

DIRECTORS' REPORT

To
The Members
KLG Stock Brokers Private Limited

Your Directors have pleasure in presenting the 2nd Annual Report, together with the Audited Accounts for the financial year ended March 31, 2012.

FINANCIAL RESULTS

The salient features of the Company's financial results for the year under review as compared with the figures of the previous year are as follows:

Particulars	March 31, 2012	March 31, 2011
Revenue from operation	-	-
Other Income	67,808	-
Total Income	67,808	-
Less: Total Expenditure	129,055	-
Loss before Tax	(61,247)	-
Less: Current Tax	-	-
Less: Provision for Deferred Tax	-	-
Loss after Tax	(61,247)	-

DIVIDEND

Since the business activity of the Company has not commenced and the Company has incurred losses during the year under review, the Directors do not recommend dividend.

HOLDING COMPANY

The Company is a Wholly-owned subsidiary of KLG Capital Services Limited.

REVIEW OF OPERATIONS

The Company has been admitted as a Deposit Based Trading Member of Cash Segment and Equity Derivatives Segment of BSE Limited but the Company is yet to commence the business.

During the year under review, the Company has earned other income of Rs. 67,808 and has incurred loss after tax of Rs. 61,247.

SHARE CAPITAL

During the year, the Company had issued 10,000 Equity Shares of Rs. 10/- each to KLG Capital Services Limited against the Share Application Money of Rs. 1,00,000/- pending allotment.

DIRECTORS

There was no change in the constitution of the Board during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 217(2AA) of the Companies Act, 1956, the Directors would like to state that:

- 1) in the preparation of the annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures;
- 2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit or loss of the Company for that year;
- 3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. NBS & Co., Chartered Accountants, Statutory Auditors of the Company, bearing ICAI Registration No. 110100W, retire at the conclusion of ensuing Annual General Meeting and being eligible, have confirmed their eligibility and willingness to accept office, if re-appointed.

As required under the provisions of section 224 of the Companies Act, 1956, the Company has obtained written certificate from the retiring auditors to the effect that their re-appointment, if made, would be within the limits prescribed under the said Act.

AUDITORS' REPORT

The Auditors' Report to the Members on the Accounts of the Company for the year ended March 31, 2012, is self-explanatory.

DEPOSITS

During the financial year under review, the Company has not accepted any deposits from the public and hence there are no outstanding deposits as on March 31, 2012.

COMPLIANCE CERTIFICATE

The Compliance Certificate pursuant to section 383A of the Companies Act, 1956, issued by Mr. Aashish Bhatt, Practising Company Secretary, for the year ended March 31, 2012, forms part of this Report.

BUY BACK

No shares of the Company were bought back during the financial year under review.

PARTICULARS OF EMPLOYEES

During the financial year under review, none of the employees of the Company are covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is provided hereunder:

Conservation of Energy: Not Applicable
Technology absorption: Nil
Foreign Exchange Earnings and Outgo: Nil

ACKNOWLEDGEMENT

Your Directors thank all the employees, the Bankers, the Clients, Vendors and Government Authorities for their support during the year under review and look forward to their continued support in the future.

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 8, 2012

Sd/-
Hemendra Singh
Director

Sd/-
Nilesh Mehta
Director

COMPLIANCE CERTIFICATE

Corporate Identity Number (CIN) : U74120MH2010PTC207363
Nominal Share Capital : Rs. 3, 50, 00, 000/-

To,

The Members

KLG Stock Brokers Private Limited

SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai - 400023

I have examined the registers, records, books and papers of **KLG Stock Brokers Private Limited** (the Company is subsidiary of KLG Capital Services Limited) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure `A` to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure `B` to this certificate with the Registrar of Companies prescribed under the Act and the rules made there under. No forms or returns were required to be filed with the Regional Director, Company Law Board, Central Government or other authorities.
3. The Company, being a subsidiary of KLG Capital Services Limited, provisions of Public Limited Company are applicable and has paid up capital of Rs. 36,00,000/-.
4. The Board of Directors duly met 4 (four) times on 30th May, 2011, 12th August, 2011, 14th November, 2011 and 13th February, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Company has duly convened 1st Annual General Meeting on 12th September, 2011 for the Financial Year ended 31st March, 2011 for which proper notices were dispatched by the Company.
7. No Extraordinary General Meeting was held during the year by the Company.
8. The Company has not advanced loans to its directors and / or persons or firms or companies referred to in section 295 of the Act.
9. As confirmed by the management and data made available to us, the Company has not entered into contracts within the purview of section 297 of the Act.
10. The Company was not required to make entries in the register maintained under section 301 of the Act.
11. Pursuant to the provisions of section 314 of the Act, the Company was not required to obtain approval from the Board of Directors, members or the Central Government.
12. The Company has not issued duplicate Share Certificates during the financial year.

