

23<sup>rd</sup> January, 2018

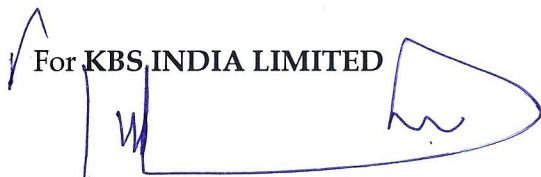
To,  
The Manager - CRD  
**BSE Limited**  
PhirozeJeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai - 400001  
Scrip Code:530357

**Sub.: Submission of Annual Report for the Financial Year 2016-17.**

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2016-17 as approved and adopted at the 31<sup>st</sup> Annual General Meeting of the Company held on Saturday, 30<sup>th</sup> December, 2017.

Kindly take the above on your record.

Thanking you

For **KBS INDIA LIMITED**  


**Tushar Shah**  
**Chairman & Managing Director**  
**DIN: 01729641**

Encl: A/a

# **KBS INDIA LIMITED**

**31<sup>ST</sup> ANNUAL REPORT**

**2016-2017**

**Board of Directors**

Mr. Tushar Shah	Chairman & Managing Director
Mr. Ketan Shah	Non- Executive Non Independent Director
Mr. Vinod Bapna	Independent Director
Mrs. Sanjeevlata Samdani	Independent Director
Mr. Chandrakant Lodaya	Additional Director ( w.e.f. 1 <sup>st</sup> December 2017)

**Chief Financial Officer**

Mr. Chandrakant Lodaya (upto 30<sup>th</sup> November, 2017)

**Statutory Auditors**

M/s. R. R. Shah & Associates  
Chartered Accountants  
Mumbai

**Secretarial Auditors**

M/s. Manish Ghia & Associates  
Company Secretaries  
Mumbai

**Bankers**

Bank of India, Mumbai

**Registered Office:**

502, Commerce House,  
140, Nagindas Master Road,  
Fort, Mumbai - 400 001.  
Tel. No.: 022 - 40362626 / 40362727  
Fax No.: 022 - 40362618  
Website: www.kbs.co.in  
Email: chandu.kbs@outlook.com

**Registrar and Share Transfer Agents:**

M/s. Link Intime India Private Limited  
247, Lal Bahadur Shastri Road,  
Surya Nagar, Gandhi Nagar, Vikroli (West)  
Mumbai - 400 083  
Tel. No.: 022-49186270  
Fax No.: 022-49186060  
Email: rnt.helpdesk@linkintime.co.in

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**KBS INDIA LIMITED**

CIN: L51900MH1985PLC035718

Registered Office: 502, Commerce House, 140, Nagindas Master Road, Fort, Mumbai – 400 001

Tel. No: 022 4036 2626 / 4036 2727; Fax No.: 022 4036 2618;

Email: chandu.kbs@outlook.com, Website: www.kbs.co.in

**NOTICE**

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the members of **KBS INDIA LIMITED** will be held on Saturday, 30<sup>th</sup> December, 2017 at 9.30 a.m. at Registered office of the Company at 502, Commerce House, 140 Nagindas Master Road, Fort, Mumbai – 400 001 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended 31<sup>st</sup> March, 2017 together with the Reports of the Board of Directors' and Auditors' thereon.
2. To ratify the appointment of M/s R.R. Shah & Associates, Chartered Accountants, Mumbai ( having FRN: 109760W) the Statutory Auditors of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the resolution passed by the members at the 30<sup>th</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> December, 2016, for appointment of M/s. R. R. Shah & Associates., Chartered Accountants, Mumbai (FRN:109760W) as Statutory Auditors of the Company to hold office from the conclusion of 30<sup>th</sup> AGM upto the conclusion of 35<sup>th</sup> AGM to be held for the financial year ending 31<sup>st</sup> March, 2021, the consent of the members of the Company be and is hereby accorded to ratify the appointment of M/s. R. R. Shah & Associates., Chartered Accountants, Mumbai, to hold office from the conclusion of 31<sup>st</sup> AGM till the conclusion of 32<sup>nd</sup> AGM and the Board of Directors of the Company be and is hereby authorized to fix the Auditor's remuneration, as may be agreed upon between the Auditors and the Board of Directors of the Company.”

**SPECIAL BUSINESS:****3. APPOINTMENT OF MR. CHANDRAKANT LODAYA (DIN:08005992) AS DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force), Mr. Chandrakant Lodaya (DIN: 08005992), who was appointed as an Additional (Non Executive) Director of the Company with effect from 1<sup>st</sup> December, 2017 pursuant to the provisions of Section 161 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company and who holds office as such upto the date of this ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing along with the requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature of Mr. Chandrakant Lodaya for the office of Director of the Company, be and is hereby appointed as Non Executive Director of the Company, who shall be liable to retire by rotation.”

Place: Mumbai

Date: 30<sup>th</sup> November, 2017

By Order of the Board of Directors  
For KBS India Limited

**Registered Office;**

502, Commerce House,  
140, Nagindas Master Road,  
Fort, Mumbai – 400001

Tushar Shah  
Chairman & Managing Director  
DIN: 01729641

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. A Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special business is annexed hereto and forms part of this notice
3. Pursuant to provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), a brief resume and the relevant details of the Director proposed to be appointed at the ensuing AGM is annexed to the Notice.
4. Members/ Proxies are requested to bring duly filled in Attendance Slip along with their copy of Annual Report at the AGM. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 ('Act') authorizing their representative to attend and vote at the AGM.
5. Pursuant to provisions of Section 91 of Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 26<sup>th</sup> December, 2017 to Saturday, 30<sup>th</sup> December, 2017 (both days inclusive) for the purpose of the ensuing AGM.
6. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contract or Arrangements in which Directors are interested maintained under Section 189 of the Act will be open for inspection during the AGM.
7. Members who hold the shares in dematerialized form are requested to bring their client ID and D.P. ID for easier identification of attendance at the meeting.
8. Members holding shares in identical order of names in one or more than one folio are requested to write to the Company/Registrar and Share Transfer Agents ('RTA') enclosing their original Share Certificates to enable the Company to consolidate their holdings in one folio for better services.
9. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / RTA quoting their Folio Number and Bank Account details along with their self – attested documentary proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants.
10. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
11. Members are requested to forward all Share Transfers and other communications to the RTA of the Company at M/s. Link Intime India Private Limited, Unit: KBS India Limited at 247, Lal Bahadur Shastri Road, Surya Nagar, Gandhi Nagar, Vikroli (West), Mumbai - 400 083 and are further requested to always quote their Folio Number in all correspondences with the Company.
12. Members desirous of obtaining any information about the accounts and operations of the Company are requested to address their queries to the Compliance Officer at the Registered Office of the Company at least seven days in advance from the date of AGM to enable the Company to provide the information required at the meeting.
13. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voter Identity Card, etc., having photo identity) while attending the meeting.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participants with whom they have their

demat account(s). Members holding shares in physical form can submit their PAN details to the RTA of the Company- M/s. Link Intime India Private Limited.

15. Non-Resident Indian members are requested to inform the Company's RTA, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable, if such details were not furnished earlier.
16. To comply with the provisions of Section 88 of the Act read with Rule 3 of the Companies (Management and Administration) Rules, 2014, the Company is required to update its database by incorporating some additional details of its members.

Members are therefore requested to submit their e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning the same by post/e-mail.

The e-mail ID provided shall be updated subject to the successful verification of their signatures from the records available with the RTA of the Company.

17. Route Map for the venue of the ensuing AGM of the Company is appearing at the end of the Annual Report.

#### 18. E-Voting process

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2014 as amended from time to time and Regulation 44 of Listing Regulations, the Company is pleased to provide remote e-voting facility to its members to cast their votes electronically on all the resolutions set forth in the Notice convening the 31st AGM of the Company. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility.

The facility for voting, either through ballot/polling paper shall also be made available at the venue of the 31st AGM. The members attending the meeting, who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting through ballot/polling papers. In case, members cast their vote through both the modes, voting done by remote e-voting shall be considered and vote cast through polling paper shall be treated as invalid.

The Company has appointed M/s. Manish Ghia & Associates, Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional.

The remote e-voting period begins on Wednesday, 27<sup>th</sup> December, 2017 (9:00 am) and ends on Friday, 29<sup>th</sup> December, 2017 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, 23<sup>rd</sup> December, 2017 may cast their votes electronically. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m. on Friday, 29<sup>th</sup> December, 2017.

#### I. The instructions for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
  - (i) Open email and open PDF file viz.; "remote e-voting.pdf" with your Client ID or Folio No. as password. The PDF file contains user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share the password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select “EVEN” of “KBS India Limited”
  - (viii) Now for remote e-voting Cast Vote page opens.
  - (ix) Cast vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xi) Once voted on the resolution, member will not be allowed to modify their vote.
  - (xii) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizer@mgconsulting.in](mailto:scrutinizer@mgconsulting.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in); mentioning in the subject line “E-voting for 31st AGM of “KBS India Ltd.”
- B. In case of member receiving physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. A. (ii) to A. (xii) above, to cast vote.

- C. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

## II. Other Instructions

- i. If member are already registered with NSDL for remote e-voting then they can use their existing user ID and password/PIN for casting your vote. If member forget their password, they can reset password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- ii. Member can also update mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Saturday, 23<sup>rd</sup> December, 2017.
- iv. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Saturday, 23<sup>rd</sup> December, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- v. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- vi. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- vii. The Scrutinizer, after scrutinizing the votes cast at the meeting through poll papers and remote e-voting, will not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company [www.kbs.co.in](http://www.kbs.co.in) and on the website of the NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF COMPANIES ACT, 2013:****Item No. 3:**

Mr. Chandrakant Lodaya was appointed as an Additional (Non Executive) Director of the Company w.e.f. 1<sup>st</sup> December, 2017. He is a B Com Graduate from the University of Mumbai and as Chief Financial Officer was responsible for handling day to day financial activities of the Company. He also oversees the administrative matters of the Company and has experience in stock broking activities. He is associated with Company since last 24 years and is not related to any of the directors of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 Mr. Chandrakant Lodaya holds office as such upto the date of this ensuing Annual General Meeting. The Company has also received notice along with requisite deposit from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director.

Brief resume of Mr. Chandrakant Lodaya as stipulated under Regulation 36(3) of Listing Regulations and SS-2 issued by the ICSI forms part of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 3 of the Notice for approval of the shareholders.

Except, Mr. Chandrakant Lodaya being the appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the said resolution.

Place: Mumbai  
Date: 30<sup>th</sup> November, 2017

**By Order of the Board of Directors  
For KBS India Limited**

**Registered Office;**  
502, Commerce House,  
140, Nagindas Master Road,  
Fort, Mumbai – 400001

**Tushar Shah  
Chairman & Managing Director  
DIN: 01729641**



In pursuance to the provisions of Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), details of Director seeking appointment at the ensuing Annual General Meeting are as follows:

<b>Name of Director</b>	Mr. Chandrakant Lodaya
<b>DIN</b>	08005992
<b>Date of Birth/Age</b>	20 <sup>th</sup> February, 1969 (48 years)
<b>Nationality</b>	Indian
<b>Date of appointment as Director</b>	30 <sup>th</sup> November, 2017
<b>Designation</b>	Director
<b>Qualification</b>	B Com
<b>Experience/Expertise</b>	He is having vast experience in the field of stock broking activities.
<b>Terms and Conditions of appointment</b>	Non Executive Director liable to retire by rotation.
<b>Number of Meetings of the Board attended during the year 2016-17.</b>	NA
<b>Shareholding in the Company (Equity shares of ₹ 10/- each).</b>	Nil
<b>Names of other Companies in which the director also holds Directorship</b>	Nil
<b>Names of other companies in which the director also holds membership of Committees of the Board</b>	Nil
<b>Relationship with existing Directors and Key Managerial Personnel of the Company</b>	Not Related
<b>Remuneration last drawn</b>	NA

## BOARD'S REPORT

To,  
The Members,  
KBS India Limited

Your Directors hereby presents the 31<sup>st</sup> Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2017.

## AS PER STANDALONE FINANCIAL STATEMENTS :

The financial figures for the year under review are given below:

(Amount in ₹)

Particulars	For the year ended 2016-17	For the year ended 2015-16
Income from operation and other Income	25,778,980	29,952,424
Profit before Depreciation and Amortization Expenses, Finance Cost and Tax	1,907,057	1,966,931
Less: i) Depreciation	365,073	537,180
ii) Finance Cost	1,017,382	855,929
Profit (Loss) before Tax	<b>524,602</b>	<b>573,822</b>
Less: i) Current tax	215,000	472,485
ii) Deferred Tax	266,725	(95,847)
Profit/(Loss) After Tax	<b>42,877</b>	<b>197,184</b>
Add: Balance brought forward from previous year	39,451,845	39,254,661
Balance carried to Balance Sheet	<b>39,494,722</b>	<b>39,451,845</b>

## FINANCIAL HIGHLIGHTS AS PER CONSOLIDATED FINANCIAL STATEMENTS :

The financial figures for the year under review are given below:

(Amount in ₹)

Particulars	For the year ended 2016-17	For the year ended 2015-16
Income from operation and other Income	30,077,872	34,511,550
Profit before Depreciation and Amortization Expenses, Finance Cost and Tax	5,883,435	5,552,598
Less: i) Depreciation	365,073	537,180
ii) Finance Cost	5,011,526	4,867,302
Profit (Loss) before Tax	506,836	148,116
Less: i) Current tax	215,000	472,485
ii) Deferred Tax	266,725	(95,847)
Profit/(Loss) After Tax	25,111	(228,522)
Balance brought forward from previous year	41,358,248	42,100,815
Other adjustments	(84,374)	(514,045)
Balance carried to Balance Sheet	<b>41,298,985</b>	<b>41,358,248</b>

**REVIEW OF OPERATIONS:**

During the year under review, the Company earned total revenue of ₹ 257.78 Lakhs as compared to ₹ 299.52 Lakhs during the previous year. The Profit before tax was ₹ 5.24 Lakhs during the year as compared to ₹ 5.73 Lakhs in the previous year. Net profit after tax is ₹ 0.428 Lakhs during the year as compared to ₹ 1.97 Lakhs in the previous year.

**DIVIDEND:**

In view to conserve the resources for the future business requirements, your Directors do not recommend any payment of dividend for the year ended 31<sup>st</sup> March, 2017.

**SHARE CAPITAL OF THE COMPANY:**

The paid up share capital of your Company as on 31<sup>st</sup> March, 2017 is ₹ 90,211,880/- (Rupees Nine Crores Two Lakhs Eleven Thousand Eight Hundred Eighty only) divided into 85,21,188 Equity shares of ₹ 10/- (Rupee Ten) each and 50,000, 0% Redeemable Preference Shares of ₹ 100/- (Rupees Hundred) each.

There was no change in the Share Capital of the Company during the Financial Year 2016-17.

**CHANGE IN NATURE OF BUSINESS:**

There is no change in nature of business during the year under review.

**PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**LISTING:**

The Equity shares of the Company continue to be listed at the BSE Limited (BSE). The Company has paid the Annual listing fees to the said stock exchange for the financial year 2016-17.

**EXTRACT OF ANNUAL RETURN:**

An extract of Annual Return in Form MGT 9 is appended to this Report as Annexure I.

**HOLDING, SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:**

As on 31<sup>st</sup> March, 2017, the Company has a wholly owned subsidiary Company named "KBS Capital Management (Singapore) Pte. Ltd.", Singapore which is engaged in the consultancy services. The Company neither has any Holding or Associate Companies nor any Joint Ventures during the financial year 2016-17.

In accordance with section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company and its subsidiary which forms part of this Annual Report. Further, a statement containing the salient features of the financial statement of wholly-owned subsidiary in **Form AOC 1** is appended to the Financial Statements provided in this Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements and the Audited Consolidated Financial statements and related information of the Company are available on our website i.e. [www.kbs.co.in](http://www.kbs.co.in). These documents shall also be made available for inspection at the Registered Office of the Company during business hours on all working days upto the date of Annual General Meeting.

