
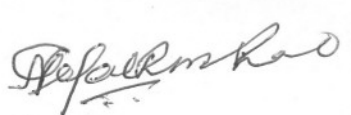



FORM A

**FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO
BE FILED WITH THE STOCK EXCHANGE**

1.	Name of the Company	KBS India Limited
2.	Annual Financial statement for the year ended	31 st March, 2014
3.	Type of Audit Observation	No qualification
4.	To be Signed by- <ul style="list-style-type: none"> • CEO & CFO • Auditor of the Company • Audit Committee Chairman 	 <hr/> Tushar Shah  <hr/> N.G. Rao  <hr/> Nilesh Dharia

KBS INDIA LIMITED

28th ANNUAL REPORT

2013-2014

Board of Directors

Mr. Tushar Shah	Chairman & Managing Director
Mr. Ketan Shah	Director
Mr. Nilesh Dharia	Director
Mr. Vinod Kumar Bapna	Director

Auditors

M/s. Gopal Rao & Associates
Chartered Accountant
Mumbai

Bankers

Bank of India, Mumbai
Axis Bank, Mumbai

Registered Office

502, Commerce House,
140, Nagindas Master Road,
Fort, Mumbai - 400 001
Tel. No.: 022 - 2264 2670/74
Fax No.: 022 - 2264 2673
Email: chandu.kbs@outlook.com

Registrar and Share Transfer Agents

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (West),
Mumbai - 400 078
Tel. No.: 022-25963838
Fax No.: 022-25964696
Email: mumbai@linkintime.co.in

KBS INDIA LIMITED

[CIN: L51900MH1985PLC035718]

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

Tel. No.: 022 - 2264 2670/74; **Fax No.:** 022 - 2264 2673; **Email:** chandu.kbs@outlook.com

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of **KBS INDIA LIMITED** will be held on Tuesday, the 30th day of December, 2014 at 5.30 p.m. at 502, Commerce House, 140, Nagindas Master Road, Fort, Mumbai - 400 001 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Tushar Shah, Managing Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To re -appoint M/s. Gopal Rao & Associates, Chartered Accountants, Mumbai (having FRN:127055W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all 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-enactment(s) thereof for the time being in force), Mr. Nilesh Dharia (DIN: 01845606), Independent Director of the Company whose office is liable to determination to retire by rotation and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Nilesh Indravadan Dharia as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31st March, 2019, who shall not be liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all 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-enactment(s) thereof for the time being in force), Mr. Vinod Kumar Bapna (DIN: 01933704), Independent Director of the Company whose office is liable to determination to retire by rotation and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Vinod Kumar Bapna as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31st March, 2019, who shall not be liable to retire by rotation.”

By Order of the Board of Directors

Place: Mumbai
Date: 14th November, 2014

Tushar Shah
Chairman & Managing Director

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

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 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 shareholder.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses is annexed hereto and forms part of this Notice.
3. Corporate Members are requested to send a duly certified copy of the Board resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting or any adjournment thereof.
4. Brief resume of Directors proposed to be appointed/re-appointed at the ensuing Annual General meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice.
5. Members are requested to forward all Share Transfer and other communications to the Registrar & Share Transfer Agents (RTA) of the Company - M/S. Link Intime India Private Limited, Unit: KBS India Limited, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400078 and are further requested to always quote their folio number in all correspondences with the Company.
6. The Register of Members and Share Transfer Books of the Company will remain closed on Tuesday, 30th December, 2014.
7. Members are requested to bring their Attendance slip along with their copies of Annual Report to the meeting.
8. Members holding shares in Dematerialized form are requested to bring their client ID and DP. ID for easier identification of attendance.
9. The Members holding shares in identical order of names in more than one folio are requested to write to the Company/RTA enclosing their Share certificate to enable the Company to consolidate their holdings in one folio for better services.
10. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents

quoting their Folio Number and Bank Account Details along with self-attested document proofs. Members holding shares in the Demat form may update such details with their respective Depository Participants.

11. The Register of Directors' Shareholdings, maintained under Section 170 and Register of Contracts or arrangement in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
12. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Compliance Officer / Assistant Company Secretary at the Registered Office of the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.
13. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card etc., having photo identity) while attending the meeting.
14. To comply with the provisions of Section 88 of the Companies Act, 2013 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.

You are requested to submit your 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 returning the same by post.

The e-mail ID provided shall be updated subject to successful verification of your signature as per record available with the RTA of the Company.

15. 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 demat form are therefore requested to submit their 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
16. The Notice of the 28th Annual General Meeting along with the Attendance Slip and Proxy Form, are being sent by courier.

