

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Third Annual Report together with the Audited Accounts for the financial year ended March 31, 2013.

### FINANCIAL RESULTS

The performance of your Company for the financial year ended March 31, 2013, as compared to the previous year is summarised below:

Particulars	(Amount in Rs.)	
	March 31, 2013	March 31, 2012
Total Income	-	67,808
Less: Total Expenditure	99,140	129,055
Loss before Tax	(99,140)	(61,247)
Less: Provision for Tax	-	-
Loss after Tax	(99,140)	(61,247)
Balance carried to Balance Sheet	(160,387)	(61,247)

### 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 incurred loss of Rs. 99,140 as against loss of Rs. 61,247 during the previous financial year.

### DIVIDEND

Since the Company has incurred losses during the year under review, the Directors do not recommend dividend.

### 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 confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures;

- b) the selected accounting policies were applied consistently and the Directors 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, 2013 and of the loss of the Company for the year ended on that date;
- c) proper and sufficient care has been taken 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;
- d) the annual accounts have been prepared 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 are eligible for re-appointment. As required under the provisions of section 224(1B) 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, 2013, 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, 2013.

### **COMPLIANCE CERTIFICATE**

The Compliance Certificate for the financial year ended March 31, 2013, pursuant to section 383A of the Companies Act, 1956, issued by M/s. Aashish K. Bhatt & Associates, Practising Company Secretaries, forms part of this Report.

### **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.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Considering the nature of business of the Company, there are no particulars to be disclosed in respect of conservation of energy and technology absorption 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. There are no Foreign Exchange Earnings and Outgo during the year ended March 31, 2013

## **ACKNOWLEDGEMENT**

Your Directors place on record their gratitude for the continuing support of Members, Employees, Bankers and various other agencies.

**By Order of the Board of Directors**

**Place:** Mumbai  
**Date:** August 9, 2013

**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 – 400001.

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 March 31, 2013. 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 within the time prescribed under the Act and the rules made there under. No forms or returns were required to be filed with the Central Government, Company Law Board, Regional Director or other authorities.
3. The Company, being a subsidiary of KLG Capital Services Limited has paid up capital of Rs. 36, 00,000/- (Rupees Thirty Six Lakhs Only).
4. The Board of Directors duly met 4 (four) times on May 25, 2012, August 8, 2012, November 24, 2012 and February 7, 2013 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 Annual General Meeting for the financial year ended on March 31, 2012 was held on September 28, 2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. No Extraordinary General Meeting was held in 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. The Company has entered into contracts which are exempted within the purview of Section 297 of the Act.
10. The Company has made required 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) Not been required to deliver share certificate on allotment and there was no transfer or transmission of shares during the year under review.
  - (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, Company Law Board, Regional Director, 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 not issued 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 pursuant to provisions of Section 372A of the Act.
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. 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: August 9, 2013

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

**Annexure A:**

**Registers and Records as maintained by the Company**

<b>Sr. No</b>	<b>Particulars</b>	<b>Section</b>
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 Contracts	301
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 March 31, 2013.**

<b>Sr. No.</b>	<b>Form No. / Return</b>	<b>Filed under Section</b>	<b>Description</b>	<b>Date of Filing</b>	<b>Whether filed within prescribed time limit Yes / No</b>	<b>If delay in filing Whether requisite additional fees paid Yes / No</b>
1	66	383A	Compliance Certificate for year ended March 31, 2012.	17.10.12	Yes	NA
2	20B	159	Annual Return	06.11.12	Yes	NA
3	23AC / ACA XBRL	220	Balance Sheet, Profit & Loss Account etc. for year ended March 31, 2012.	01.01.13	Yes	NA

With Regional Director : Not Applicable

With Central Government or other authorities : Not Applicable

## **Independent Auditor's Report**

**To the Members of**

**KLG Stock Brokers Private Limited**

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

We have audited the accompanying financial statements of, **KLG Stock Brokers Private Limited** which comprise the Balance Sheet as at 31<sup>st</sup> March , 2013, the Statement of Profit and Loss for the year ended, at 31<sup>st</sup> March , 2013 and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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 31<sup>st</sup> March, 2013;
- (b) In the case of Statement of Profit and Loss of the Profit for the year ended on that date; and
- (c) In the case of 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, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
  - (f) Since the central government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For NBS & Co.  
Chartered Accountants  
Firm Registration No:110100W

Place: Mumbai

Date: 24.05.2013

Sd/-  
Devdas Bhat  
Partner  
Membership No: 48094

## ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph of our report of even date to the members of the **KLG Stock Brokers Private Limited** on the financial statements for the year ended **March 31, 2013**.