**EXTENSION OF ANNUAL GENERAL MEETING OF THE COMPANY:**

The Registrar of Companies, Maharashtra, Mumbai, vide letter dated 4<sup>th</sup> September, 2017 has granted approval to the Company for extension of holding the Annual General Meeting of the Company for the financial year ended 31<sup>st</sup> March, 2017 by three months i.e. up to 30<sup>th</sup> December, 2017 as the Company has applied for availing further time for preparation of the Consolidated Financial Statements of the Company.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Tushar Shah, Chairman & Managing Director and Mr. Ketan Shah, Director of the Company are disqualified under

Section 164(2) of the Companies Act, 2013, however the Company is taking active steps towards appointment of directors in place of existing directors.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the Articles of Association of the Company, Mr. Ketan Shah, Non- Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being disqualified is ineligible for re-appointment.

Mr. Chandrakant Lodaya was appointed as an Additional (Non Executive) Director of the Company w.e.f. 1<sup>st</sup> December, 2017, subject to approval of members at ensuing Annual General Meeting.

Brief resume of the Directors proposed to be appointed under Regulation 36(3) of SEBI( Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standards on General Meetings (SS - 2) issued by Institute of Company Secretaries of India (ICSI) is given in the Notice convening 31<sup>th</sup> Annual General Meeting of the Company.

Your Board recommends the above appointment of Mr. Chandrakant Lodaya for the approval of Members at the 31<sup>st</sup> AGM of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under both sub-section (6) of Section 149 of the Companies Act, 2013 and erstwhile Clause 49 of Listing Agreement read with Regulation 16(b) of Listing Regulations.

Mr. Chandrakant Lodaya resigned from the position of Chief Financial Officer of the Company w.e.f 30<sup>th</sup> November, 2017.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3) (c) of the Companies Act, 2013 state that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. 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 at the end of the financial year and of the profit of the Company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **MEETINGS OF THE BOARD:**

The Board meets at regular intervals to discuss and decide on Company's business policy and strategies apart from other Board business. The notice of Board meeting is given well in advance to all the Directors of the Company. Usually, meetings of the Board are held in Mumbai, Maharashtra. The agenda of the Board / Committee meetings is circulated 7 days prior to the date of the meeting. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year 2016-17, the Board of Directors met 6 (Six) times on 30<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 11<sup>th</sup> November, 2016, 24<sup>th</sup> November, 2016, 14<sup>th</sup> February, 2017 and 31<sup>st</sup> March, 2017. As stipulated, the gap between two board meetings did not exceeded one hundred and twenty days.

Name of the Directors	Designation	No. of Meetings	
		Held	Attended
Mr. Tushar Shah	Chairman	6	6
Mr. Ketan Shah	Non-Executive Director	6	6
Mr. Vinod Bapna	Independent Director	6	6
Mrs. Sanjeevlata Samdani	Independent Director	6	5

#### SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 14<sup>th</sup> February, 2017 to review the performance of Non-independent Directors and the Board as whole, evaluation of the performance of the Chairman and the flow of communication between the Board and the management of the Company.

#### ANNUAL PERFORMANCE EVALUATION BY THE BOARD:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the workings of its Audit, Stakeholders' Relationship and Nomination and Remuneration Committees. The Board has evaluated the performance of each of Executive, Non-Executive and Independent Directors considering the business of the Company and the expectations that the Board have from each of them. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- Attendance of the meeting of the Board and Meetings of the Committees of the Board;
- Quality of contribution to Board deliberations;
- Strategic perspectives or inputs regarding future growth of Company and its performance;
- Providing perspectives and feedback going beyond information provided by the management.

During the year under review, the Nomination and Remuneration Committee reviewed the performance of all the executive and non-executive directors.

#### COMMITTEES OF THE BOARD:

There are presently three Committees of the Board, which are as follows:-

- Audit Committee;
- Stakeholders' Relationship Committee; and
- Nomination and Remuneration Committee;

##### 1. Audit Committee:

The Audit Committee is duly constituted as per the provisions of Section 177 of the Companies Act, 2013. During the financial year 2016-17, the Audit Committee met 6 (six) times on 30<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 11<sup>th</sup> November, 2016, 24<sup>th</sup> November, 2016, 14<sup>th</sup> February, 2017 and 31<sup>st</sup> March, 2017. The composition of the Audit Committee and the number of meetings attended by each member during the year 2016-17 are as follows:

Name of the Directors	Designation	No. of Meetings	
		Held	Attended
Mrs. Sanjeevlata Samdani	Chairperson	6	5
Mr. Tushar Shah	Member	6	6
Mr. Vinod Bapna	Member	6	6

The Compliance Officer acts as the Secretary to the Committee.

The broad terms of reference of Audit Committee are as follows:

- Reviewing the performance of the Company as reflected in the financial statements, as also compliance with accounting policies and practices, regulatory requirements concerning the said financial statements;

- b. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- c. Recommending the appointment/re-appointment/removal of statutory auditors, fixation of audit fees and also approval of payments for any other services;
- d. Review with management the quarterly/half yearly and annual financial statements with the primary focus on accounting policies and practices, compliances with accounting standards and with the stock exchange and legal requirements concerning the financial statements;
- e. Reviewing with management, Statutory and internal auditors adequacy of the internal control systems in the Company;
- f. Discussing with internal and statutory auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them;
- g. Reviewing the Company's financial and risk management policies;

## 2. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee is duly constituted as per the provisions of Section 178 of the Companies Act, 2013. During the financial year 2016-17, the Nomination and Remuneration Committee met 2 (two) times viz. 30<sup>th</sup> May, 2016 and 24<sup>th</sup> November 2016. The composition of the Nomination and Remuneration Committee and the number of meetings attended by each member during the year 2016-17 are as follows:

Name of the Members	Designation	No. of Meetings	
		Held	Attended
Mrs. Sanjeevlata Samdani	Chairperson	2	1
Mr. Ketan Shah	Member	2	2
Mr. Vinod Bapna	Member	2	2

The Compliance Officer acts as the Secretary to the Committee.

### Terms of reference of the Nomination and Remuneration Committee:

The Committee is empowered to –

- a. Determine/recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- b. Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors;
- c. Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel's;
- d. Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees;

### Selection Criteria:

- Any person to be appointed as a Director on the Board of Directors of the Company or as KMP or Senior Management Personnel, including Independent Directors, shall possess appropriate skills, experience and knowledge in one or more fields of sciences, actuarial sciences, banking, finance, economics, law, management, sales, marketing, administration, research, corporate governance or technical operations.
- Any person to be appointed as a Director on the Board of the Company shall possess the relevant experience and shall be able to provide policy directions to the Company, including directions on good corporate governance.

- While appointing any person as Chief Executive Officer, Managing Director or a Whole-time director of the Company, his / her educational qualification, work experience, industry experience, etc. shall be considered

**REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed and adopted a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration.

**a. Remuneration of Managing Director:**

- i. At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director is broadly divided into fixed and variable component.
- iv. In determining the remuneration the Nomination & Remuneration Committee shall consider the following:
  1. The relationship of remuneration and performance benchmarks is clear;
  2. Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
  3. Responsibility of the Managing Director's and the industry benchmarks and the current trends;
  4. The Company's performance vis-à-vis the annual budget achievement and individual performance.

**b. Remuneration of Non-Executive Directors:**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

**c. Remuneration of Senior Management Employees:**

In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the Nomination & Remuneration Committee shall consider the following:

1. The relationship of remuneration and performance benchmark is clear;
2. The fixed pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
3. The components of remuneration includes salaries, perquisites and retirement benefits;
4. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned hereinabove, recommends the annual increment to the Nomination and Remuneration Committee for its review and approval.

### 3. Stakeholder's Relationship Committee:

The Stakeholders' Relationship Committee is duly constituted as per the provisions of Section 178 of the Companies Act, 2013. During the financial year 2016-17, the Stakeholders' Relationship Committee met 4 (four) times viz. 30<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 11<sup>th</sup> November, 2016, and 14<sup>th</sup> February, 2017. The composition of the Stakeholder's Relationship Committee and the number of meetings attended by each member during the year 2016-17 are as follows:

Name of the Directors	Designation	No. of Meetings	
		Held	Attended
Mr. Ketan Shah	Chairman	4	4
Mr. Vinod Bapna	Member	4	4
Mr. Tushar Shah	Member	4	4

Mr. Nehal Shah, Compliance Officer acts as the Secretary of the Committee.

#### Terms of reference of the Stakeholder's Relationship Committee:

1. To ensure that the application for registration of transfer, transmission, transposition of Equity Shares lodged by the Shareholders/Investors are disposed of in the stipulated time.
2. To look into the redressing of Shareholders' complaints regarding non-receipt of Annual Report or dividend declared, change of address, etc.

#### DIRECTOR FAMILIRISATION PROGRAMME:

The Company undertakes and makes necessary provision of an appropriate induction programme for new directors and ongoing training for existing Directors. The new Directors are introduced to the company culture, through appropriate training programme. Such kind of training programme helps develop relationship of the director with the Company and familiarise them with Company processes. The management provide such information and training either at the meeting of Board of Directors or otherwise.

The induction process is designed to:

- a) Build an understanding of the company's processes and
- b) Fully equipped Director to perform their role on the Board effectively.

Upon appointment, Directors received a Letter of Appointment setting out in detail, the term of appointment, duties, responsibilities and expected time commitments. The details of Director's induction and familiarization programmes are available on the Company's website at <http://www.kbs.co.in>.

#### VIGIL MECHANISM POLICY/WHISTLE BLOWER MECHANISM:

In pursuance to Section 177 of the Companies Act, 2013, the Company has adopted a Vigil Mechanism Policy to deal with instance of fraud and mismanagement, if any.

The Company promotes ethical behavior in all its business activities and has adopted a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the employees / workers. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in the exceptional cases. The confidentiality of those reporting violation is maintained and they are not subjected to any discriminatory practice. However, no violation of laws or unethical conduct etc. was brought to the notice of the Management or Audit Committee during the year ended 31 March, 2017. We affirm that during the financial year 2016-17, no employee or director was denied access to the Audit Committee. The Vigil mechanism / Whistle Blower Policy is available on the website of the Company <http://www.kbs.co.in>.



**STATUTORY AUDITORS:**

M/s. R.R. Shah & Associates, Chartered Accountants, Mumbai (FRN: 109760W) were appointed as Statutory Auditors of the Company at the 30<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> December, 2016 for a term of five consecutive years. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors of the Company and their appointment, if ratified, is within limits prescribed under Section 139 of the Companies Act, 2013 and they satisfy the criteria as provided under section 141 of the Companies Act, 2013.

On recommendation of the Audit Committee, the Board recommends the ratification of appointment of M/s. R.R. Shah & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company to audit the financial statements of the Company for the financial year 2017-18 and to fix their remuneration.

During the year under review the Auditor had not reported any fraud under Section 143(12) of the Companies Act, 2013, therefore no details are required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

**AUDITORS REPORT:**

With reference to the observations made by the Statutory Auditors in their Standalone and Consolidated Report on the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017, your Directors hereby reply as under:

1. Bad Debts Written off is ₹ 81,67,562.

The Management felt that the amount is not recoverable from the party hence the said has been written off as bad-debts.

**INTERNAL AUDITOR:**

The Company has appointed M/s TMR & Associates., Chartered Accountants, Mumbai, as its Internal Auditors. The Internal Auditors have given their Reports on periodical basis to the Audit Committee and the Board. Based on the internal audit report, the management undertakes corrective action in respective areas and thereby strengthens the controls.

**SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Manish Ghia & Associates, Company Secretaries, Mumbai to conduct the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report received from M/s. Manish Ghia & Associates, Company Secretaries, Mumbai is appended as **Annexure – II** and forms part of this Report.

Point (a) & (c)

- (a) the company does not have a Company Secretary as required under section 203 of the Act;
- (c) pursuant to our observation at "a" above, the company is not in compliance with Regulation 6 of LODR which requires Company Secretary to be appointed as Compliance Officer

**Reply:** The Company is in process of identifying suitable candidate for appointment as Whole Time Company Secretary.

Point (b)

the support(s) produced to us for having dispatched notice of Annual General Meeting and the Annual Report (audited financial statements and the reports of directors and auditors thereon) to the members, in our opinion are not adequate for us to ascertain compliance with the provisions of Sec 101 and 136 of the Act;

**Reply:** The Company had duly dispatched the notice of Annual General Meeting and the Annual Report (audited financial statements and the reports of directors and auditors thereon) to the members, in compliance with the provisions of Sec 101 and 136 of the Companies Act, 2013 through permitted mode to all the shareholders

Point (d), (e)

- (d) the company has made payment of annual Listing Fee for the year 2016-17 after the due date;

- (e) the company has made payment of annual charges for the year 2016-17 to the Depositories after the respective due dates;

**Reply:** The delay in payment was unintentional.

Point (f)

the submission of Auditors Report and Standalone Statement on Impact of Audit Qualifications for the year ended 31<sup>st</sup> March 2016 to the Stock Exchange was delayed by 2 days (the same was to be submitted simultaneous with the financial results);

**Reply:** The same was missed out inadvertently and due care shall be taken for necessary submissions.

Point (g)

In respect of approval of consolidated financials of the company for the year ended 31<sup>st</sup> March 2016 by the board of directors on 24<sup>th</sup> November 2016 the company has not given prior intimation of the convening of aforesaid meeting of board of directors to the Stock Exchange; and has not submitted the said consolidated financial results to the Stock Exchange and also did not publish the said financial results in the newspapers; the annual consolidated financial results for the year ended 31<sup>st</sup> March 2016 was to be submitted to Stock Exchange latest by 30<sup>th</sup> May 2016.

**Reply:** The Company has a wholly owned subsidiary Company named "KBS Capital Management (Singapore) Pte. Ltd.", Singapore and the financial statements of said subsidiary were under finalization and compilation. The Company had also applied for extension of AGM for this purpose. Hence the Consolidated Financial statements were approved at a later date. In absence of Whole time Company Secretary, the said compliances were missed out inadvertently.

Point (h)

the details of inter corporate loans have not been disclosed in the company's annual report for the year ended 31<sup>st</sup> March 2017 as required under Schedule V of LODR; and;

**Reply:** Your management would like to state that non-compliance in regards to this point is unintentional and were missed out inadvertently.

Point (i)

The company's website requires updation.

**Reply:** The Company shall take steps to update website.

#### **RISKS AND AREAS OF CONCERN:**

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

#### **INTERNAL FINANCIAL CONTROL:**

The Board has adopted a formal Internal Financial Control Policy during the financial year under review for ensuring the orderly and efficient conduct of its business, including Adherence to Company policies, safeguarding of assets, prevention and detection of fraud and errors, the accuracy and completeness of the accounting record, and timely preparation of reliable financial disclosures. The Audit Committee evaluates the efficiency and adequacy of financial control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and strives to maintain the Standard in Internal Financial Control.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS :**

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act, 2013 in Form AOC-2 is not applicable. The policy on Related Party transaction is uploaded on the Company's website [www.kbs.co.in](http://www.kbs.co.in).

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The details of loans, guarantee or investment made by your Company under Section 186 of the Companies Act, 2013 during the financial year 2016-17 are given under Notes to Accounts of financial statements.

**PARTICULARS OF REMUNERATION:**

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are appended to this report as Annexure III.

During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, other information as required under the said provision as appended to this report as Annexure III - Part B.