13. The Company has:
 - (i) Delivered share certificate on allotment of 10, 000 equity shares, no transfer or transmission of shares has been approved by the Board of Directors;
 - (ii) Not declared dividend during the financial year under review;
 - (iii) Not been required to post dividend warrants as dividend was not declared;
 - (iv) Not been required to transfer amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund;
 - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. No appointment of Additional Director, alternate directors or directors to fill casual vacancies was made.
15. The Company has not appointed Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed Sole - selling Agent during the financial year.
17. The Company was not required to obtain approval from Central Government, Regional Director, Company Law Board, Registrar of Companies and / or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued 10, 000 equity shares during the financial year.
20. The Company has not bought back shares during the financial year.
21. The Company has not redeemed preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividends, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted deposits including unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The Company has not borrowed from banks or financial institutions.
25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one State to another.

27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. As confirmed by the management of the Company, there was no prosecution initiated against or show cause notices received by the Company during the financial year for alleged offences under the Act.
32. As confirmed by the management, the Company does not have employees; therefore no money was received as security during the financial year.
33. The Company does not have employees, therefore provisions relating deposit of any amount towards Provident Fund with prescribed authorities pursuant to section 418 of the Act is not applicable.

Place: Mumbai
Date: 6th August, 2012

Signature: Sd/-
Name of Company Secretary: **Aashish Bhatt**
C. P. No. : **7023**

Annexure A : Registers and Records as maintained by the Company

Sr. No	Particulars	Section
1	Register of Members	150
2	Minutes book of General Meeting	193
3	Minutes book of Board Meeting	193
4	Books of accounts	209
5	Register of Directors	303
6	Register of Directors Shareholding	307

Annexure B:

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012:

Sr No.	Form No. / Return	Filed under Section	Description	Date of Filing	Whether filed within prescribed time limit Yes / No	If delay in filing Whether requisite additional fees paid Yes / No
1	66	383A	Compliance Certificate as on 31.3.11	10/10/11	Yes	No
2	20B	159	Annual Return	20/10/11	Yes	No
3	23AC, ACA XBRL	220	Balance Sheet and Profit & Loss Account as on 31.3.11	29/12/11	Yes	No
4	2	75	Return of Allotment for issuance of 10,000 equity shares	13/03/12	Yes	No

With Regional Director : Not Applicable

With Central Government or other authorities : Not Applicable

AUDITOR'S REPORT

To,
The Members of
KLG Stock Brokers Private Limited.

We have audited the attached Balance Sheet of **KLG Stock Brokers Private Limited** as at 31st March 2012 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order,2003 and amendments thereto issued by the Central Government of India in terms of Sec 227(4A) of The Companies Act 1956, and on the basis of such checks as we considered appropriate under the circumstances and on the basis of information and explanations given to us in the course of audit, we enclose in the annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of these books;
- c) The Balance Sheet dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Financial statements dealt with by this report, read with Notes to Accounts, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable.
- e) On the basis of the Written representations received from directors of the Company as at 31st March, 2012 and taken on record by the Board of Directors, we report that no director is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956; and
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said Financial statements together with the Notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India;

- i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2012;
- ii) As commercial operations have not commenced during the year ended 31st March 2012 the Company has no Profit or Loss.

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

**Sd/-
Devdas Bhat
Partner
Membership No. 48094**

**Place: Mumbai
Date: May 25, 2012**

ANNEXURE TO AUDITORS REPORT

Annexure referred to in paragraph 3 of the auditors report to the members of **KLG Stock Brokers Private Limited** for the year ended 31st March, 2012.

As required by the companies (Auditor Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

(i)(a) The Company did not hold any fixed assets during the above mentioned financial year.

(b) In view of our comments in Para (i) (a) above, clauses 4 (i) (b) and (c) of the said order are not applicable to the Company.

(ii)(a) The Company does not own any inventory during the above mentioned financial year.

(b) In view of our comments in Para (ii) (a) above, clauses 4 (ii) (b) and (c) of the said order are not applicable to the Company.