- (i) The Company is not having tangible fixed assets. Accordingly, paragraph (i) (a), (b) and (c) of the Order are not applicable.
- (ii) The company does not hold any inventory during the above mentioned financial year. Accordingly, paragraph (ii) (a), (b) and (c) of the Order are not applicable.
- (iii)
  - (a) According to the information and explanations given to us, the Company has given Deposits amounting to Rs.30,00,000 to Awaita Properties Pvt. Ltd.(Company under common control) covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.30,00,000 /- and the year end balance of deposit granted to such party was Rs. 30,00,000/-.
  - (b) In our opinion, terms and conditions on which deposits have been given to such party listed in the register maintained under Section 301 of Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company. No interest was charged from the party, since these are deposits against premises taken on rent.
  - (c) No principal amount was due for repayment, no interest was charged from the party, since these were deposits against premises taken on rent.
  - (d) There is no overdue amount of deposit granted to Companies, firm or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
  - (e) The Company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4(iii)(e) to 4(iii)(g) of the Order are not applicable.
- (iv) According to the information and explanations given to us, there are adequate internal control system and procedures commensurate with the size of the company and the nature of its business with regard to payment of Expenses. Further on the basis of our examination, and according to the information & explanation given to us we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system and procedure.
- (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, has been recorded in the register.
  - (b) According to the information and explanations given to us by the management, 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) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the Public in accordance with the provisions of Sections 58A and 58AA or any other relevant provision of the Act and the rules framed there under any directives report issued by the RBI. No order in relation thereto has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court or any other Tribunal.
- (vii) Internal audit is not applicable to the company. Hence clause 4 (vii) is not applicable.

- (viii) We are informed that the Central Government has not prescribed maintenance of Cost records under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to records of the Company, this clause is not applicable to the Company. Accordingly clause no. 4 (ix) (b) of the Order is not applicable to the company.
- (x) According to the information and explanation given to us, we are of the opinion that the company has not completed five years from its date of incorporation, hence this clause is not applicable to the company.
- (xi) According to the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution and or banks.
- (xii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a Chit Fund or a Nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) The company has not commenced commercial operation during the year. Hence this clause is not applicable to the company.
- (xv) According to the information and explanation given to us no guarantees given by the company for loans taken by others from banks.
- (xvi) On basis of records examined by us, and relying on the information company has not raised any term loan during the year.
- (xvii) According to the information & explanation given to us and on overall examination of the Balance Sheet of the company and after placing reliance on the reasonable assumptions made by the Company for classification of Long Term & Short Term usages of the funds, we report that no funds raised on short-term basis have been utilized for long-term investment.
- (xviii) According to the information & explanation given to us, 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 Act.
- (xix) The Company has not created any security or charge with respect to debentures, as this clause is not applicable to the Company.
- (xx) The Company has not raised any money by public issue, during the financial year.
- (xxi) In our opinion and according to the information & explanation given to us, no fraud on or by the company has been noticed or reported during the year, that cause the financial statements to be materially misstated.

For NBS & Co.  
Chartered Accountants  
Firm No 110100W

Sd/-  
Devdas Bhat  
Partner  
Membership No. : 48094

Place: Mumbai  
Date: 24.05.2013

## KLG Stock Brokers Private Limited

BALANCE SHEET AS AT MARCH 31, 2013				
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	3,600,000		3,600,000
Reserves and Surplus	3	<u>(160,387)</u>	3,439,613	<u>(61,247)</u> 3,538,753
<b>(2) NON-CURRENT LIABILITIES</b>				
<b>(3) CURRENT LIABILITIES</b>				
Trade Payables	4	-		-
Other Current Liabilities	5	11,236		11,030
Short Term Provisions		<u>-</u>	11,236	<u>-</u> 11,030
<b>TOTAL</b>			<b><u>3,450,849</u></b>	<b><u>3,549,783</u></b>
<b>II ASSETS :</b>				
<b>(1) NON-CURRENT ASSETS</b>				
Long Term Loan and Advances	6		3,100,000	100,000
Other Non-Current Assets	7		236,748	315,664
<b>(2) CURRENT ASSETS</b>				
Current Investments		-		-
Cash and Cash Equivalents	8	108,187		3,128,205
Short Term Loans & Advances	9	<u>5,914</u>	114,101	<u>5,914</u> 3,134,119
<b>TOTAL</b>			<b><u>3,450,849</u></b>	<b><u>3,549,783</u></b>
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 29, 2013