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

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, details regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the year under review are as follows:

**A. Conservation of Energy**

- a. Steps taken or impact on conservation of energy – The Operations of the Company do not consume energy intensively. However, Company continues to implement prudent practices for saving electricity and other energy resources in day-to-day activities.
- b. Steps taken by the Company for utilizing alternate sources of energy – Though the activities undertaken by the Company are not energy intensive, the Company shall explore alternative sources of energy, as and when the necessity arises.
- c. The capital investment on energy conservation equipment – Nil

**B. Technology Absorption**

- a. The efforts made towards technology absorption – The Company continues to take prudential measures in respect of technology absorption, adaptation and take innovative steps to use the scarce resources effectively.
- b. The benefits derived like product improvement, cost reduction, product development or import substitution – Not Applicable
- d. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable
- e. The expenditure incurred on Research and Development - Not Applicable

**C. Foreign Exchange Inflow / Outgo:****(Amount in ₹)**

Particulars	2016-17	2015-16
Foreign Exchange earned	3981565	3835870
Foreign Exchange used	NIL	NIL

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There was no significant or material order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on Company's operations in future.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.**

The provisions relating to Corporate Social responsibility under Section 135 of the Companies, Act, 2013 and rule made thereunder are not applicable to the company.

**MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the F.Y. 2016-17 to which this Financial Statements relate and the date of this Report.

**REPORT ON CORPORATE GOVERNANCE:**

As per the provision of Regulation 15(2) of the Listing Regulations, the provisions related to Corporate Governance as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of the Schedule V shall not apply to a listed entity having paid up share capital not exceeding Rupees Ten crores and Networth not exceeding Rupees Twenty Five crores, as on the last day of the previous financial year.

As on the last day of previous financial year, the paid up Share Capital of and Networth of the Company was below the threshold limit as stated above, thereby presently, the Company is not required to comply with the above provisions of Corporate Governance.

Accordingly, the Report on Corporate Governance and Certificate regarding compliance of conditions of Corporate Governance are not made a part of the Annual report.

Pursuant to the Regulation 34(2) (e) of Listing Regulations the Management Discussion and Analysis is a part of the Annual Report

**INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and adopted a Policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. There was no complaint on sexual harassment during the year under review.

**ACKNOWLEDGEMENT:**

Your Directors express their gratitude for assistance and co-operation from the Financial Institutions, Banks, Government Authorities, Customers, Vendors and Members received during the year under review. Your Directors also wish to place on record their deep appreciation for the committed services of the employees of the Company.

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

Place: Mumbai  
Date: 30<sup>th</sup> November, 2017

**Tushar Shah**  
**Chairman & Managing Director**  
**DIN : 01729641**

**ANNEXURE I****Extract of Annual Return  
Form No. MGT-9****(As on the financial year ended on 31<sup>st</sup> March, 2017)**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L51900MH1985PLC035718
2.	Registration Date	22 <sup>nd</sup> March, 1985
3.	Name of the Company	KBS India Limited
4.	Category/Sub-Category of the Company	Non-Government Company Limited by shares
5.	Address of the Registered office and contact details	502 Commerce House, 140, Nagindas Master Road, Fort, Mumbai, Maharashtra 400001 Tel. : 022 4036 2626 / 4036 2727, Fax. : 022 4036 2618 Email : chandu.kbs@outlook.com Website: www.kbs.co.in
6.	Whether listed Company (Yes/No):-	Yes BSE Limited
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>M/s. Link Intime India Private Limited</b> 247, Lal Bahadur Shastri Road, Surya Nagar, Gandhi Nagar, Vikroli (West) Mumbai - 400 083 <b>Tel. No.:</b> 022-49186270 <b>Fax No.:</b> 022-49186060 <b>Email:</b> rnt.helpdesk@linkintime.co.in

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

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1.	Security Broking	6612	100.00

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

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares	Applicable Section
1	<b>KBS Capital Management (Singapore) Pte. Ltd</b> Address: 17, Phillip Street # 05-01, Grand Building, Singapore 048695	NA	Subsidiary	100.00	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. Promoters</b>									
1. Indian									
a. Individual/ HUF	3113128	0	3113128	36.53	3113128	0	3113128	36.53	0.00
b. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e. Bank/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total(A) (1):-</b>	<b>3113128</b>	<b>0</b>	<b>3113128</b>	<b>36.53</b>	<b>3113128</b>	<b>0</b>	<b>3113128</b>	<b>36.53</b>	<b>0.00</b>
2. Foreign	0	0	0	0.00	0	0	0	0.00	0.00
a. NRI- Individual	0	0	0	0.00	0	0	0	0.00	0.00
b. Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Body Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d. Bank/ FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total(A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A)=(A1+A2)</b>	<b>3113128</b>	<b>0</b>	<b>3113128</b>	<b>36.53</b>	<b>3113128</b>	<b>0</b>	<b>3113128</b>	<b>36.53</b>	<b>0.00</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b. Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
c. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. Foreign Portfolio Investor	101014	0	101014	1.19	0	0	0	0.00	(0.00)
i. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j. Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub- Total –B(1)</b>	<b>101014</b>	<b>0</b>	<b>101014</b>	<b>1.19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>(1.19)</b>

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>2. Non-Institutions</b>									
a. Body Corp.	213310	100	213410	2.50	71500	100	71600	0.84	(1.66)
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs 1 lakh	505308	118460	623768	7.32	553612	118460	672072	7.89	0.57
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2549901	25000	2574901	30.22	3308798	25000	3333798	39.12	8.90
c. Others (specify)									
ci) Non Resident Indian (Repat)	35951	0	35951	0.42	35829	0	35829	0.42	0.00
cii) Clearing Member	663889	0	663889	7.79	75608	0	75608	0.89	(6.90)
ciii) Directors	900000	0	900000	10.56	900000	0	900000	10.56	0.00
civ) HUF	295127	0	295127	3.46	319153	0	319153	3.75	0.28
<b>Sub-total B (2)</b>	<b>5163486</b>	<b>143560</b>	<b>5307046</b>	<b>62.28</b>	<b>5264500</b>	<b>143560</b>	<b>5408060</b>	<b>63.47</b>	<b>1.19</b>
<b>Total Public Shareholding (B)= (B1+B2)</b>	<b>5264500</b>	<b>143560</b>	<b>5408060</b>	<b>63.47</b>	<b>5264500</b>	<b>143560</b>	<b>5408060</b>	<b>63.47</b>	<b>0.00</b>
<b>C. Shares held by Custodians for GDR's and ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>8377628</b>	<b>143560</b>	<b>8521188</b>	<b>100.00</b>	<b>8377628</b>	<b>143560</b>	<b>8521188</b>	<b>100.00</b>	<b>0.00</b>

## ii. Shareholding of Promoters and Promoters group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding 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	Mr. Tushar Suresh Shah	2209688	25.93	0.00	2209688	25.93	0.00	0.00
2	Mrs. Madhu Suresh Shah	881220	10.34	0.00	881220	10.34	0.00	0.00
3	Ms. Tanya Tushar Shah	20000	0.23	0.00	20000	0.23	0.00	0.00
4	Mrs. Namita Tushar Shah	1120	0.01	0.00	1120	0.01	0.00	0.00
5	Mr. Tanay Tushar Shah	1100	0.01	0.00	1100	0.01	0.00	0.00
	<b>Total</b>	<b>3113128</b>	<b>36.53</b>	<b>0.00</b>	<b>3113128</b>	<b>36.53</b>	<b>0.00</b>	<b>0.00</b>

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

Sr. No.	Promoters' Name	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</b>	<b>Mr. Tushar Suresh Shah</b>				
A	At the beginning of year	2209688	25.93	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	2209688	25.93
<b>2.</b>	<b>Ms. Madhu Suresh Shah</b>				
A	At the beginning of year	881220	10.34	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	881220	10.34
<b>3</b>	<b>Ms. Tanya Tushar Shah</b>				
A	At the beginning of year	20000	0.23	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	20000	0.23
<b>4</b>	<b>Mrs. Namita Tushar Shah</b>				
A	At the beginning of year	1120	0.01	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	1120	0.01
<b>5</b>	<b>Mr. Tanay Tushar Shah</b>				
A	At the beginning of year	1100	0.01	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	-	1100	0.01



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

Sr. No.	Shareholders' Name	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</b>	<b>Mr. Yogesh Harivadan Chandawala</b>				
A	At the beginning of year	1047769	12.29	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-		
<b>2.</b>	<b>Mrs. Kalawati Suresh Kanakia</b>				
A	At the beginning of year	13680	0.16		
B	Change during the year				
	Date	Reason			
	16.12.2016	Purchase	439598	5.16	453278
C	At the end of year			453278	5.32
<b>3.</b>	<b>Mrs. Bhavana Mukesh Motasha</b>				
A	At the beginning of year	432639	5.07	-	-
B	Change during the year				
	No Change during the year				
C	At the end of year	-	432639	5.07	
<b>4.</b>	<b>Mr. Sandeep P Shah</b>				
A	At the beginning of year	432143	5.07	-	-
B	Change during the year	No Change during the year			
C	At the end of the year	-	-	432143	5.07
<b>5.</b>	<b>Mr. Manoj Bhimshi Gala</b>				
A	At the beginning of year	186430	2.19	-	-
B	Changes during the year	No change during the year			
C	At the end of year	-	186430	2.19	
<b>6.</b>	<b>Mrs. Vaishali Jignesh Kanakia</b>				
A	At the beginning of year	0	0.00		
B	Changes during the year				
	Date	Reason			
	16.12.2016	Purchase	137218	1.61	137218
C	At the end of year			137218	1.61

Sr. No.	Shareholders' Name		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>7.</b>	<b>Mr. Shilendra Kumar Gwaliory</b>					
A	At the beginning of year		36900	.433	-	-
B	Changes during the year					
	Date	Reason				
	30.09.2016	Purchase	7900	0.93	44800	0.53
	30.12.2016	Purchase	102390	1.20	147190	1.73
	10.03.2017	Sell	(46510)	(0.55)	100680	1.18
	24.03.2017	Sell	(1150)	(0.13)	99530	1.17
	31.03.2017	Sell	(265)	(0.00)	99265	1.16
C	At the end of year				99265	1.16
<b>8.</b>	<b>Mrs. Sneha Parekh</b>					
	At the beginning of year		71842	0.84	-	-
	Changes during the year		No change during the year			
	At the end of year -		-		71842	0.84
<b>9.</b>	<b>M/s. Sykes &amp; Ray Equities (I) Ltd</b>					
A	At the beginning of year		634251	7.44	-	-
B	Change during the year					
	Date	Reason				
	08.04.2016	Purchase	1000	0.01	635251	7.46
	06.05.2016	Sell	(2000)	(0.02)	633251	7.43
	27.05.2016	Sell	(3750)	(0.04)	629501	7.39
	28.10.2016	Sell	(10000)	(0.12)	619501	7.27
	18.11.2016	Sell	(10)	(0.00)	619491	7.27
	16.12.2016	Sell	(618916)	(7.26)	575	0.00
	10.02.2017	Purchase	125	0.00	700	0.00
	17.02.2017	Purchase	600	0.00	1300	0.02
	24.02.2017	Purchase	35000	0.41	36300	0.43
	10.03.2017	Purchase	30600	0.36	66900	0.79
C	At the end of year				66900	0.79

Sr. No.	Shareholders' Name		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>10</b>	<b>M/S Swastika Investment Limited</b>					
A	At the beginning of year		111490	1.3084		
B	Change During The year					
	Date	Reason				
	08.04.2016	Purchase	4710	0.05	116200	1.36
	15.04.2016	Purchase	20900	0.25	137100	1.61
	15.07.2016	Sell	(1600)	(0.02)	135500	1.59
	22.07.2016	Sell	(17010)	(0.20)	118490	1.39
	22.08.2016	Sell	(2000)	(0.02)	116490	1.37
	02.09.2016	Sell	(10600)	(0.12)	105890	1.24
	30.12.2016	Sell	(102390)	(1.20)	3500	0.04
	10.02.2017	Sell	(766)	(0.09)	2734	0.03
	24.03.2017	Purchase	500	0.06	3234	0.04
C	At the end of year				3234	0.04

## v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	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</b>	<b>Mr. Tushar Suresh Shah</b>				
A	At the beginning of the year	2209688	25.93	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	2209688	25.93
<b>2</b>	<b>Mr. Ketan Babulal Shah</b>				
A	At the beginning of the year	900000	10.56	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	900000	10.56
<b>4</b>	<b>Mr. Vinod Kumar Bapna</b>				
A	At the beginning of the year	NIL	NIL	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	NIL	NIL
<b>5</b>	<b>Ms. Sanjeevlata Samdani</b>				
A	At the beginning of the year	NIL	NIL	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	NIL	NIL
<b>5</b>	<b>Mr. Chandrakant Lodaya</b>				
A	At the beginning of the year	01	0.00	-	-
B	Changes during the year	No Change during the year			
C	At the end of year	-	-	01	0.00

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2016				
1) Principal Amount	-	1865500	-	1865500
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	-	<b>1865500</b>	-	<b>1865500</b>
Change in Indebtedness during the financial year	-	-	-	-
+ Addition	-	-	-	-
-Reduction	-	5000	-	5000
Net change	-	-	-	-
Indebtedness at the end of the financial year 31-03-2017	-	-	-	-
1) Principal Amount	-	1860500	-	1860500
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	-	<b>1860500</b>	-	<b>1860500</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (in ₹)
		Mr. Tushar Shah Managing Director	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act , 1961	12,00,000	12,00,000
	(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	-	-
	<b>Total (A)</b>	<b>12,00,000</b>	<b>12,00,000</b>
	Overall Ceiling as per the Act	As per Section 197 read with Schedule V of the Companies Act, 2013	

**B. Remuneration to other Directors:**

Sr No.	Particulars of Remuneration	Name of Directors		Total Amount (in ₹)
		Mr. Vinod Kumar Bapna	Ms. Sanjeevlata Samdani	
<b>1</b>	<b>Independent Directors</b>			
	-Fee for attending board / committee meetings	46000	-	46000
	- Commission	-	-	-
	- Others (Specify)	-	-	-
	<b>Total (1)</b>	<b>46000</b>	<b>-</b>	<b>46000</b>
<b>2</b>	<b>Other Non- Executive Directors</b>	<b>Mr. Ketan Shah</b>		
	-Fee for attending board / committee meetings		-	-
	- Commission		-	-
	-Others (Specify)		-	-
	<b>Total (2)</b>		<b>-</b>	<b>-</b>
	<b>Total (B)= (1+2)</b>		<b>46000</b>	<b>46000</b>
	Overall Ceiling as per the Act	As per Section 197 read with Schedule V of the Companies Act, 2013		

**C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD:**

Sr No.	Particulars of Remuneration	Mr. Chandrakant Lodaya Chief Financial Officer	Total Amount (in ₹)
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3,47,413	3,47,413
	(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	-	-
	<b>Total</b>	<b>3,47,413</b>	<b>3,47,413</b>

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

For and on behalf of the Board of Director

Place: Mumbai  
Date: 30<sup>th</sup> November, 2017Tushar Shah  
Chairman & Managing Director  
DIN : 01729641

## ANNEXURE II

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**KBS India Limited**  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KBS India Limited** (CIN: L51900MH1985PLC035718 ) having its registered office at 502, Commerce House, 140 Nagindas Master Road, Fort, Mumbai-400001 (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, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 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 2017 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 to the Company during the audit period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period)**;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period)**;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period); and**
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992, in so far as submission of various returns/information or other particulars to be filed with under these Regulations;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines, etc. mentioned above subject to the following observations:

- A. In respect of compliance falling under Companies Act 2013 and the rules made thereunder:
- a. the company does not have a Company Secretary as required under section 203 of the Act;
  - b. the support(s) produced to us for having despatched notice of Annual General Meeting and the Annual Report (audited financial statements and the reports of directors and auditors thereon) to the members, in our opinion are not adequate for us to ascertain compliance with the provisions of Sec 101 and 136 of the Act;
- B. In respect of compliances falling under The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR):
- c. pursuant to our observation at “a” above, the company is not in compliance with Regulation 6 of LODR which requires Company Secretary to be appointed as Compliance Officer;
  - d. the company has made payment of annual Listing Fee for the year 2016-17 after the due date;
  - e. the company has made payment of annual charges for the year 2016-17 to the Depositories after the respective due dates;
  - f. the submission of Auditors Report and Standalone Statement on Impact of Audit Qualifications for the year ended 31<sup>st</sup> March 2016 to the Stock Exchange was delayed by 2 days (the same was to be submitted simultaneous with the financial results);
  - g. in respect of approval of consolidated financials of the company for the year ended 31st March 2016 by the board of directors on 24th November 2016 the company—
    - i) has not given prior intimation of the convening of aforesaid meeting of board of directors to the Stock Exchange; and



- ii) has not submitted the said consolidated financial results to the Stock Exchange and also did not publish the said financial results in the newspapers; the annual consolidated financial results for the year ended 31<sup>st</sup> March 2016 was to be submitted to Stock Exchange latest by 30<sup>th</sup> May 2016;
- h. the details of inter corporate loans have not been disclosed in the company's annual report for the year ended 31<sup>st</sup> March 2017 as required under Schedule V of LODR; and
- i. the company's website requires updation.