(iii)(a) According to the information and explanations given to us the Company has not granted any loans secured or unsecured to parties covered in the register maintained under section 301 of the Companies Act, 1956.

(b) In view of our comments in Para (iii) (a) above, clauses 4 (iii) (b) (c) and (d) of the said order are not applicable to the Company.

(c) During the year Company has not taken any loans secured or unsecured from parties covered in the register maintained under section 301 of the Companies Act, 1956.

(d) In view of our comments in para (iii) (c) above, clause (iii) (f) and (g) of the said order is not applicable to the Company

(iv) According to information and explanations given to us there are adequate internal control systems commensurate with the size of the Company and the nature of its business. During the course of our audit no major weakness has been observed in the internal control system.

(v)(a) The transactions made in pursuance of contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 has been recorded in the register.

(b) According to the information and explanations given to us transactions with parties with whom transactions exceeding the value of Rupees Five Lacs have been entered into during the financial year are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of the sections 58A, 58AA or any other relevant provision of the Act and the rules framed there under any directives report issued by the Reserve Bank of India. No order in relation thereto has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vii) Internal Audit is not applicable to the Company. Hence Clause 4 (vii) is not applicable.

(viii) The Central Government has not prescribed for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the Company.

(ix)(a) According to the records of the Company, the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty, Cess have regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory which have remained outstanding as at 31st March, 2012 for a period more than six months from the date they became payable.

(b) There are no amount in respect of any disputed income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess.

(x) The Company has not commenced commercial operation during the year. Hence no accumulated losses and has not incurred cash losses in current financial year.

(xi) In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of its dues to banks and financial institutions.

(xii) In our opinion and according to the information and explanations given to us the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

(xiii)(a) The provisions of any Special Statute applicable to Chit Fund, Nidhi Fund or Mutual Benefit Fund/Societies are not applicable to the Company.

(b) In view of our comments in Para (xiii) (a) above, clauses 4 (xiii) (b) (c) and (d) of the said order are not applicable to the Company.

(xiv) Company has not commenced commercial operation during the year. Hence this clause is not applicable.

(xv) 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 banks and financial institutions.

(xvi) The Company has not taken any term loan during the year.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination the Balance Sheet of the Company, we report that no fund raised on short term basis have been used for long term investment.

(xviii) During the year the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.

(ix) The Company has not issued any debentures during the year.

(xx)The Company has not raised any money by way of public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year that causes the financial statement to be materially misstated.

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

**Sd/-
Devdas Bhat
Partner
Membership No. 48094**

Place: Mumbai
Date: May 25, 2012

BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note No.	Current Year		Previous Year
		Amount(Rs.)	Amount(Rs.)	Amount(Rs.)
I EQUITY & LIABILITIES				
(1) SHAREHOLDERS' FUNDS				
Share Capital	2	3,600,000		3,500,000
Reserves and Surplus	3	<u>(61,247)</u>		<u>-</u>
			3,538,753	3,500,000
Share Application Money Pending Allotment				<u>100,000</u>
(2) NON-CURRENT LIABILITIES				
(3) CURRENT LIABILITIES				
Trade Payables	4	-		-
Other Current Liabilities	5	11,030		11,030
Short Term Provisions		<u>-</u>		<u>-</u>
			11,030	11,030
TOTAL			<u>3,549,783</u>	<u>3,611,030</u>
II ASSETS :				
(1) NON-CURRENT ASSETS				
Long Term Loan and Advances	6		100,000	100,000
Other Non-Current Assets	7		315,664	394,580
(2) CURRENT ASSETS				
Current Investments		-		-
Cash and Cash Equivalents	8	3,128,205		3,116,450
Short Term Loans & Advances	9	<u>5,914</u>		<u>-</u>
			3,134,119	3,116,450
TOTAL			<u>3,549,783</u>	<u>3,611,030</u>
Significant Accounting Policies	1			
Notes on Financial Statements	2 to 17			
AS PER OUR REPORT OF EVEN DATE				
For NBS & Co.		For and on behalf of the Board of Directors		
Chartered Accountants				
Firm Reg.No.110100W				
Sd/-		Sd/-		Sd/-
Devdas Bhat		Hemendra Singh		Nilesh Mehta
Partner		Director		Director
Membership No. 48094				
Place: Mumbai				
Date : May 25, 2012				