## KLG Stock Brokers Private Limited

### STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	Current Year Amount(Rs.)	Previous Year Amount(Rs.)
Revenue from Operations		-	-
Other Income	10	-	67,808
<b>Total Revenue</b>		-	<b>67,808</b>
<b>Expenditure</b>			
Depreciation and amortisation expenses		78,916	78,916
Other Expenses	11	20,224	50,139
<b>Total Expenses</b>		<b>99,140</b>	<b>129,055</b>
<b>(Profit/(Loss) before Exceptional and Extraordinary Items and Tax)</b>		<b>(99,140)</b>	<b>(61,247)</b>
Exceptional Items		-	-
<b>Profit/(Loss) before Extraordinary Items and Tax</b>		<b>(99,140)</b>	<b>(61,247)</b>
Extraordinary Items		-	-
<b>Profit/(Loss) before Tax</b>		<b>(99,140)</b>	<b>(61,247)</b>
Tax Expenses			
- Current Tax		-	-
- Deferred Tax		-	-
<b>Profit/(Loss) for the period from Continuing Operations</b>		<b>(99,140)</b>	<b>(61,247)</b>
<b>Profit/(Loss) for the period from Discontinuing Operations</b>		-	-
Tax Expenses of Discontinuing Operation		-	-
<b>Profit/(Loss) for the period from Discontinuing Operations (After Tax)</b>		-	-
<b>Profit/(Loss) for the period</b>		<b>(99,140)</b>	<b>(61,247)</b>
Earnings per share (Basic and Diluted)		<b>(0.28)</b>	<b>(0.17)</b>
(Refer Note No.16)			
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	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 29, 2013

## KLG Stock Brokers Private Limited

### Statement of Cash Flows for the year ended March 31,2013

Particulars	Current Year Amount(Rs.)	Previous Year Amount(Rs.)
<b>A) Cash flow from operating activities</b>		
Net profit after tax & extraordinary items	(99,140)	(61,247)
Adjustment for:		
Depreciation and Amortisation Expenses	78,916	78,916
Dividend Income	-	-
Profit on Sale of Fixed Assets	-	-
Operating Profit before working capital changes	(20,224)	17,669
Adjustment for working capital Changes		
(Increase)/Decrease in Trade Receivables	-	-
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Short term Loans and Advance	(0)	(5,914)
(Increase)/Decrease in Long term Loans and Advance	(3,000,000)	-
Increase/(Decrease) in Trade and Other Payable	206	-
Increase/(Decrease) in Provisions	-	-
Cash generated from Operations	(3,020,018)	11,755
Direct taxes	-	-
Cash flow before extraordinary items	(3,020,018)	11,755
Extraordinary items	-	-
Cash flow from operating activities	(A) <b>(3,020,018)</b>	<b>11,755</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of Fixed Assets	-	-
Sales of Fixed Assets	-	-
Preliminary Expenditure	-	-
Purchase of Investments-Long Term	-	-
Purchase of Investments-Short Term	-	-
Purchase of Investments-Subsidiary	-	-
Dividend Income	-	-
Sale of Investment	-	-
Net cash used in Investment activities	(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)	-	-
Proceeds from issue of Share Capital	-	-
Share Application Money Received	-	-
Dividend Paid (Net)	-	-
Net cash used in financing activities	(C) -	-
Net increase / decrease in cash and cash equivalents	(A+B+C) (3,020,018)	11,755
Cash & cash equivalents as at April 1, 2011 (opening balance ) cash in hand & balance with banks	3,128,205	3,116,450
Cash & cash equivalents as at March 31, 2012 (closing balance ) cash in hand & balance with banks	<b>108,187</b>	<b>3,128,205</b>
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		
Sd/-	Sd/-	Sd/-
Devdas Bhat	Hemendra Singh	Nilesh Mehta
Partner	(Director)	(Director)
Membership No. 48094		
Place: Mumbai		
Date : May 29, 2013		