**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. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

**We further report that** during the audit period, the Company has passed special resolution under section 186 of the Act, in the Annual General Meeting held on 30<sup>th</sup> December, 2016, enabling the company to extend loan to any person or body corporate or give guarantee or provide security in connection with a loan or to acquire by way of subscription, purchase or otherwise securities in any other body corporate up to a maximum limit of Rs.100 crores

This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

For **Manish Ghia & Associates**  
Company Secretaries

Place : Mumbai  
Date: November 30, 2017

**Vidhi Chaudhary**  
Partner  
M. No. ACS 27685 C.P. No. 12014

**‘Annexure A’**

To,  
The Members,  
**KBS India Limited**  
Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**  
Company Secretaries

Place : Mumbai  
Date: November 30, 2017

**Vidhi Chaudhary**  
Partner  
M. No. ACS 27685 C.P. No. 12014

## ANNEXURE III – PART A

1. Disclosure as per Section 197(12) 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 :-	
<b>Sr. no.</b>	<b>Name of the Director</b>	<b>Ratio of remuneration to the median remuneration of the employees :-</b>
1	Mr. Tushar Shah-Chairman & Managing Director	3.45:1
(ii)	The Percentage increase in remuneration of each Director, CFO, CEO, Company Secretary or Manager, if any, in the Financial Year 2015-16	
<b>Sr. no.</b>	<b>Name of the Directors, KMP</b>	<b>% increase over last F.Y.</b>
1.	Mr. Tushar Shah, Chairman & Managing Director	Nil
2.	Mr. Chandrakant Lodaya, CFO	-13.62%
(iii)	The percentage increase in the median remuneration of employees in the financial year	153.79
(iv)	The number of permanent employees on the rolls of the Company	10 (Ten)
(v)	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	The increase in salary of employees, if any is based on various factors.
<p>We hereby confirmed that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.</p> <p style="text-align: right;"><b>For and behalf of the Board of Directors</b></p> <p>Place : Mumbai Date : 30<sup>th</sup> November, 2017</p> <p style="text-align: center;"><b>Tushar Shah</b> <b>Chairman &amp; Managing Director</b> <b>DIN : 01729641</b></p> <p style="text-align: right;"><b>Sanjeevlata Samdani</b> <b>Director</b> <b>DIN : 06777920</b></p>		

## ANNEXURE III- PART B

Information as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## Names of the top ten employees of the Company in terms of remuneration drawn

Sr. No	Name of employee	Designation of the employee	Remuneration received (Gross) (Amount in ₹)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment in the Company	Age (in years)	Last employment held before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of Clause(iii) of sub-rule(2) of Rule 5	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Mr. Mihir Shah	Marketing Manager	1522032	Permanent	HSC-NIL	01-03-17	18	NA	0.00	NO
2	Mr. Tushar Shah	Chairman & Managing Director	1200000	Permanent	B.COM - 21 years	01-06-90	54	NA	25.93	NO
3	Ms.Nehal S Shah	Compliance Officer	612441	Permanent	B.COM - 21 years	01-10-04	45	NA	0.01	NO
4	Ms.Rupal Shah	Marketing Manager	612441	Permanent	B.COM - 21 years	01-10-04	41	NA	0.00	NO
5	Mr. Chandrakant D Lodaya	Chief Financial Officer	347413	Permanent	B.COM - 26 years	01-11-93	47	Mandvi Finance Limited	0.00	NO
6	Mrs.Kirti Lodaya	Marketing Manager	209060	Permanent	B.COM - 19 years	23-09-99	44	Gosar and Shah - CA	0.00	NO
7	Mr. Vishwanath M Rane	Back Office Assistant	142534	Permanent	HSC - 41 years	01-07-90	63	NA	0.00	NO
8	Mr.Kaushik Pandya	Back Office Assistant	135782	Permanent	HSC- 29 years	01-08-99	50	Dhanesh V Shah-Sub Broker	0.00	NO
9	Mr.Sanjay Parab	Back Office Assistant	123454	Permanent	HSC- 25 years	01-07-93	46	NA	0.00	NO
10	Mr.Arvind Karmokar	Dealer	62802	Permanent	B.SC - 41 years	01-10-93	63	M J Dalmia & Company	0.02	NO

II Name of employees who were employed throughout the Financial Year 2016-17 and were paid remuneration not less than Rs 1 Crore 2 lakhs Rupees per annum.- Not Applicable

III Name of employees who were employed in part during the Financial Year 2016-17 and were paid remuneration not less than Rs 8 lakhs 50 thousand per month.- Not Applicable

IV Name of employees who were employed throughout the Financial Year 2016-17 or part thereof and were paid remuneration in excess of Managing Director or Whole-time Director or Manager and holds along with his spouse and dependent children not less than 2% of equity shares of the Company. - Not Applicable

## MANAGEMENT DISCUSSION AND ANALYSIS

The Company is engaged in providing Stock Broking Services. Your Directors present the Management Discussion and Analysis for the year ended 31<sup>st</sup> March, 2017. Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The Company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

### A. Industry Structure and Developments:

The performance of capital market in India has a direct correlation with the prospect of economic growth and political stability. Though the growth projections for FY 2017-18 appear reassuring, there are certain downside risks such as pace and shape of global recovery, effect of withdrawal of fiscal stimulus and hardening of commodity prices. The industry is mainly dependent on the Investors' sentiments. It is now prevailing good and getting healthy.

### B. Opportunities and Threats:

Considering the industry structure, our business performance may also be impacted by increased competition from local and global players operating in India, regulatory changes and attrition of employees. With growing presence of players offering advisory service coupled with provision of funds for the clients' needs, we would face competition of unequal proportion. We continuously tackle this situation by providing increasingly superior customized services.

In financial services business, effective risk management has become very crucial. Your Company is exposed to credit risk, liquidity risk and interest rate risks. Your Company has in place suitable mechanisms to effectively reduce such risks. All these risks are continuously analyzed and reviewed at various levels of management through an effective management information system.

### C. Segment-Wise Performance:

The Segment wise performance is given in Notes to the Consolidated Financial Statements.

### D. Future Outlook:

Based on the buoyancy of the Indian Economy, the overall scenario and steps taken by the management; the future outlook of your company looks good. The Company is making all efforts to accelerate growth of its business.

### E. Risk and Concerns:

Your Company manages risks associated with broking operations using internally developed credit monitoring system implemented through fully automated risk management software and selective direct monitoring of certain operating parameters. The automated risk management procedures rely primarily on internally developed risk management system and systems provided by system vendors. The Company manages business risks through strict compliance and internal checks. It will not be out of context to state that the system has worked very effectively during the year under review.

### F. Internal Control System and Their Adequacy:

Your Company has proper and adequate system of internal controls commensurate with the size and nature of its business. However, strengthening of internal control systems is an ongoing exercise. Further, the Company has an independent internal audit system. The process of internal audit involves, reviewing of existing Controls and Systems. Internal Audit also recommends the actions for strengthening of the business processes. The internal audit ensures adherence to operating guidelines, regulatory and legal requirements. The Audit Committee of the board periodically reviews the reports of the Internal Auditors and takes corrective actions wherever necessary.

**G. Financial performance with respect to operational performance:**

The total income of the Company for the financial year 2016-17 is ₹ 257.78 Lakh as compared to ₹ 299.52 Lakh for financial year 2015-16. The Profit after tax achieved for the financial year 2016-17 is ₹ 0.428 Lakh as compared to Profit after tax of ₹ 1.97 Lakh for financial year 2015-16.

**H. Human Resource:**

Being a part of the financial service sector your Company values human resource as human capital, it is equally important as financial capital for the growth of the Company. The Company's success depends largely upon the quality and competence of its management team and key personnel. Your Company continuously endeavours to attract and retain professional talent. Your Company strongly believes that Human Resources are important to the success of any Company and your Company is taking all possible steps to employ, develop and retain the appropriate quality of resources to aid the Company in achieving success. The Company provides necessary training to all its employees and equips them to manage critical business process to face the challenge of competitive market.

There are total 10 (Ten) permanent employees in the Company as on 31<sup>st</sup> March 2017.

**I. Cautionary Statement:**

Statements made in Annual report may contain certain forward looking statements, which are tentative, based on various assumptions on the Companies present and future business strategies and the environment in which we operate. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates and the securities market, new regulations and Government policies that may impact the Company's business and its ability to implement its strategies. Important factors that could make a difference to the Company's operations include global and Indian demand- supply conditions, cyclical demand and pricing in the Company's principal market raw material cost and availability, changes in the Government regulation tax regimes, economic development within India and the countries within which the Company conduct business and other factors such as litigation and industrial relations.

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**INDEPENDENT AUDITOR'S REPORT**

To  
The Shareholders of **KBS India Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of KBS India Limited, which comprise the balance sheet as at 31 March 2017, the statement of profit and loss, the cash flow statement and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("The Act") with respect to the preparation and presentation of these standalone 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 the Companies (Accounts) Rules, 2014. This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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.

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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 2013, in the manner so 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 at 31st March, 2017;
- (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- (iii) In the case of the Statement of Cash Flow Statement, of the Cash Flows for the year ended on that date

### Report on Other Legal and Regulatory Matters

1. As required by the Companies (Auditor's Report) Order, 2016("The Order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the statement of Profit and Loss, and the Cash Flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone 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 as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting if the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position.
    - (ii) The Company required under the applicable law or accounting standards, for material foreseeable losses, if any, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) The Company has not contributed as required to the Investor Education and Protection Fund.
    - (iv) The Company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period 08 November,2016 to 30 December,2016 and these are in accordance with the books of accounts maintained by Company.

**For R.R. SHAH & CO.**  
Chartered Accountants  
Firm Reg. No.-109760W

**CA RAJESH SHAH**  
(Partner)  
Membership No. 033613

Date: 30/05/2017  
Place : Mumbai



**Annexure-A to the Auditor's Report.  
(Referred to in paragraph 3 of our report of Even Date)**

1.
  - 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 according to the practice of the company are physically verified by the management at reasonable intervals, which in our opinion, is reasonable, looking to the size of the company and the nature of the business. No material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
2.
  - a. The Company is a stock broking company and has its inventory in shares. As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical inventory and the book records were not material and have been properly dealt with in the books of account.
3. In respect of the loans secured or unsecured, granted or taken by the company to/from companies, firms of other parties covered in the register maintained under section 189 of the Companies Act, 2013:
  - a. The company has granted unsecured loans/advances to the Directors and their Associates. The Balance outstanding as on 31/03/2017 have been recovered by receipt of cheques - Shown as 'Cheques on hand' in the Balance Sheet. These cheques we are informed have been subsequently deposited in to the bank.
  - b. An amount of ₹ 81,67,562 /- Outstanding due from a firm in which the wife of a Director is a partner, has been written off during the year. The Balance outstanding as on 31.03.2017 is Nil.
  - c. The Company has given loan to its subsidiary. In respect of the said loan, the maximum amount outstanding as on 31/03/2017 is ₹ 14,44,68,941/-
  - d. In Our Opinion and according to the information and explanation given to us, the rate of interest and Other terms and conditions of the loan given by the company, are not prejudicial to the interest of the company.
  - e. The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.
  - f. In respect of the said loans, the same are repayable and therefore the question of overdue amounts does not arise. In respect of the interest, there are no overdue amounts.
  - g. The company has taken loan during the year from individuals and Other parties covered in the Register maintained under the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 and 76 or any other relevant provisions of the Companies Act and rules framed there under, where applicable, have been complied.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7.
  - a. According to the records of the company examined by us, and as per the information and explanations given to us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including

Income tax, Wealth tax, Service tax and other statutory dues with the appropriate authorities except TDS which includes minor delay in payments.

According to the information and explanations given to us and on the basis of examination of the documents and records, there are no disputed statutory dues, which are not been deposited with the appropriate authorities.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For R.R. SHAH & CO.**  
Chartered Accountants  
Firm Reg. No.-109760W

**CA RAJESH SHAH**  
(Partner)  
Membership No. 033613

Date: 30/05/2017  
Place : Mumbai

## Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **KBS INDIA LIMITED** as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and Maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

**Opinion**

In our Opinion ,the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st march 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated In the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For R.R. SHAH & CO.**  
Chartered Accountants  
Firm Reg. No.-109760W

Date: 30/05/2017  
Place : Mumbai

**CA RAJESH SHAH**  
(Partner)  
Membership No. 033613

**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2017**

Particulars	Note No.	As on 31.03.2017 ₹	As on 31.03.2016 ₹
<b>I EQUITY &amp; LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	1	90,211,880	90,211,880
(b) Reserves and surplus	2	158,121,141	158,078,264
(c) Money received against share warrants		-	-
<b>2. Share application money pending allotment</b>			
<b>3. Non-current liabilities</b>			
(a) Long-term borrowings	3	1,860,500	1,865,500
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
<b>4. Current Liabilities</b>			
(a) Short Term Borrowings	-		
(b) Trade Payables	4	238,826	238,826
(c) Other Current Liabilities	5	7,166,018	13,547,509
(d) Provisions <sup>6</sup>		2,401,627	2,186,627
<b>TOTAL</b>		<b>259,999,993</b>	<b>266,128,607</b>
<b>II ASSETS</b>			
<b>1. Non Current Assets</b>			
a) Fixed Assets	7		
(i) Tangible			
Gross Block		16,540,539	16,477,539
Less: Depreciation		15,959,619	15,594,547
Less: Gain/Loss on sale of asset		-	-
Net Block		<b>580,920</b>	<b>882,992</b>
(ii) Intangible		16,183,334	19,601,000
(iii) Long Term Loans & Advances	9	227,421,731	219,490,568
b) Non Current Investment <sup>9</sup>		3,243	3,243
c) Deferred Tax Assets(Net)		105,500.00	372,225.00
<b>2. Current Assets</b>			
(a) Current investments	10	2,088,192	2,174,742
(b) Inventories		-	-
(c) Trade receivables	11	-	8,167,562
(d) Cash and cash equivalents	12	1,694,589	5,378,646
(e) Short-term loans and advances	-		
(f) Other current assets	13	11,922,484	10,057,629
<b>TOTAL</b>		<b>259,999,993</b>	<b>266,128,607</b>

The notes referred to above form an integral part of the Balance Sheet.