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	Current Year Amount(Rs.)	Previous Year Amount(Rs.)
Revenue from Operations		-	-
Other Income	10	67,808	-
Total Revenue		67,808	-
Expenditure			
Depreciation and amortisation expenses		78,916	-
Other Expenses	11	50,139	-
Total Expenses		129,055	-
Profit/(Loss) before Exceptional and Extraordinary Items and Tax		(61,247)	-
Exceptional Items		-	-
Profit/(Loss) before Extraordinary Items and Tax		(61,247)	-
Extraordinary Items		-	-
Profit/(Loss) before Tax		(61,247)	-
Tax Expenses			
- Current Tax		-	-
- Deferred Tax		-	-
Profit/(Loss) for the period from Continuing Operations		(61,247)	-
Profit/(Loss) for the period from Discontinuing Operations		-	-
Tax Expenses of Discontinuing Operation		-	-
Profit/(Loss) for the period from Discontinuing Operations (After Tax)		-	-
Profit/(Loss) for the period		(61,247)	-
Earnings per share (Basic and Diluted) (Refer Note No.16)		(0.17)	-
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 17		

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board of Directors

Sd/-
Devdas Bhat
Partner
Membership No. 48094

Sd/-
Hemendra Singh
Director

Sd/-
Nilesh Mehta
Director

Place: Mumbai
Date : May 25, 2012

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Current Year Amount(Rs.)	Previous Year Amount(Rs.)
A) Cash flow from operating activities		
Net profit after tax & extraordinary items	(61,247)	-
Adjustment for:		
Depreciation and Amortisation Expenses	78,916	-
Dividend Income	-	-
Profit on Sale of Fixed Assets	-	-
Operating Profit before working capital changes	17,669	-
Adjustment for working capital Changes		
(Increase)/Decrease in Trade Receivables	-	-
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Short term Loans and Advance	(5,914)	-
Increase/(Decrease) in Trade and Other Payable	-	11,030
Increase/(Decrease) in Provisions	-	-
Cash generated from Operations	11,755	11,030
Direct taxes	-	-
Cash flow before extraordinary items	11,755	11,030
Extraordinary items	-	-
Cash flow from operating activities	(A) 11,755	11,030
B. Cash flow from Investing activities		
Purchase of Fixed Assets	-	-
Sales of Fixed Assets	-	-
Preliminary Expenditure		(394,580)
Purchase of Investments-Long Term	-	-
Purchase of Investments-Short Term	-	-
Purchase of Investments-Subsidiary	-	-
Membeship Deposit		(100,000)
Dividend Income	-	-
Sale of Investment	-	-
Net cash used in Investment activities	(B) -	(494,580)
C. Cash flow from Financing activities		
Increase/(Decrease) in Term Loan (Net of Repayment)	-	-
Increase/(Decrease) in Unsecured Loan (Net of Repayment)	-	-
Proceeds from issue of Share Capital	-	3,500,000
Share Application Money Received		100,000
Dividend Paid (Net)	-	-
Net cash used in financing activities	(C) -	3,600,000
Net increase / decrease in cash and cash equivalents	(A+B+C) 11,755	3,116,450
Cash & cash equivalents as at April 1, 2011 (opening balance) cash in hand & balance with banks	3,116,450	-
Cash & cash equivalents as at March 31, 2012 (closing balance) cash in hand & balance with banks	3,128,205	3,116,450

Note: Figures in brackets represent outflows

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board of Directors

Sd/-
Devdas Bhat
Partner
Membership No. 48094

Sd/-
Hemendra Singh
Director

Sd/-
Nilesh Mehta
Director

Place: Mumbai
Date : May 25, 2012

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2012

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 1956, 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 less accumulated depreciation and impairment loss, if any.

d. Revenue Recognition

Interest incomes are accounted on accrual basis.

e. Employee Benefits

1. 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.
2. Post employment and other long term employee benefits are recognised as an expense in the profit and 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 and loss account.

