

Format of Quarterly Compliance Report on Corporate Governance

Name of the Company: KLG CAPITAL SERVICES LIMITED (Scrip Code: 530771)

Quarter ending on: December 31, 2014

Particulars	Clause of Listing agreement	Compliance Status Yes/No/N.A	Remarks
II. Board of Directors	49 (II)		
(A) Composition of Board	49 (IIA)	Yes	
(B) Independent Directors	49 (IIB)	Yes	
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	
(D) Other provisions as to Board and Committees	49 (IID)	Yes	
(E) Code of Conduct	49 (IIE)	Yes	
(F) Whistle Blower Policy	49 (IIF)	N.A*	
III. Audit Committee	49 (III)		
(A) Qualified & Independent Audit Committee	49 (IIIA)	Yes	
(B) Meeting of Audit Committee	49 (IIIB)	Yes	
(C) Powers of Audit Committee	49 (IIIC)	Yes	
(D) Role of Audit Committee	49 (IIID)	Yes	
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	
IV. Nomination and Remuneration Committee	49 (IV)	N.A	Committee formed though not mandatory.
V. Subsidiary Companies	49 (V)	Yes	
VI. Risk Management	49 (VI)	Yes	
VII. Related Party Transactions	49 (VII)	N.A.*	
VIII. Disclosures	49 (VIII)		
(A) Related party transactions	49 (VIIIA)	Yes	
(B) Disclosure of Accounting Treatment	49 (VIIIB)	Yes	
(C) Remuneration of Directors	49 (VIII C)	Yes	
(D) Management	49 (VIII D)	Yes	
(E) Shareholders	49 (VIII E)	Yes	
(F) Proceeds from public issues, rights issue, preferential issues, etc	49 (VIII F)	N.A.	
IX. CEO/CFO Certification	49 (IX)	Yes	
X. Report on Corporate Governance	49 (X)	Yes	

XI. Compliance	49 (XI)	Yes	
----------------	---------	-----	--

Note:

* As per the Circular SEBI dated September 15, 2014 bearing Ref. no. CIR/CFD/POLICY CELL/7/2014, the compliance to the provisions of Clause 49 of the Listing agreement are not mandatory in respect of the Companies whose paid up equity share capital is less than Rs. 10 Crore and Net worth not exceeding Rs. 25 Crore, for the time being.

As per the audited financial statement for March 31, 2014, it is hereby certified that the paid up share capital of the Company is Rs. 32,024,000 and the net worth of the Company is Rs. 64,292,197. Accordingly, the compliance of the provisions of Clause 49 is not mandatory and applicable to Company for the time being.

For **KLG Capital Services Limited**

Sd/-

Nishita Nagrecha

Company Secretary