**As per our Audit Report of Even Date**

**FOR R.R.SHAH & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration No. 109760W

**CA RAJESH SHAH**

Partner

Membership No. 033613

Place : Mumbai

Date : 30<sup>th</sup> May, 2017

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

**Tushar Shah**  
Chairman & Managing Director  
DIN : 01729641

**Chandrakant Lodaya**  
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	Note No.	Year Ended 31.03.2017 ₹	Year Ended 31.03.2016 ₹
<b>INCOME</b>			
Revenue From Operations	14	7,432,397	6,796,149
Other Income	15	18,346,582	23,156,275
<b>Total Income</b>		<b>25,778,980</b>	<b>29,952,424</b>
<b>EXPENDITURE</b>			
Administration Expenses	16	15,771,925	23,517,766
Employee Benefit Expenses	17	3,806,780	3,579,825
Finance Charges	18	1,017,382	855,929
Depreciation	7	365,073	537,180
Other Expenses	19	2,626,551	887,902
<b>Total Expenditure</b>		<b>23,587,712</b>	<b>29,378,602</b>
Profit / (Loss) before exceptional and extraordinary items and tax		524,602	573,822
Exceptional items			
Profit / (Loss) before extraordinary items and tax		524,602	573,822
Extraordinary items	7	1,666,666	-
Profit / (Loss) before tax		524,602	573,822
Tax expense:			
Less: Provision for - Current Tax		215000	472,485
- Deferred Tax		266725	(95,847)
Profit / (Loss) after Taxation		42,877	197,184
Earning Per Share (a) Basic and Diluted		0.005	0.0231
Balance Carried to Balance Sheet		42,877	197,184

The notes referred to above form an integral part of the Profit & Loss Account.

**As per our Audit Report of Even Date**

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

**FOR R.R.SHAH & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration No. 109760W

**CA RAJESH SHAH**

Partner

Membership No. 033613

Place : Mumbai

Date : 30<sup>th</sup> May, 2017

**Tushar Shah**  
Chairman & Managing Director  
DIN : 01729641

**Chandrakant Lodaya**  
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	Notes	For the year ended	
		31 <sup>st</sup> March, 2017 ₹	31 <sup>st</sup> March, 2016 ₹
<b>Cash Flows from Operating Activities</b>			
<b>Net Profit Before Tax</b>		524,602	573,822
Add: Depreciation and amortization	6	3,982,739	537,180
Less: Interest/Dividend Income	14	(8,938,636)	(6,351,716)
<b>Operating Profit before working capital Changes</b>		<b>(4,431,295)</b>	<b>(5,240,714)</b>
Increase /(Decreases) in Short Term Borrowings	3	-	-
Increase /(Decreases) in Trade Payables	4	-	-
Increase /(Decreases) in Other Current Liabilities	4A	(6,166,491)	(1,996,440)
(Increase) /Decreases in Current Investment	8	86,550	6,531,675
(Increase) /Decreases in Trade Receivables	9	7,947,561	19,500,107
(Increase) /Decreases in Long Term Loans & Advances	11	(7,931,163)	(38,622,781)
(Increase) /Decreases in Other current Assets	12	(1,864,855)	(23,910)
Foreign Currency Translation gain/(loss)			
<b>Cash Flows from Operating Activities</b>		<b>(12,359,693)</b>	<b>(19,852,063)</b>
<b>Cash Flows from Investing Activities</b>			
Interest received	14	8,938,636	6,351,716
Gain on Sale of Asset		-	-
Purchase of Fixed Assets	6	(63,000)	(167,975)
Purchase of NSE Card		(200,000)	-
<b>Cash Flows from Investing Activities</b>		<b>8,675,636</b>	<b>6,183,741</b>
<b>Cash Flows from Financing Activities</b>			<b>-</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>		<b>(3,684,057)</b>	<b>(13,668,322)</b>
<b>Cash &amp; Cash Equivalents at beginning of the period</b>		<b>5,378,646</b>	<b>19,046,968</b>
<b>Cash &amp; Cash Equivalents at end of the period</b>		<b>1,694,589</b>	<b>5,378,646</b>

The notes referred to above form an integral part of the cash flow statement.

As per our Audit Report of Even Date

For and on behalf of the Board of Directors

FOR R.R.SHAH & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 109760W

CA RAJESH SHAH

Partner

Membership No. 033613

Place : Mumbai

Date : 30<sup>th</sup> May, 2017

Tushar Shah

Chairman & Managing Director

DIN : 01729641

Chandrakant Lodaya

Chief Financial Officer

## NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2017

(₹)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>NOTE - 1 Share Capital</b>		
120,000,00 Equity Shares @ ₹ 10/- each	120,000,000.00	120,000,000.00
2,00,000 0% Redeemable Preference Shares @ ₹ 100/- each	20,000,000.00	20,000,000.00
<b>TOTAL</b>	<b>140,000,000.00</b>	<b>140,000,000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
85,21,188 Equity shares @ ₹ 10/- each fully paid up (Out of the above Share Capital 23,00,000 Equity Shares of ₹ 10 each fully paid up has been issued to Foreign Depository as underlying shares against 11,50,000 GDRs in 2010)	85,211,880.00	85,211,880.00
50,000 0% Redeemable Pref. Shares @ ₹ 100/- each	5,000,000.00	5,000,000.00
<b>TOTAL</b>	<b>90,211,880.00</b>	<b>90,211,880.00</b>

## The reconciliation of the Closing amount and Opening amount of Share Capital is given as follows:

Particulars	Opening Balance	Additions	Deductions	Closing Balance
<b>Authorised Capital</b>				
1,20,00,000 Equity Shares of ₹10 Each	120,000,000.00	-	-	120,000,000.00
2,00,000 Preference Shares of ₹ 100 Each	20,000,000.00	-	-	20,000,000.00
<b>Issued Share Capital</b>				
85,21,188 Equity Shares of ₹ 10 Each	85,211,880.00	-	-	85,211,880.00
50,000 Preference Shares of ₹ 100 Each	5,000,000.00	-	-	5,000,000.00
<b>Subscribed and Fully Paid up Capital</b>				
85,21,188 Equity Shares of ₹10 Each	85,211,880.00	-	-	85,211,880.00
50,000 Preference Shares of ₹ 100 Each	5,000,000.00	-	-	5,000,000.00
<b>TOTAL</b>	<b>90,211,880.00</b>	-	-	<b>90,211,880.00</b>



**NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2017**

(₹)

Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Tushar Suresh Shah	2,209,688.00	25.93	2,209,688.00	25.93
Ketan Babulal Shah	900,000.00	10.56	900,000.00	10.56
Bhavana Mukesh Motasha	432,149.00	5.07	432,149.00	5.07
Sandeep Shah	432,143.00	5.07	432,143.00	5.07
Yogesh Chandawalla	1,047,769.00	12.30	1,047,769.00	12.30
Madhu Suresh Shah	881,220.00	10.34	881,220.00	10.34
Skyles & Ray Equities (I) Ltd	-	-	481,708.00	5.66
Kalavati Suresh Kanakia	453,278.00	5.32	-	-
<b>Total</b>	<b>6,356,247.00</b>	<b>74.59</b>	<b>6,384,677.00</b>	<b>74.93</b>
<b>0% Redeemable preference shares</b>				
M/s Rivoli	50,000.00		50,000.00	

(₹)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>NOTE - 2 Reserves &amp; Surplus</b>		
Share Premium Account	112,689,850.00	112,689,850.00
Capital Reserve	936,569.26	936,569.26
General Reserve	5,000,000.00	5,000,000.00
<u>Profit &amp; Loss Account</u>		
Opening Balance:	39,451,845	
Add : Foreign Currency Translation Res.	-	
Add : Profit During the year	42,877	
		39,451,845.18
<b>TOTAL</b>	<b>158,121,141.27</b>	<b>158,078,264.44</b>
<b>NOTE - 3 Long Term Borrowings</b>		
From Individuals / Firms	1,860,500.00	1,865,500.00
<b>TOTAL</b>	<b>1,860,500.00</b>	<b>1,865,500.00</b>
<b>NOTE - 4 Trade Payable</b>		
Trade Payable	238,826.47	238,826.47
<b>TOTAL</b>	<b>238,826.47</b>	<b>238,826.47</b>
<b>NOTE - 5 Other Current Liabilities</b>		
Other Current Liabilities	7,166,018.39	13,547,509.11
<b>TOTAL</b>	<b>7,166,018.39</b>	<b>13,547,509.11</b>
<b>NOTE - 6 Provisions</b>		
Provision For Taxation	2,401,627.00	2,186,627.00
<b>TOTAL</b>	<b>2,401,627.00</b>	<b>2,186,627.00</b>

FIXED ASSETS AS ON 31<sup>ST</sup> MARCH 2017

## NOTE - 7 Fixed Assets

(₹)

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	COST AS AT 01.04.2016	ADDITIONS / (DEDUCTION) DURING THE YEAR	COST AS AT 31.03.2017	BALANCE AS ON 01.04.2016	RATE OF DEP %	DURING THE YEAR	BALANCE AS ON 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
<b>TANGIBLE ASSETS</b>									
COMPUTER	8,302,109	-	8302109	8,031,119	63.16	171,157	8,202,276	99,833	270,990
WEBSITE	4,258,303	-	4,258,303	3,994,263	31.23	82,460	4,076,723	181,580	264,040
MOTOR CAR (EL-6562)	876,276	-	876,276	851,947	31.23	7,598	859,545	16,731	24,329
AIR CONDITIONER	790,567	63,000.00	853,567	636,300	25.89	52,542	688,842	164,725	154,267
OFFICE EQUIPMENT	835,883	-	835,883	796,951	45.07	17,547	814,498	21,385	38,932
FURNITURE & FIXTURES	1,414,401	-	1,414,401	1,283,966	25.89	33,770	1,317,736	96,665	130,435
<b>TOTAL (A)</b>	<b>16,477,539</b>	<b>63,000</b>	<b>16,540,539</b>	<b>15,594,546</b>	<b>-</b>	<b>365,073</b>	<b>15,959,619</b>	<b>580,920</b>	<b>882,993</b>
<b>INTANGIBLE ASSETS</b>									
BSE STOCK EXCHANGE MEMBERSHIP CARD	10,000,000	1,666,666	8,333,334	0	0	0	0	8,333,334	10,000,000
NSE. CARD DEPOSIT	7,650,000	200,000	7,850,000	0	0	0	0	7,850,000	7,650,000
VSE CARD	1,951,000	1,951,000	0	0	0	0	0	0	1,951,000
<b>TOTAL (B)</b>	<b>19,601,000</b>	<b>3,817,666</b>	<b>16,183,334</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,183,334</b>	<b>19,601,000</b>
<b>TOTAL (A + B)</b>	<b>36,078,539</b>	<b>3,880,666</b>	<b>32,723,873</b>	<b>15,594,546</b>	<b>0</b>	<b>365,073</b>	<b>15,959,619</b>	<b>16,764,254</b>	<b>20,483,993</b>
<b>PREVIOUS YEAR</b>	<b>35,910,564</b>	<b>167,975</b>	<b>36,078,539</b>	<b>15,057,367</b>	<b>-</b>	<b>537,180</b>	<b>15,594,547</b>	<b>20,483,992</b>	<b>20,853,197</b>

NOTE : 1. Figures shown below total are of previous year.

2. Depreciation is calculated at the rates specified in schedule III of Companies Act. 2013 based on W.D.V. method.

## NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2017

(₹)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>NOTE - 8 Long Term Loans &amp; Advances</b>		
Long Term Loans & Advances Other (Secured Considered Good)	82,952,790.00	70,252,790.00
Long Term Loans & Advances To Relatives (Secured Considered Good)	144,468,941.10	149,237,777.95
<b>Total</b>	<b>227,421,731.10</b>	<b>219,490,567.95</b>
<b>NOTE - 9 Non Current Investments</b>		
In Subsidiary companies 2 Equity Share of US \$ 1=₹ 46.35 each KBS Capital Management (Singapore)Pte	92.70	92.70
50 Shares of Jaihind Co-op Bank	3,150.00	3,150.00
<b>Total</b>	<b>3,242.70</b>	<b>3,242.70</b>
<b>NOTE - 10 Current Investment</b>		
Other Investments (Valued at cost) (Secured Considered Good)	1,653,269.00	1,653,269.00
Share Stock ( Deposit With BSE)	398,750.00	398,750.00
Share Stock ( Own Trading)	36,172.95	122,722.95
<b>Total</b>	<b>2,088,191.95</b>	<b>2,174,741.95</b>
<b>NOTE - 11 Trade Receivable</b>		
Amount Outstanding for a period exceeding six months Unsecured , Considered Good	-	8,167,562.34
<b>Total</b>	<b>-</b>	<b>8,167,562.34</b>
<b>NOTE - 12 Cash and Bank Balances</b>		
Cash Balance	84,627.15	700,081.15
Bank Balances	484,962.05	3,778,564.41
Other - Fixed Deposits	1,125,000.00	900,000.00
<b>Total</b>	<b>1,694,589.20</b>	<b>5,378,645.56</b>
<b>NOTE - 13 Other Current Assets</b>		
Other Current Assets	11,922,484.38	10,057,629.37
<b>Total</b>	<b>11,922,484.38</b>	<b>10,057,629.37</b>

## NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2017

(₹)

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>NOTE - 14 Revenue From Operation</b>		
Brokerage Income	7,046,346.14	5,232,941.31
Income / (Loss) on Share Trading	386,050.95	1,563,208.05
<b>Total</b>	<b>7,432,397.09</b>	<b>6,796,149.36</b>
<b>NOTE - 15 Other Income</b>		
Interest Income	12,919,501.00	10,363,089.00
Other Income	5,427,081.44	12,793,185.50
<b>Total</b>	<b>18,346,582.44</b>	<b>23,156,274.50</b>
<b>NOTE - 16 Administrative Expenses</b>		
Administrative Expenses	15,771,925.11	23,517,766.12
<b>Total</b>	<b>15,771,925.11</b>	<b>23,517,766.12</b>
<b>NOTE - 17 Employee Benefit Expenses</b>		
Salaries & Bonus	2,010,558.00	1,755,746.00
Employees E.S.I.C.A/c	-	25,915.00
Leave Encashment	268,200.00	280,896.00
Director' s Meeting Fees	46,000.00	27,480.00
Director's Remuneration	1,200,000.00	1,200,000.00
Telephone Allowance	66,000.00	70,800.00
Medical Allowance	70,822.00	74,988.00
Conveyance Allowance	54,400.00	52,800.00
Education Allowance	6,800.00	7,200.00
Meal Coupons	84,000.00	84,000.00
<b>Total</b>	<b>3,806,780.00</b>	<b>3,579,825.00</b>
<b>NOTE - 18 Finance Charges</b>		
Bank Charges & Commission	40,675.24	68,543.17
Bank Interest	912,106.00	728,430.00
Other Interest	64,601.00	58,956.00
<b>Total</b>	<b>1,017,382.24</b>	<b>855,929.17</b>
<b>NOTE - 19 Other Expenses</b>		
Other Expenses	2,626,551.15	887,901.89
<b>Total</b>	<b>2,626,551.15</b>	<b>887,901.89</b>

**NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017**
**1. SIGNIFICANT ACCOUNTING POLICIES:**
**i. ACCOUNTING CONCEPTS:**

The Company follows the Mercantile System of Accounting and recognises Income and Expenditure on Accrual Basis. The Accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to otherwise are consistent with Generally Accepted Accounting Principles.

**ii. FIXED ASSETS:**

- a) Fixed Assets are stated at cost less depreciation.
- b) As there is no value of BSE card now, Hence the management has decided to amortize the said expense over 6 years and W/Off the same.

**iii. DEPRECIATION:**

- a) Depreciation on Fixed Assets is charged in the account on written down value method at the rates specified in Schedule III of the Companies Act, 2013.
- b) As stated above the value of the BSE card is being amortized within 6 years i.e. @ 16.66% p.a.

**iv. INVESTMENTS:**

Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is not made as there is no decline in the value of the investments.

**v. INVENTORIES:**

Shares that are deposited with Bombay Stock Exchange and Share stock (Own Trading) are valued at Cost.

**vi. BROKERAGE EARNED:**

Brokerage earned is accounted on the basis of transaction done during the accounting year irrespective of whether the same are settled during the year or not. Brokerage earned is shown as net i.e. after deduction of Brokerage paid.