f. Retirement Benefits

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

g. Provision for Current and Deferred Tax

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2012

Particulars	Current Year Amount(Rs.)	Previous Year Amount(Rs.)		
NOTE NO. 2 - SHARE CAPITAL				
(a) Authorised 35,00,000 Equity Shares of Rs.10/- each (Previous Year 35,00,000)	35,000,000	35,000,000		
(b) Issued, Subscribed and paid up 3,60,000 Equity Shares of Rs.10/- Each (Fully Paid up) (Previous Year 3,50,000)	3,600,000	3,500,000		
	3,600,000	3,500,000		
(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting Period.				
	Current Year	Previous Year		
	No. of Shares	No. of Shares		
Equity Shares at the beginning of the year	350,000	350,000		
Add: Issue of Shares during the year	10,000			
No. of Shares at the end of the year	360,000	350,000		
(d) Details of Shareholder Holding More than 5 %				
	Current Year		Previous Year	
Equity Shares Held by	No. of Shares	% of Holding	No. of Shares	% of Holding
Holding Company:				
-KLG Capital Services Limited	360,000	100%	350,000	100%
NOTE NO. 3 - RESERVE AND SURPLUS				
	Current Year		Previous Year	
	Amount (Rs.)		Amount (Rs.)	
Profit & Loss Account				
Balance as per last Balance Sheet	-		-	
Add: Profit & Loss during the Year	(61,247)		-	
Less: Transfer to Statutory Reserve account	-		-	
	(61,247)		(61,247)	
	(61,247)		(61,247)	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2012

Particulars	Current Year Amount(Rs.)	Previous Year Amount(Rs.)
NOTE NO. 4 - 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. 5 - OTHER CURRENT LIABILITIES		
Creditors For Expenses	11,030	11,030
	11,030	11,030
NOTE NO. 6 - LONG TERM LOANS & ADVANCES		
Membership Deposit	100,000	100,000
	100,000	100,000
NOTE NO. 7 - OTHER NON-CURRENT ASSETS		
Preliminary Expenses and Pre-operative Expenses	315,664	394,580
	315,664	394,580
NOTE NO. 8 - CASH AND CASH EQUIVALENTS		
(a) Cash on hand	6,100	6,500
(b) Balance with Scheduled Banks		
-On Current Account	3,122,105	609,950
-On Deposit Accounts	-	2,500,000
	3,128,205	3,116,450
NOTE NO. 9 - SHORT TERM LOANS & ADVANCES		
(a) (i) Advance recoverable in cash or in kind for value to to be received (Unsecured & Considered Good)		
-Related Parties	-	-
-Others	-	-
	-	-
(ii) TDS Receivable	5,914	-
	5,914	-
NOTE NO. 10 - OTHER INCOME		
Interest on Fixed Deposit	67,808	-
	67,808	-
NOTE NO.11 - OTHER EXPENSES		
ADMINISTRATIVE AND GENERAL EXPENSES		
Payment to Auditors		
- Audit Fees	11,030	-
- Tax Audit Fees	-	-
- Certification/other Charges	-	-
- Other matters	-	-
	11,030	-
Broker Membership Fees	27,920	-
Filing Fees	1,020	-
Printing & Stationary	400	-
Professional Fees	8,129	-
Shop & Establishment Exp	1,640	-
	50,139	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2012

NOTE NO. 12 - RELATED PARTY DISCLOSURE: (AS IDENTIFIED BY THE MANAGEMENT)

List of Related Parties

1. Major Shareholder having control over the Company
KLG Capital Services Limited
2. Key Management Personal
Hemendra Singh (Director)
3. Companies under Common Control
KLG Capital Services Limited

Disclosure of Related party Transactions between the Company and related parties for the year ended March 31, 2012

Particulars	As At 31 March 2012 Amount(Rs.)	As At 31 March 2011 Amount(Rs.)
	-	-
	-	-

NOTE NO. 13 - DIRECTOR'S REMUNERATION

No remuneration has been paid to any of the directors.

NOTE NO. 14 - FOREIGN CURRENCY TRANSACTIONS

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2012

NOTE NO. 15

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

NOTE NO. 16 - EARNINGS PER SHARE

Particulars	As At 31 March 2012	As At 31 March 2011
Net Profit/(Loss) After Tax available for Equity Shareholders (in Rs.)	(61,247)	-
Weighted Average Number of Equity Shares of Rs.10/- each outstanding during the year	351,411	350,000
Basic/Diluted Earning Per Share (in Rs.)	(0.17)	-

NOTE NO. 17

a. Figures are rounded off to nearest rupees.

b. In the opinion of the Management current assets, advances are approximately of the value stated if realized in the ordinary course of business except otherwise stated.

c. Previous year figures have been regrouped or rearranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board of Directors

Sd/-
Devdas Bhat
Partner
Membership No. 48094

Sd/-
Hemendra Singh
Director

Sd/-
Nilesh Mehta
Director

Place: Mumbai
Date : May 25, 2012