.00
e.	Commercial Paper	0.00	0.00
f.	Other loans	58.78	0.00
	<b>Total</b>	<b>58.78</b>	<b>0.00</b>

### Asset Side

Particulars		Amount Outstanding
2	Break up of Loans and Advances including bills receivables (other than those included in [4] below):	
a.	Secured	0.00
b.	Unsecured	0.00
	<b>Total</b>	<b>0.00</b>
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i)	Lease assets including lease rentals under sundry debtors:	
a.	Financial Lease	0.00
b.	Operating Lease	0.00
(ii)	Stock on hire including hire charges under sundry debtors:	
a.	Assets on hire	0.00
b.	Repossessed Assets	0.00
(iii)	Other loans counting towards AFC activities:	
a.	Loans where assets have been repossessed	0.00
b.	Loans other than (a) above	0.00
	<b>Total</b>	<b>0.00</b>
4	Break-up of Investments:	
	Current Investments:	
1.	<u>Quoted:</u>	
(i)	Shares:	
a.	Equity	9.70
b.	Preference	0.00
(ii)	Debentures and Bonds	0.00
(iii)	Units of Mutual Funds	0.00
(iv)	Government Securities	0.00
(v)	Others	0.00
	<b>Total</b>	<b>9.70</b>

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

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

Rs. In Lacs

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

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

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

**7 Other Information**

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

**As per our report of even date****For and on behalf of the Board of Directors**

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

**Devdas Bhat  
Partner  
Membership No. 48094**

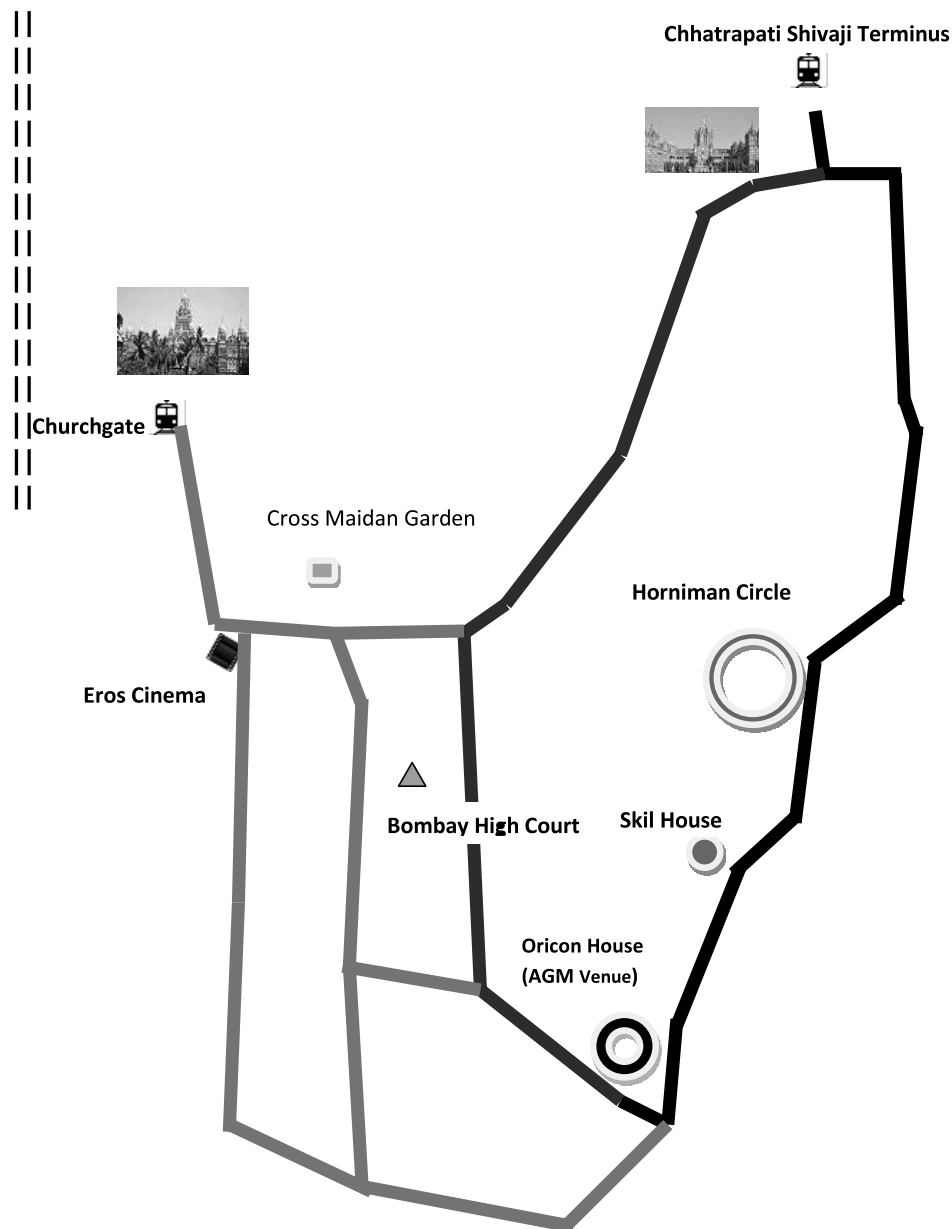
**Place:** Mumbai  
**Date :** May 28, 2015

**Gayathri Ramachandran  
Chairperson  
DIN :02872723**

**Nishita M. Nagrecha  
Company Secretary**

[illegible]

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



# ATTENDANCE SLIP

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

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

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

I hereby record my presence at the **21<sup>st</sup> ANNUAL GENERAL MEETING** of the Members of the Company held on Friday, September 25, 2015 at 1500 Hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001.

Signature:.....

Note : Members who have not updated their PAN with the Company/Depository Participant shall use default PAN mentioned in the address sticker.

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies(Management and Administration) Rules, 2014]  
**Name of the Company:** KLG Capital Services Limited; CIN: L67120MH1994PLC218169;

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

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

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

- Name : ..... Address : .....  
 E-mail ID : ..... Signature : ..... or falling him/her
- Name : ..... Address : .....  
 E-mail ID : ..... Signature : ..... or falling him/her
- 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 **21<sup>st</sup> Annual General Meeting** of the Company, to be held on Friday, the 25th day of September 2015 at 1500 hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS	Optional*	
		For	Against
Ordinary Business:			
1.	Ordinary Resolution for adoption of Audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.		
2.	Ordinary Resolution for re-appointment of Mr. Nikhil Gandhi, Director (DIN: 00030560), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ordinary Resolution under section 139 of the Companies Act, 2013, for appointment of Auditors and fixing their remuneration.		

Signed this ..... day of ....., 2015

Signature of Member : .....

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

Note:

- 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.**
- A proxy need not be Member of the Company.
- For the resolutions, explanatory statements and Notes please refer to the Notice of 21st Annual General Meeting.
- \* It is optional to put (✓) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Please complete all details including details of member(s) in the above box before submission.

Affix  
Revenue  
Stamp  
(15 paise)







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