**2. DETAILS OF AUDITORS REMUNERATION (INCLUSIVE OF SERVICE TAX):**

(Amount in ₹)

	<u>Current Year</u>	<u>Previous Year</u>
Audit Fees	50,000/-	70,000/-
Tax Audit Fees	20,000/-	25,000/-
Certification Charges	15,000/-	15,000/-
Income Tax Consultancy Charges	15,000/-	20,000/-
	<u>1,00,000/-</u>	<u>1,30,000/-</u>

**3. DEFERRED TAX LIABILITY/(ASSETS):**

As per AS 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the net deferred tax liability/asset provided in the books of accounts.

4. As required by AS 20 “Earning Per Share”, issued by the Institute of Chartered Accountants of India, the Earning Per Share (EPS) is calculated by dividing the profit attributable to the equity share holders by the average number of equity shares outstanding during the year and is ascertained as follows:

<b>PARTICULARS</b>	<b>F.Y.2016-17</b>	<b>F.Y.2015-16</b>
Profit/(Loss) available to the Equity Shareholders	₹ 42,877/-	₹ 1,97,184/-
Weighted average No. of equity share for Basic EPS	85,21,188	85,21,188
Nominal Value of equity shares	₹10	₹ 10
Earning Per Share (Basic/ Diluted)	₹ 0.005	₹ 0.02

**5. CONTINGENT LIABILITY NOT ASCERTAINED:**

In the opinion of management there are no contingent liabilities for the year.

6. In the opinion of the management, Current Assets, Deposits, Loans and advances have value equal to the amounts shown in the Balance Sheet. The provision for depreciation and all the liabilities is not in excess of the amount reasonably necessary.
7. The foreign currency rate fluctuation balance as on 31/03/2017 of ₹ 33,27,069/- debited to the Profit & Loss Account is in accordance with AS 11(Revised) The Effects of Changes in Foreign Exchange Rates.
8. During the year The Company has written off as Bad Debts an amount of ₹ 81,67,562/- pertaining to M/s Shrim Capital Management.
9. Service tax liability for the year is still partly unpaid.
10. The Income Tax Liability for and upto 31.03.2017 needs to be reconciled and actual tax status to be ascertained.
11. Rate of Interest on ICD given to Supama Financial Services, RSM Exim and Oasis Heights Developers LLP is charged @ 12% P.A.
12. As per Accounting Standard (AS) 18, ‘Related Party Disclosures’ prescribed under the Accounting Standard Rules, the disclosures of the details of the related parties and the transactions entered with them are given below:

**I- List of Related Parties**

<b>Sr No.</b>	<b>Nature</b>	<b>Name of the person</b>
1	Key Management Personnel	Tushar Suresh Shah
2	Key Management Personnel	Ketan Babulal Shah
3	Relatives of KMP	Namita T Shah
4	Relatives of KMP	Tanay T Shah
5	Relatives of KMP	Rajeshri Ketan shah
6	Relatives of KMP	Ketan Babulal Shah HUF
7	Relatives of KMP	Tushar Suresh Shah HUF
7	Relatives of KMP	Madhu Suresh Shah HUF
9	Others (Independent Director)	Mr VinodKumar G Bapna
10	Others (Independent Director)	Mrs. Sanjeevlata Samdani

## II - List of Transactions entered with them

(₹ In Thousand)

Sr. No	Nature of Transactions	Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	Remuneration Paid	-	-	12,00.00	12,00.00	-	-	12,00.00	12,00.00
2	Director Meeting Fees	-	-	46.00	27.48	-	-	46.00	27.48
3	Interest Received	3981.56	4011.37	-	-	-	-	3981.56	4011.37
4	Loan Repaid by -	-	-	-	-	-	-	-	-
5	Brokerage Received	-	-	97.05	109.41	115.70	116.29	212.75	225.70
6	Salary -	-	-	-	-	-	-	-	-
7	Sundry Payable -	-	-	-	-	-	-	-	-
8	Bad Debts Written off	-	-	-	-	81.68	1,95,00.00	81.68	1,95,00
	<b>Outstanding Liabilities</b>								
9	Loan given to	1,43,900.93	1,48,669.76					1,43,900.93	1,48,669.76

## 13. SEGMENT REPORTING

The Company is engaged in two business segments, one is to provide brokerage services to its clients in the capital markets within India from which revenue is ₹ 70,46,346/- and other is trading of shares from which Profit is ₹ 3,86,051/-.

14. Previous year's figures have been regrouped wherever necessary to confirm the classification adopted in the current year.

## 15. MANDATORY DISCLOSURE IN BALANCE SHEET

Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016:-

Explanation: For the purpose of this clause, the term 'specified Bank notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E) dated the 8th November, 2016.

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	350000	93949	443949
(+) Permitted receipts		91500	91500
(-) Permitted Payments		22526	22526
(-) Amt deposited in bank	350000		350000
Closing cash in hand as on 30.12.2016	0.00	162923	162923

As per our Audit Report of Even Date  
FOR R.R.SHAH & CO.  
CHARTERED ACCOUNTANTS

Firm Registration No. 109760W

CA RAJESH SHAH

Partner

Membership No. 033613

Place : Mumbai

Date : 30<sup>th</sup> May, 2017

For and on behalf of the Board of Directors

Tushar Shah

Chairman & Managing Director

DIN : 01729641

Chandrakant Lodaya  
Chief Financial Officer

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) on  
Standalone Annual Audited Financial Results**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017**  
[Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	AMOUNT IN RUPEES	
			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	2,55,78,980	2,55,78,980
	2	Total Expenditure	2,52,54,378	1,70,86,816
	3	Net Profit/(Loss)	5,24,602	86,92,164
	4	Earnings Per Share	0.06	1.02
	5	Total Assets	25,99,99,993	25,18,32,431
	6	Total Liabilities	1,16,66,971	1,16,66,971
	7	Net Worth	23,76,05,915	24,57,73,477
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II. Audit Qualification (each audit qualification separately):</b>				
<b>a. Details of Audit Qualification:</b>				
	1	Bad Debts written off	81,67,562	
<b>b. Type of Audit Qualification :</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion				
<b>c. Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing				
<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>				
		as per e (i)		
<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>				
	(i)	<b>Management's estimation on the impact of audit qualification:</b> the Management felt that the amount was not recoverable from the party hence was written off as bad debts		
	(ii)	<b>If management is unable to estimate the impact, reasons for the same:</b>		
	(iii)	<b>Auditors' Comments on (i) or (ii) above:</b> Self Explanatory		
<b>III. Signatories:</b>				
	<b>CEO/Managing Director</b>		sd/- <b>Mr. Tushar Shah</b>	
	<b>CFO</b>		sd/- <b>Mr. Chandrakant Lodaya</b>	
	<b>Audit Committee Chairman for the meeting 30.05.2017</b>		sd/- <b>Mr. Vinodkumar G. Bapna</b>	
	<b>Statutory Auditor: M/s R. R. Shah &amp; Co.</b>		sd/- <b>Mr. Rajesh Shah</b>	

Place: Mumbai  
Date: 30-05-2017



**INDEPENDENT AUDITOR'S REPORT**

To

The Shareholders of **KBS India Limited**

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of KBS India Limited, which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss for the year ended on 31, March 2017, the consolidated cash flow statement for the said year and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("The Act") with respect to the preparation and presentation of these consolidated 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 the Companies (Accounts) Rules, 2014. This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Other Matter**

We have not audited the financial statements of Singapore subsidiary, whose financial statements reflect total assets (net) of ₹ 5,13,73,622/- as at March 31, 2017, total revenues of ₹ 42,98,799/- and net cash outflow amounting to ₹ 2,27,454/- for the year ended on the said date. These financial statements have been audited by Other Auditor whose reports have been furnished to us by the management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

**Auditor's Responsibility**

Subject to above, 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.

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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and subject to qualification

made by the Singapore auditors under “Material Uncertainty Related to Going Concern”, the said accounts together with the notes thereon give the information required by the Companies Act, 2013, in the manner so and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017;
- (ii) In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date and
- (iii) In the case of the Statement of consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date

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

1. As required by the Companies (Auditor’s Report) Order, 2016 (“The Order”) as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the statement of Profit and Loss, and the Cash Flow statement dealt with by this Report are in agreement with the books of account;
  - (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 as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting if the company and the operating effectiveness of such controls, refer to our separate report in ‘Annexure B’ and
  - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position.
    - (ii) The Company required under the applicable law or accounting standards, for material foreseeable losses, if any, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) The Company has not contributed as required to the Investor Education and Protection Fund.
    - (iv) The Company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period 08 November,2016 to 30 December,2016 and these are in accordance with the books of accounts maintained by Company.

**For R.R. SHAH & CO.**  
Chartered Accountants  
Firm Reg. No.-109760W

**CA RAJESH SHAH**  
(Partner)  
Membership No. 033613

Date: 30/05/2017  
Place : Mumbai

**Annexure-A to the Auditor's Report.  
(Referred to in paragraph 3 of our report of Even Date)**

1. 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 according to the practice of the company are physically verified by the management at reasonable intervals, which in our opinion, is reasonable, looking to the size of the company and the nature of the business. No material discrepancies were noticed on such verification.  
c. The title deeds of immovable properties are held in the name of the company.
2. a. The Company is a stock broking company and has its inventory in shares. As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b. On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical inventory and the book records were not material and have been properly dealt with in the books of account.
3. In respect of the loans secured or unsecured, granted or taken by the company to/from companies, firms of other parties covered in the register maintained under section 189 of the Companies Act, 2013:
  - a. The company has granted unsecured loans/advances to the Directors and their Associates. The Balance outstanding as on 31/03/2017 have been recovered by receipt of cheques - Shown as 'Cheques on hand' in the Balance Sheet. These cheques we are informed have been subsequently deposited in to the bank.
  - b. An amount of ₹ 81,67,562 /- Outstanding due from a firm in which the wife of a Director is a partner, has been written off during the year. The Balance outstanding as on 31.03.2017 is Nil.
  - c. The Company has given loan to its subsidiary. In respect of the said loan, the maximum amount outstanding as on 31/03/2017 is ₹ 14,44,68,941/-
  - d. In Our Opinion and according to the information and explanation given to us, the rate of interest and Other terms and conditions of the loan given by the company, are not prejudicial to the interest of the company.
  - e. The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.
  - f. In respect of the said loans, the same are repayable and therefore the question of overdue amounts does not arise. In respect of the interest, there are no overdue amounts.
  - g. The company has taken loan during the year from individuals and Other parties covered in the Register maintained under the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 and 76 or any other relevant provisions of the Companies Act and rules framed there under, where applicable, have been complied.
6. The Central Government has not prescribed the maintenance of cost records. under section 148(1) of the Act, for any of the services rendered by the Company.
7. a. According to the records of the company examined by us, and as per the information and explanations given to us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including Income tax, Wealth tax, Service tax and other statutory dues with the appropriate authorities except TDS which

includes minor delay in payments.

According to the information and explanations given to us and on the basis of examination of the documents and records, there are no disputed statutory dues, which are not been deposited with the appropriate authorities.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For R.R. SHAH & CO.**  
Chartered Accountants  
Firm Reg. No.-109760W

**CA RAJESH SHAH**  
(Partner)  
Membership No. 033613

Date: 27/11/2017  
Place : Mumbai

## Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **KBS INDIA LIMITED** as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and Maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

**Opinion**

In our Opinion ,the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st march 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated In the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For R.R. SHAH & CO.**  
Chartered Accountants  
Firm Reg. No.-109760W

Date: 27/11/2017  
Place : Mumbai

**CA RAJESH SHAH**  
(Partner)  
Membership No. 033613

**CONSOLIDATED BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2017**

Particulars	Note No.	As on 31.03.2017 ₹	As on 31.03.2016 ₹
<b>I EQUITY &amp; LIABILITES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	1	90,211,880	90,211,880
(b) Reserves and surplus	2	159,925,405	159,984,667
(c) Money received against share warrants		-	-
<b>2. Share application money pending allotment</b>			
<b>3. Non-current liabilities</b>			
(a) Long-term borrowings	3	1,860,500	1,865,500
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
<b>4. Current Liabilities</b>			
(a) Short Term Borrowings		-	-
(b) Trade Payables	4	238,826	238,826
(c) Other Current Liabilities <sup>5</sup>		12,083,614	17,659,836
(d) Provisions <sup>6</sup>		2,587,718	2,211,766
<b>TOTAL</b>		<b>266,907,943</b>	<b>272,172,476</b>
<b>II ASSETS</b>			
<b>1. Non Current Assets</b>			
<b>a) Fixed Assets</b>	7		
(i) Tangible			
Gross Block		16,540,539	16,477,539
Less: Depreciation		15,959,619	15,594,547
Less: Gain/Loss on sale of asset		-	-
Net Block		580,920	882,992
(ii) Intangible		16,183,334	19,601,000
(iii) Long Term Loans & Advances	8	234,102,222	225,267,194
<b>b) Non Current Investment</b>	9	3,243	3,243
<b>c) Deferred Tax Assets(Net)</b>		105,500.00	95,847.00
<b>2. Current Assets</b>			
(a) Current investments	10	2,088,192	2,174,742
(b) Inventories		-	-
(c) Trade receivables	11	-	8,167,562
(d) Cash and cash equivalents	12	1,922,048	5,645,889
(e) Short-term loans and advances		-	-
(f) Other current assets	13	11,922,484	10,334,007
<b>TOTAL</b>		<b>266,907,943</b>	<b>272,172,476</b>

The notes referred to above form an integral part of the Balance Sheet.

**As per our Audit Report of Even Date**

**FOR R.R.SHAH & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration No. 109760W

**CA RAJESH SHAH**

Partner

Membership No. 033613

Place : Mumbai

Date : 27<sup>th</sup> November, 2017

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

**Tushar Shah**  
Chairman & Managing Director  
DIN : 01729641

**Ketan Shah**  
Director  
DIN : 00925565

**Chandrakant Lodaya**  
Chief Financial Officer

**CONSOLIDATED STATEMENT PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	Note No.	Year Ended 31.03.2017 ₹	Year Ended 31.03.2016 ₹
<b>INCOME</b>			
Revenue From Operations	14	7,432,397	6,796,149
Other Income	15	22,645,474	27,715,401
<b>Total Income</b>		<b>30,077,872</b>	<b>34,511,550</b>
<b>EXPENDITURE</b>			
Administration Expenses	16	16,094,439	23,970,933
Employee Benefit Expenses	17	3,806,780	3,579,825
Finance Charges	18	5,011,526	4,867,302
Depreciation	6	365,073	537,180
Other Expenses	19	4,293,217	1,408,194
<b>Total Expenditure</b>		<b>29,571,036</b>	<b>34,363,434</b>
Profit / (Loss) before exceptional and extraordinary items and tax		506,836	148,116
Exceptional items			
Profit / (Loss) before extraordinary items and tax		506,836	148,116
Extraordinary items			
Profit / (Loss) before tax		506,836	148,116
Tax expense:			
Less: Provision for - Current Tax		215000	472,485
- Deferred Tax		266725	(95,847)
Profit / (Loss) after Taxation		25,111	(228,522)
Earning Per Share		0.002	(0.026)
(a) Basic and Diluted			
Balance Carried to Balance Sheet		25,111	(228,522)

The notes referred to above form an integral part of the Profit & Loss Account.