## KLG Stock Brokers Private Limited

### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Current Year Amount(Rs.)	Previous Year Amount(Rs.)		
<b>NOTE NO. 2 - SHARE CAPITAL</b>				
<b>(a) Authorised</b>				
35,00,000 Equity Shares of Rs.10/- each (Previous Year 35,00,000)	35,00,000	35,00,000		
<b>(b) Issued,Subscribed and paid up</b>				
3,60,000 Equity Shares of Rs.10/- Each (Fully Paid up) (Previous Year 3,50,000)	3,60,000	3,60,000		
	<u>3,60,000</u>	<u>3,60,000</u>		
<b>(c) 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	3,60,000	3,50,000		
Add: Issue of Shares during the year	-	100,000		
No. of Shares at the end of the year	<u>3,60,000</u>	<u>3,60,000</u>		
<b>(d) 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:				
-K L G Capital Services Limited	360,000	100%	360,000	100%
<b>NOTE NO. 3 - RESERVE AND SURPLUS</b>				
		<b>Current Year Amount (Rs.)</b>	<b>Previous Year Amount (Rs.)</b>	
<b>(a) Profit &amp; Loss Account</b>				
Balance as per last Balance Sheet		(61,247)	-	
Add: Profit & Loss during the Year		(99,140)	(61,247)	
Less: Transfer to Statutory Reserve account		-	-	
		<u>(160,387)</u>	<u>(61,247)</u>	
<b>Total</b>		<u>(160,387)</u>	<u>(61,247)</u>	

## KLG Stock Brokers Private Limited

Notes forming part of the Balance Sheet as at March 31, 2013		
Particulars	Current Year Amount(Rs.)	Previous Year Amount(Rs.)
<b>NOTE NO. 4 - TRADE PAYABLES</b>		
The Company does not have in its records any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any relating to amounts unpaid at the year end together with interest paid/payable as required under the said Act have not been furnished.		
<b>NOTE NO. 5- OTHER CURRENT LIABILITIES</b>		
Creditors For Expenses	11,236	11,030
	<u>11,236</u>	<u>11,030</u>
<b>NOTE NO.6- LONG TERM LOANS &amp; ADVANCES</b>		
Rent Deposit	3,000,000	-
Membership Deposit	100,000	100,000
	<u>3,100,000</u>	<u>100,000</u>
<b>NOTE NO. 7 - OTHER NON-CURRENT ASSETS</b>		
Preliminary Expenses and Preoperative Expenses	236,748	315,664
	<u>236,748</u>	<u>315,664</u>
<b>NOTE NO. 8 - CASH AND CASH EQUIVALENTS</b>		
(a) Cash on hand	6,100	6,100
(b) Balance with Scheduled Banks		
-On Current Account	102,087	3,122,105
-On Deposit Accounts	-	-
	<u>108,187</u>	<u>3,128,205</u>
<b>NOTE NO.9- SHORT TERM LOANS &amp; ADVANCES</b>		
(a) (i) Advance recoverable in cash or in kind for value to be received (Unsecured & Considered Good)		
-Related Parties	-	-
-Others	-	-
	<u>-</u>	<u>-</u>
(ii) TDS Recievable	5,914	5,914
	<u>5,914</u>	<u>5,914</u>
<b>NOTE NO. 10 - OTHER INCOME</b>		
Interest on Fixed Deposit	-	67,808
	<u>-</u>	<u>67,808</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>NOTE NO.11 - OTHER EXPENSES</b>		
<b>(a) ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Payment to Auditors		11,030
- Audit Fees	11,236	-
- Tax Audit Fees	-	-
- Certification/other Charges	-	-
- Other matters	206	-
	<u>11,442</u>	<u>11,030</u>
Broker Membership Fees	-	27,920
Filing Fees	2,040	1,020
Printing & Stationary	-	400
Processing Fees	1,124	-
Professional Fees	5,618	8,129
Shop & Establishment Exp	-	1,640
<b>TOTAL</b>	<u>20,224</u>	<u>50,139</u>



# KLG Stock Brokers Private Limited

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

NOTE NO : 1

## **SIGNIFICATION ACCOUNTING POLICES**

### **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**

01. 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.

02. 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.

# KLG Stock Brokers Private Limited

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

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

### List of Related Parties

01. Major Shareholder having control over the company

KLG Capital Services Limited

03. Key Management Personal

Hemendra Singh (Director)

04. Companies under Common Control

KLG Capital Services Limited

Await Properties Pvt Ltd.

Disclosure of Related party Transactions between the Company and related parties for the year ended March 31, 2013

	As At 31 March 2013 (Amount in Rs.)	As At 31 March 2012 (Amount in Rs.)
Companies under Common Control - Awaita Properties Pvt. Ltd.	3,000,000 -	- -

## 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.

## KLG Stock Brokers Private Limited

**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 2013 (Amount in Rs.)	As At 31 March 2012 (Amount in Rs.)
Net Profit/(Loss) After Tax available for Equity Shareholders	(99,140)	(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 Rs.	<b>(0.28)</b>	<b>(0.17)</b>

**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 29, 2013