**As per our Audit Report of Even Date**

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

**FOR R.R.SHAH & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration No. 109760W

**CA RAJESH SHAH**

Partner

Membership No. 033613

Place : Mumbai

Date : 27<sup>th</sup> November, 2017

**Tushar Shah**  
Chairman & Managing Director  
DIN : 01729641

**Chandrakant Lodaya**  
Chief Financial Officer



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	Notes	For the year ended	
		31.03.2017 ₹	31.03.2016 ₹
<b>Cash Flows from Operating Activities</b>			
<b>Net Profit Before Tax</b>		524,602	148,116
<b>Adjustment for Interest Expenditure</b>		3,994,058	4,011,373
<b>Adjustment for Interest Income</b>			(4,559,126)
Add: Depreciation and amortization	6	3,982,739	537,180
Less: Interest/Dividend Income	14	(13,237,435)	(6,351,702)
<b>Operating Profit/Loss before working capital Changes</b>		(4,736,036)	(6,214,159)
Increase /(Decreases) in Short Term Borrowings	3	-	-
Increase /(Decreases) in Trade Payables	4	-	-
Increase /(Decreases) in Other Current Liabilities	5	(5,268,865)	(1,394,694)
(Increase) /Decreases in Current Investment	8	86,550	6,531,675
(Increase) /Decreases in Trade Receivables	9	7,947,561	19,500,107
(Increase) /Decreases in Long Term Loans & Advances	11	(7,931,163)	(38,622,781)
(Increase) /Decreases in Other current Assets	12	(1,864,855)	(23,910)
Foreign Currency Translation gain/(loss)			
Income tax paid		(5,965)	(8,026)
<b>Cash Flows from Operating Activities</b>		(11,772,773)	(20,231,788)
<b>Cash Flows from Investing Activities</b>			
Interest received	14	13,237,435	6,351,716
Purchase of Fixed Assets	6	(63,000)	(167,975)
Purchase of NSE Card		(200,000)	-
<b>Cash Flows from Investing Activities</b>		<b>12,974,435</b>	<b>6,183,741</b>
<b>Cash Flows from Financing Activities</b>		-	<b>596,307</b>
Interest Expenses		(3,994,058)	-
Loan From Holding Company		(1,290,612.00)	-
Loan to Third Party		382,807	-
<b>Cash Flows from Financing Activities</b>		<b>(4,901,863)</b>	<b>596,307</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>		<b>(3,717,968)</b>	<b>(13,451,740)</b>
<b>Cash &amp; Cash Equivalents at beginning of the period</b>		<b>5,640,010</b>	<b>19,097,777</b>
<b>Cash &amp; Cash Equivalents at end of the period</b>		<b>1,922,042</b>	<b>5,646,037</b>

The notes referred to above form an integral part of the cash flow statement.

As per our Audit Report of Even Date

For and on behalf of the Board of Directors

FOR R.R.SHAH & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 109760W

CA RAJESH SHAH

Partner

Membership No. 033613

Place : Mumbai

Date : 27<sup>th</sup> November, 2017

Tushar Shah

Chairman & Managing Director

DIN : 01729641

Chandrakant Lodaya

Chief Financial Officer

## NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2017

(₹)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>NOTE - 1 Share Capital</b>		
120,000,00 Equity Shares @ ₹ 10/- each	120,000,000.00	120,000,000.00
2,00,000 0% Redeemable Preference Shares @ ₹ 100/- each	20,000,000.00	20,000,000.00
<b>TOTAL</b>	<b>140,000,000.00</b>	<b>140,000,000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
85,21,188 Equity shares @ ₹10/- each fully paid up (Out of the above Share Capital 23,00,000 Equity Shares of ₹ 10 each fully paid up has been issued to Foreign Depository as underlying shares against 11,50,000 GDRs in 2010)	85,211,880.00	85,211,880.00
50,000 0% Redeemable Pref. Shares @ ₹ 100/- each	5,000,000.00	5,000,000.00
<b>TOTAL</b>	<b>90,211,880.00</b>	<b>90,211,880.00</b>

## The reconciliation of the Closing amount and Opening amount of Share Capital is given as follows:

Particulars	Opening Balance	Additions	Deductions	Closing Balance
<b>Authorised Capital</b>				
1,20,00,000 Equity Shares of ₹10 Each	120,000,000.00	-	-	120,000,000.00
2,00,000 Preference Shares of ₹ 100 Each	20,000,000.00	-	-	20,000,000.00
<b>Issued Share Capital</b>				
85,21,188 Equity Shares of ₹10 Each	85,211,880.00	-	-	85,211,880.00
50,000 Preference Shares of ₹ 100 Each	5,000,000.00	-	-	5,000,000.00
<b>Subscribed and Fully Paid up Capital</b>				
85,21,188 Equity Shares of ₹10 Each	85,211,880.00	-	-	85,211,880.00
50,000 Preference Shares of ₹ 100 Each	5,000,000.00	-	-	5,000,000.00
<b>TOTAL</b>	<b>90,211,880.00</b>	-	-	<b>90,211,880.00</b>

Details of shares held by each shareholder holding more than 5% shares:

**NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2017**

(₹)

Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Tushar Suresh Shah	2,209,688.00	25.93	2,209,688.00	25.93
Ketan Babulal Shah	900,000.00	10.56	900,000.00	10.56
Bhavana Mukesh Motasha	432,149.00	5.07	432,149.00	5.07
Sandeep Shah	432,143.00	5.07	432,143.00	5.07
Yogesh Chandawalla	1,047,769.00	12.30	1,047,769.00	12.30
Madhu Suresh Shah	881,220.00	10.34	881,220.00	10.34
Skyles & Ray Equities (I) Ltd	-	-	481,708.00	5.66
Kalavati Suresh Kanakia	453,278.00	5.32	-	-
<b>Total</b>	<b>6,356,247.00</b>	<b>74.59</b>	<b>6,384,677.00</b>	<b>74.93</b>
0% Redeemable preference shares M/s Rivoli		5.54%		5.54%

(₹)

Particulars	As at	
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
<b>NOTE - 2 Reserves &amp; Surplus</b>		
Share Premium Account	112,689,850.00	112,689,850.00
Capital Reserve	936,569.26	936,569.26
General Reserve	5,000,000.00	5,000,000.00
Profit & Loss Account		
Opening Balance:	41,358,248.03	
Add : Foreign Currency Translation Res.	(84,373.72)	
Add : Profit During the year	25,111.00	
	41,298,985.31	41,358,248.03
<b>TOTAL</b>	<b>159,925,404.57</b>	<b>159,984,667.29</b>
<b>NOTE - 3 LongTerm Borrowings</b>		
From Individuals / Firms	1,860,500.00	1,865,500.00
<b>TOTAL</b>	<b>1,860,500.00</b>	<b>1,865,500.00</b>
<b>NOTE - 4 Trade Payable</b>		
Trade Payable	238,826.47	238,826.47
<b>TOTAL</b>	<b>238,826.47</b>	<b>238,826.47</b>
<b>NOTE - 5 Other Current Liabilities</b>		
Other Current Liabilities	12,083,613.67	17,659,836.45
<b>TOTAL</b>	<b>12,083,613.67</b>	<b>17,659,836.45</b>
<b>NOTE - 6 Provisions</b>		
Provision For Taxation	2,587,717.80	2,211,766.07
<b>TOTAL</b>	<b>2,587,717.80</b>	<b>2,211,766.07</b>

FIXED ASSETS AS ON 31<sup>ST</sup> MARCH 2017

## NOTE - 7 Fixed Assets

(₹)

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	COST AS AT 01.04.2016	ADDITIONS / (DEDUCTION) DURING THE YEAR	COST AS AT 31.03.2017	BALANCE AS ON 01.04.2016	RATE OF DEP %	DURING THE YEAR	BALANCE AS ON 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
<b>TANGIBLE ASSETS</b>									
COMPUTER	8,302,109	-	8302109	8,031,119	63.16	171,157	8,202,276	99,833	270,990
WEBSITE	4,258,303	-	4,258,303	3,994,263	31.23	82,460	4,076,723	181,580	264,040
MOTOR CAR (EL-6562)	876,276	-	876,276	851,947	31.23	7,598	859,545	16,731	24,329
AIR CONDITIONER	790,567	63,000.00	853,567	636,300	25.89	52,542	688,842	164,725	154,267
OFFICE EQUIPMENT	835,883	-	835,883	796,951	45.07	17,547	814,498	21,385	38,932
FURNITURE & FIXTURES	1,414,401	-	1,414,401	1,283,966	25.89	33,770	1,317,736	96,665	130,435
<b>TOTAL (A)</b>	<b>16,477,539</b>	<b>63,000</b>	<b>16,540,539</b>	<b>15,594,546</b>	<b>-</b>	<b>365,073</b>	<b>15,959,619</b>	<b>580,920</b>	<b>882,993</b>
<b>INTANGIBLE ASSETS</b>									
BSE STOCK EXCHANGE MEMBERSHIP CARD	10,000,000	1,666,666	8,333,334	0	0	0	0	8,333,334	10,000,000
NSE. CARD DEPOSIT	7,650,000	200,000	7,850,000	0	0	0	0	7,850,000	7,650,000
VSE CARD	1,951,000	1,951,000	0	0	0	0	0	0	1,951,000
<b>TOTAL (B)</b>	<b>19,601,000</b>	<b>3,817,666</b>	<b>16,183,334</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,183,334</b>	<b>19,601,000</b>
<b>TOTAL ( A + B)</b>	<b>36,078,539</b>	<b>3,880,666</b>	<b>32,723,873</b>	<b>15,594,546</b>	<b>0</b>	<b>365,073</b>	<b>15,959,619</b>	<b>16,764,254</b>	<b>20,483,993</b>
<b>PREVIOUS YEAR</b>	35,910,564	167,975	36,078,539	15,057,367	-	537,180	15,594,547	20,483,992	20,853,197

NOTE : 1. Figures shown below total are of previous year.

2. Depreciation is calculated at the rates specified in schedule III of Companies Act. 2013 based on W.D.V. method.

## NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2017

(₹)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>NOTE - 8 Long Term Loans &amp; Advances</b>		
Long Term Loans & Advances Other (Secured Considered Good)	234,102,221.76	225,267,193.94
Long Term Loans & Advances To Relatives (Secured Considered Good)	-	-
<b>Total</b>	<b>234,102,221.76</b>	<b>225,267,193.94</b>
<b>NOTE - 9 Non Current Investments</b>		
<b>In Subsidiary companies</b>		
<b>2 Equity Share of US \$ 1= ₹ 46.35 each</b> <b>KBS Capital Management (Singapore)Pte</b>	92.70	92.70
50 Shares of Jaihind Co-op Bank	3,150.00	3,150.00
<b>Total</b>	<b>3,242.70</b>	<b>3,242.70</b>
<b>NOTE - 10 Current Investment</b>		
Other Investments (Valued at cost) (Secured Considered Good)	1,653,269.00	1,653,269.00
Share Stock ( Deposit With BSE)	398,750.00	398,750.00
Share Stock ( Own Trading)	36,172.95	122,722.95
<b>Total</b>	<b>2,088,191.95</b>	<b>2,174,741.95</b>
<b>NOTE - 11 Trade Receivable</b>		
Amount Outstanding for a period exceeding six months Unsecured , Considered Good	-	8,167,562.34
<b>Total</b>	<b>-</b>	<b>8,167,562.34</b>
<b>NOTE - 12 Cash and Bank Balances</b>		
Cash Balance	134,294.59	750,756.97
Bank Balances	662,753.33	3,995,131.86
Other - Fixed Deposits	1,125,000.00	900,000.00
<b>Total</b>	<b>1,922,047.92</b>	<b>5,645,888.83</b>
<b>NOTE - 13 Other Current Assets</b>		
Other Current Assets	11,922,484.38	10,334,007.37
<b>Total</b>	<b>11,922,484.38</b>	<b>10,334,007.37</b>

## NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2017

(₹)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>NOTE - 14 Revenue From Operation</b>		
Brokerage Income	7,046,346.14	5,232,941.31
Income / (Loss) on Share Trading	386,050.95	1,563,208.05
<b>Total</b>	<b>7,432,397.09</b>	<b>6,796,149.36</b>
<b>NOTE - 15 Other Income</b>		
Interest Income	17,218,393.00	14,922,215.22
Other Income	5,427,081.44	12,793,185.50
<b>Total</b>	<b>22,645,474.44</b>	<b>27,715,400.72</b>
<b>NOTE - 16 Administrative Expenses</b>		
Administrative Expenses	16,094,439.11	23,970,932.68
<b>Total</b>	<b>16,094,439.11</b>	<b>23,970,932.68</b>
<b>NOTE - 17 Employee Benefit Expenses</b>		
Salaries & Bonus	2,010,558.00	1,755,746.00
Employees E.S.I.C.A/c	-	25,915.00
Leave Encashment	268,200.00	280,896.00
Director' s Meeting Fees	46,000.00	27,480.00
Director's Remuneration	1,200,000.00	1,200,000.00
Telephone Allowance	66,000.00	70,800.00
Medical Allowance	70,822.00	74,988.00
Conveyance Allowance	54,400.00	52,800.00
Education Allowance	6,800.00	7,200.00
Meal Coupons	84,000.00	84,000.00
<b>Total</b>	<b>3,806,780.00</b>	<b>3,579,825.00</b>
<b>NOTE - 18 Finance Charges</b>		
Bank Charges & Commission	40,675.24	68,543.17
Bank Interest	912,106.00	728,430.00
Other Interest	64,601.00	58,956.00
Finance Cost	3,994,144.00	4,011,373.08
<b>Total</b>	<b>5,011,526.24</b>	<b>4,867,302.25</b>
<b>NOTE - 19 Other Expenses</b>		
Other Expenses	4,293,217.15	1,408,194.41
<b>Total</b>	<b>4,293,217.15</b>	<b>1,408,194.41</b>

**NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES:**

**i. ACCOUNTING CONCEPTS:**

The Company follows the Mercantile System of Accounting and recognises Income and Expenditure on Accrual Basis. The Accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to otherwise are consistent with Generally Accepted Accounting Principles.

**ii. FIXED ASSETS:**

- a) Fixed Assets are stated at cost less depreciation.
- b) As there is no value of BSE card now, Hence the management has decided to amortize the said expense over 6 years and W/Off the same.

**iii. DEPRECIATION:**

- a) Depreciation on Fixed Assets is charged in the account on written down value method at the rates specified in Schedule III of the Companies Act, 2013.
- b) As stated above the value of the BSE card is being amortized within 6 years i.e. @ 16.66% p.a.

**iv. INVESTMENTS:**

Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is not made as there is no decline in the value of the investments.

**v. INVETORIES:**

Shares that are deposited with Bombay Stock Exchange and Share stock (Own Trading) are valued at Cost.

**vi. BROKERAGE EARNED:**

Brokerage earned is accounted on the basis of transaction done during the accounting year irrespective of whether the same are settled during the year or not. Brokerage earned is shown as net i.e. after deduction of Brokerage paid.

<b>2. DETAILS OF AUDITORS REMUNERATION (INCLUSIVE OF SERVICE TAX):</b>	(Amount in ₹)	
	<b>Current Year</b>	<b>Previous Year</b>
Audit Fees	50,000/-	70,000/-
Tax Audit Fees	20,000/-	25,000/-
Certification Charges	15,000/-	15,000/-
Income Tax Consultancy Charges	15,000/-	20,000/-
	<u>1,00,000/-</u>	<u>1,30,000/-</u>

**3. DEFERRED TAX LIABILITY/(ASSETS):**

As per AS 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the net deferred tax liability/asset provided in the books of accounts.

4. As required by AS 20 “Earning Per Share”, issued by the Institute of Chartered Accountants of India, the Earning Per Share (EPS) is calculated by dividing the profit attributable to the equity share holders by the average number of equity shares outstanding during the year and is ascertained as follows:

Particulars	F.Y.2016-17	F.Y.2015-16
Profit/(Loss) available to the Equity Shareholders	₹ 25,111/-	₹ (228522)
Weighted average No. of equity share for Basic EPS	85,21,188	85,21,188
Nominal Value of equity shares	₹ 10	₹ 10
Earning Per Share (Basic/ Diluted)	₹ 0.002	₹(0.026)

#### 5. CONTINGENT LIABILITY NOT ASCERTAINED:

In the opinion of management there are no contingent liabilities for the year.

6. In the opinion of the management, Current Assets, Deposits, Loans and advances have value equal to the amounts shown in the Balance Sheet. The provision for depreciation and all the liabilities is not in excess of the amount reasonably necessary.
7. The foreign currency rate fluctuation balance as on 31/03/2017 of ₹ 33,27,069/- debited to the Profit & Loss Account is in accordance with AS 11(Revised) The Effects of Changes in Foreign Exchange Rates.
8. During the year The Company has written off as Bad Debts an amount of ₹ 81,67,562/- pertaining to M/s Shrim Capital Management.
9. Service tax liability for the year is still partly unpaid.
10. The Income Tax Liability for and upto 31.03.2017 needs to be reconciled and actual tax status to be ascertained.
11. Rate of Interest on ICD given to Supama Financial Services, RSM Exim and Oasis Heights Developers LLP is charged @ 12% P.A.
12. As per Accounting Standard (AS) 18, ‘Related Party Disclosures’ prescribed under the Accounting Standard Rules, the disclosures of the details of the related parties and the transactions entered with them are given below:

#### I- List of Related Parties

Sr No.	Nature	Name of the person
1	Key Management Personnel	Tushar Suresh Shah
2	Key Management Personnel	Ketan Babulal Shah
3	Relatives of KMP	Namita T Shah
4	Relatives of KMP	Tanay T Shah
5	Relatives of KMP	Rajeshri Ketan shah
6	Relatives of KMP	Ketan Babulal Shah HUF
7	Relatives of KMP	Tushar Suresh Shah HUF
7	Relatives of KMP	Madhu Suresh Shah HUF
9	Others (Independent Director)	Mr VinodKumar G Bapna
10	Others (Independent Director)	Mrs. Sanjeevlata Samdani



## II - List of Transactions entered with them

(₹ In Thousand)

Sr. No	Nature of Transactions	Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	Remuneration Paid	-	-	12,00.00	12,00.00	-	-	12,00.00	12,00.00
2	Director Meeting Fees	-	-	46.00	27.48	-	-	46.00	27.48
3	Interest Received	3981.56	4011.37	-	-	-	-	3981.56	4011.37
4	Loan Repaid by -	-	-	-	-	-	-	-	-
5	Brokerage Received	-	-	97.05	109.41	115.70	116.29	212.75	225.70
6	Salary -	-	-	-	-	-	-	-	-
7	Sundry Payable -	-	-	-	-	-	-	-	-
8	Bad Debts Written off	-	-	-	-	81.68	1,95,00.00	81.68	1,95,00
	Outstanding Liabilities								
9	Loan given to	1,43,900.93	1,48,669.76					1,43,900.93	1,48,669.76

### 13. SEGMENT REPORTING

The Company is engaged in two business segments, one is to provide brokerage services to its clients in the capital markets within India from which revenue is ₹ 70,46,346/- and other is trading of shares from which Profit is ₹ 3,86,051/-.

### 14. Previous year's figures have been regrouped wherever necessary to confirm the classification adopted in the current year.

### 15. MANDATORY DISCLOSURE IN BALANCE SHEET

Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016:-

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	350000	93949	443949
(+) Permitted receipts		91500	91500
(-) Permitted Payments		22526	22526
(-) Amt deposited in bank	350000		350000
Closing cash in hand as on 30.12.2016	0.00	162923	162923

**Explanation:** For the purpose of this clause, the term 'specified Bank notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E) dated the 8th November, 2016.

**FOR AND ON BEHALF OF THE BOARD  
KBS INDIA LIMITED**

**Tushar Shah  
Chairman & Managing Director  
DIN : 01729641**

**Chandrakant Lodaya  
Chief Financial Officer**

**FOR R. R. SHAH & CO  
CHARTERED ACCOUNTANTS  
Firm Registration No. 109760W**

**CA RAJESH R SHAH  
Proprietor  
Membership No. 033613**

Place : Mumbai,  
Date : 27<sup>th</sup> November, 2017

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) on  
Consolidated Annual Audited Financial Results**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017**  
[Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	AMOUNT IN RUPEES	
			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	30077872	30077872
	2	Total Expenditure	29571036	21403474
	3	Net Profit/(Loss)	506836	8674398
	4	Earnings Per Share	0.06	1.02
	5	Total Assets	266907943	258740381
	6	Total Liabilities	14910158	14910158
	7	Net Worth	239410179	247577741
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II. Audit Qualification (each audit qualification separately):</b>				
<b>a Details of Audit Qualification:</b>				
	1	Bad Debts written off	8167562	
<b>b. Type of Audit Qualification :</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion				
<b>c. Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing				
<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>				
		as per e (i)		
<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>				
	(i)	<b>Management's estimation on the impact of audit qualification:</b> The Management felt that the amount was not recoverable from the party hence was written off as bad debts		
	(ii)	<b>If management is unable to estimate the impact, reasons for the same:</b>		
	(iii)	<b>Auditors' Comments on (i) or (ii) above:</b> Self Explanatory		
<b>III. Signatories:</b>				
	<b>CEO/Managing Director</b>		sd/-	<b>Mr. Tushar S. Shah</b>
	<b>CFO</b>		sd/-	<b>Mr. Chandrakant D Lodaya</b>
	<b>Audit Committee Chairman</b>		sd/-	<b>Ms. Sanjeevlata Samdani</b>
	<b>Statutory Auditor:</b> <b>M/s R.R. Shah &amp; Associates</b>		sd/-	<b>Mr. Rajesh Shah</b>

Place: Mumbai

Date: 27<sup>th</sup> November, 2017

## Form AOC-1

(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 Subsidiary  
or Associate Companies or Joint Ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No.	Particulars	Details
1	Name of the subsidiary	<b>KBS Capital Management (Singapore) Pte. Ltd</b>
2	The date since when the subsidiary was acquired.	23 <sup>rd</sup> April, 2010
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31 <sup>st</sup> March, 2017
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD- \$ 66.33
5	Share capital	92.70
6	Reserves & surplus	2402274
7	Total Assets	154855477
8	Total Liabilities	152453203
9	Investments	0
10	Turnover	0
11	Profit/(Loss) before taxation	18175
12	Provision for taxation	0
13	Profit/(Loss) after taxation	18175
14	Proposed Dividend	0
15	Extent of shareholding (in percentage)	100%

- Names of subsidiaries which are yet to commence operations: N.A.
- Names of subsidiaries which have been liquidated or sold during the year: N.A.

**Part "B": Associates and Joint Ventures**

Not applicable as the Company does not have any Associate / Joint Venture.

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

**Chandrakant Lodaya  
Chief Financial Officer**

**Tushar Shah  
Chairman & Managing Director  
DIN : 01729641**

**Place : Mumbai  
Date : 27<sup>th</sup> November, 2017**

**KBS INDIA LIMITED**

CIN: L51900MH1985PLC035718

Registered Office: 502, Commerce House, 140, Nagindas Master Road, Fort, Mumbai – 400 001

Tel. No: 022 4036 2626 / 4036 2727; Fax No.: 022 4036 2618;

Email: chandu.kbs@outlook.com, Website: www.kbs.co.in

**FOR KIND ATTENTION OF SHAREHOLDERS**

Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 the Company needs to update its "Register of Members" to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its circular No: 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of members and enable the Company to send all communications to you through electronic mode:-

<b>Registered Folio No / DP ID &amp; Client ID</b>	
<b>Name of the Member</b>	
<b>Father's/Mother's/Spouse's Name</b>	
<b>Address (Registered Office Address, in case the Member is a Body Corporate)</b>	
<b>E-mail ID</b>	
<b>PAN or CIN (in case of Body Corporate)</b>	
<b>UIN (Aadhar Number)</b>	
<b>Occupation</b>	
<b>Residential Status</b>	
<b>Nationality</b>	
<b>In case member is a minor, name of the guardian</b>	
<b>Date of birth of the Member</b>	

---

**Signature of the Member**

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agents of the Company viz, "LINK INTIME INDIA PRIVATE LIMITED, 247, Lal Bahadur Shastri Road, Surya Nagar, Gandhi Nagar, Vikroli (West), Mumbai - 400 083.

The E-mail ID provided shall be updated subject to successful verification of your signature.

The members may receive Annual Reports in physical form free of cost by post by making request on the same.

Thanking You,  
For **KBS India Limited**

**Tushar Shah**  
Chairman & Managing Director  
DIN: 01729641

**KBS INDIA LIMITED**

**CIN:** L51900MH1985PLC035718

**Registered Office:** 502, Commerce House, 140, Nagindas Master Road, Fort, Mumbai – 400 001

**Tel. No:** 022 4036 2626 / 4036 2727; **Fax No.:** 022 4036 2618;

**Email:** chandu.kbs@outlook.com, **Website:** www.kbs.co.in

**ATTENDANCE SLIP**

**31<sup>ST</sup> ANNUAL GENERAL MEETING ON 30<sup>TH</sup> DECEMBER, 2017**

<b>Registered Folio/ DP ID &amp; Client ID</b>	
<b>Name and address of the shareholder(s)</b>	
<b>Joint Holder 1</b>	
<b>Joint Holder 2</b>	
<b>No. of shares held</b>	
<p>I/we hereby record my/our presence at the 31<sup>st</sup> Annual General Meeting of the members of the Company held at Registered Office of the Company at 502, Commerce House, 140, Nagindas Master Road, Fort, Mumbai – 400001 on Saturday, 30<sup>th</sup> December, 2017 at 9.30 a.m.</p> <p>-----</p> <p><b>Member's/Proxy's name (in Block Letters)</b> <span style="float: right;"><b>Member's/Proxy's Signature</b></span></p> <p>Notes:</p> <ol style="list-style-type: none"><li>1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the <b>ENTRANCE OF THE MEETING HALL.</b></li><li>2. Please read the instructions for remote e-voting given along with Annual Report. The remote e-voting period starts from Wednesday, 27<sup>th</sup> December, 2017 (9:00 a.m.) and ends on Friday, 29<sup>th</sup> December, 2017 (5:00 p.m.). The voting module shall be disabled by NSDL for remote e-voting thereafter.</li></ol>	

**KBS INDIA LIMITED**

**CIN:** L51900MH1985PLC035718

**Registered Office:** 502, Commerce House, 140, Nagindas Master Road, Fort, Mumbai – 400 001

**Tel. No:** 022 4036 2626 / 4036 2727; **Fax No.:** 022 4036 2618;

**Email:** chandu.kbs@outlook.com, **Website:** www.kbs.co.in

**FORM NO. MGT-11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]  
**31<sup>ST</sup> ANNUAL GENERAL MEETING ON 30<sup>TH</sup> DECEMBER, 2017**

Name of the member (s): \_\_\_\_\_

Name of the Joint Holder, if any : \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio No/ Client ID: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We being a member(s) of \_\_\_\_\_ Shares of the above named Company hereby appoint:

(1) Name \_\_\_\_\_

Address \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her;

(2) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her;

(3) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 30<sup>th</sup> December, 2017 at 9.30 a.m. at Registered Office of the Company at 502, Commerce House, 140, Nagindas Master Road, Fort, Mumbai – 400 001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

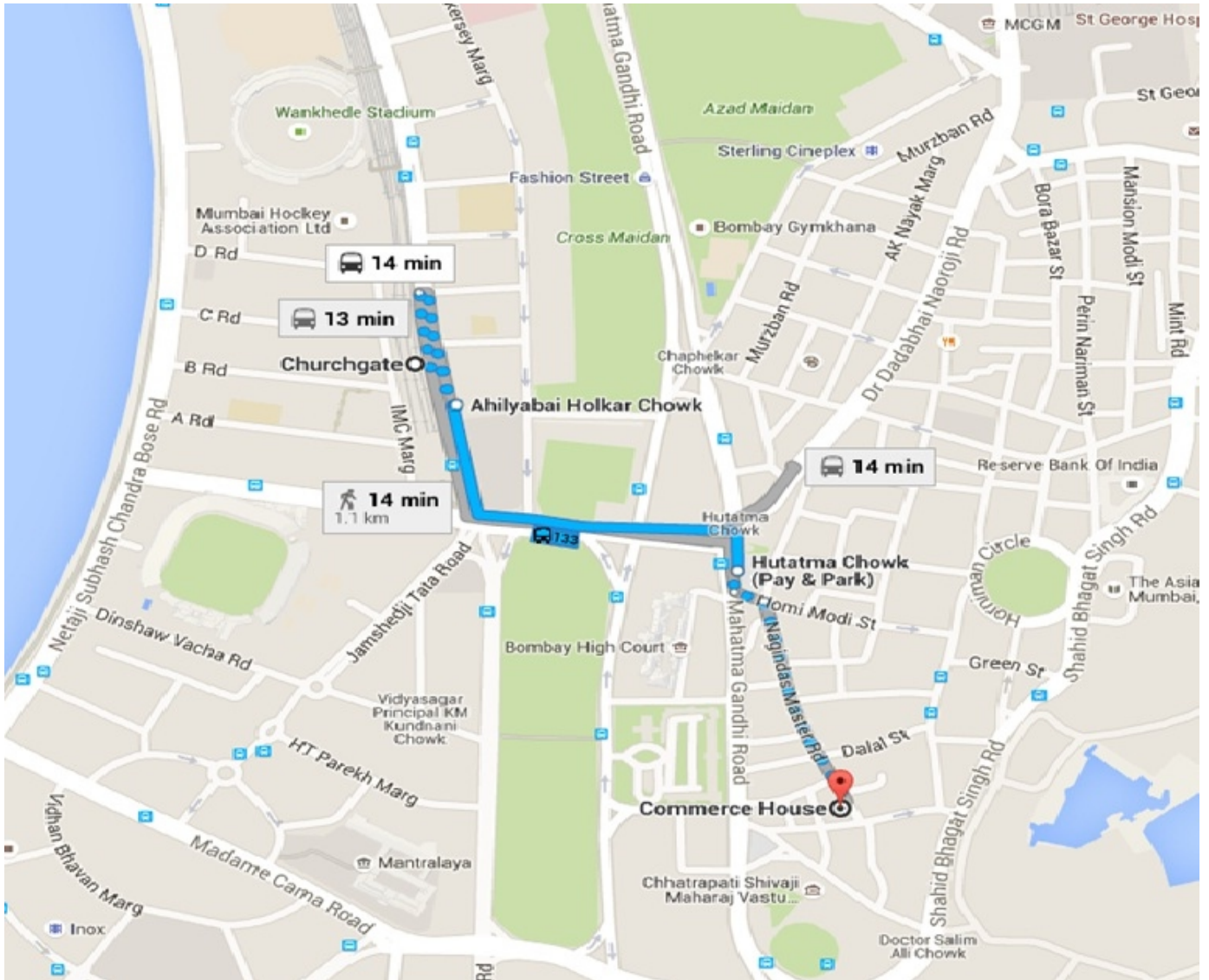
TEAR HERE

Resolution Number	Description of the Resolutions	Vote (Optional see Note 2) (Please mention no. of share(s))		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1	Ordinary Resolution for adoption of Audited Financial Statements (including Audited Consolidated Financial Statements) for the financial year ended 31 <sup>st</sup> March, 2017 together with Board Reports and Auditors Reports thereon.			
2	Ordinary Resolution for ratification of appointment M/s. R.R.Shah & Associates, Chartered Accountants Mumbai (having FRN:109760W) as Statutory Auditors of the Company to hold office from the conclusion of this 31 <sup>st</sup> Annual General Meeting until the conclusion of next 32 <sup>nd</sup> Annual General Meeting to be held for the financial year ending 31 <sup>st</sup> March, 2018 and to authorise the Board to fix their remuneration for the financial year 2017-18.			
<b>Special Business:</b>				
3	Ordinary Resolution for appointment of Mr. Chandrakant Lodaya (DIN: 08005992) as Director of the Company			
Signed this _____ day of _____, 2017		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> Affix Revenue Stamp Re.0.15 </div>		
Signature of Member _____				
Signature of Proxy holder(s) _____				

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

# Route Map of AGM Venue





If underlivered, please return to :

**KBS India Limited**

Regd. Office.: 502, Commerce House,  
140 Nagindas Master Road, Fort,  
Mumbai - 400 001