In pursuance of Clause 49(IV)(G) of the Listing Agreement, details of Directors seeking re-appointment at the ensuing Annual General Meeting are as follows:

Name of Director	Mr. Tushar Shah	Mr. Nilesh Dharia	Mr. Vinod Kumar Bapna
Date of Birth	19 th January, 1963	12 th February, 1961	21 st February, 1971
Nationality	Indian	Indian	Indian
Date of appointment as Director	20 th February, 1997	11 th December, 2007	11 th December, 2007
Designation	Managing Director	Director	Director
Qualification	He is Commerce Graduate	B.Com, FCA	B.Com, FCA
Experience/Expertise	He is having vast experience of 29 years in the field of Stock Exchange and related services.	He is having 27 years of vast experience in Finance and Accounts.	He is a Practicing Chartered Accountant having vast experience of 26 years.
Shareholding in the Company Equity shares of Rs. 10/- each	22,09,688	Nil	Nil
List of Directorships held in other Companies	1. Hindpur Infradevelopers Private Limited. 2. Grid Infradevelopers Private Limited	Nil	1. SVKS Management Services Private Limited 2. SVKS Financial Services Private Limited
List of Chairmanship and Membership in other Public Companies	Nil	Nil	Nil
Relationship with existing Directors of the Company	Not related	Not related	Not related

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item Nos. 4 & 5**

Mr. Nilesh Dharia and Mr. Vinod Kumar Bapna were appointed as Independent Directors of the Company on 11th December, 2007. Their office is liable to retire by rotation at Annual General Meeting of the Company as per terms of their appointment.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Nilesh Dharia and Mr. Vinod Kumar Bapna as Independent Directors of the Company to hold office as such for a period upto 31st March, 2019, who shall not be liable to retire by rotation.

Mr. Nilesh Dharia and Mr. Vinod Kumar Bapna have given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notices along with requisite deposit under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Independent Director.

In the opinion of the Board, Mr. Nilesh Dharia and Mr. Vinod Kumar Bapna proposed to be appointed as Independent Directors of the Company fulfill the conditions specified in the Act and the rules made thereunder and are independent of the management.

The Board recommends the resolutions as set out at item Nos. 4 and 5 of the Notice for your approval.

Except, Mr. Nilesh Dharia and Mr. Vinod Kumar Bapna, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/Key Managerial Personnel are, in any way, are concerned or interested in the said resolutions.

By Order of the Board of Directors

Place: Mumbai
Date: 14th November. 2014

Tushar Shah
Chairman & Managing Director

Registered Office;
502, Commerce House,
140, Nagindas Master Road,
Fort, Mumbai - 400 001

DIRECTORS' REPORT

To,
The Members of
KBS India Limited

Your Directors have pleasure in presenting herewith 28th Annual Reports together with the Financial Statement of the Company for the financial year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS:

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

	(Amount in Rs.)	
Particulars	2013-2014	2012-2013
Income from operation and other Income	2,70,33,116	1,72,07,070
Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	2,51,32,688	26,27,499
Less: Depreciation	4,03,433	4,50,519
Finance Cost	9,41,500	7,23,742
Profit (Loss) before Tax	5,55,495	14,53,238
Less: Current tax	2,09,487	4,13,139
Deferred Tax	-	-
Profit/(Loss) After Tax	3,46,008	10,40,099
Add: Balance brought forward from previous year	3,86,31,848	3,75,91,749
Balance carried to Balance Sheet	3,89,77,856	3,86,31,848

OPERATIONS:

During the year under review, the Company could achieve a turnover of Rs. 270.33 Lacs during the year as compared to Rs. 172.07 Lacs during the previous year. The Profit before tax was Rs. 5.55 Lacs during the year as compared to Profit before tax of Rs. 14.53 Lacs in the previous year. Net profit after tax of the Company is Rs. 3.46 Lacs during the year as compared to Profit of Rs 10.40 Lacs 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 31st March, 2014.

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. Tushar Shah, Chairman & Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends his re-appointment.

In terms of the provisions of Section 149 and 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation. To comply with these provisions, it is proposed to appoint Mr. Nilesh Dharia and Mr. Vinod Kumar Bafna as Independent Directors of the Company to hold office as such upto 31st March, 2019 who shall not be liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered with the Stock Exchange. Your Board recommends for their appointment as Independent Directors of the Company in terms of the provisions of the Companies Act, 2013

Brief resume of the Director proposed to be re-appointed as stipulated under Clause 49 of the Listing Agreement entered into with BSE Limited are given in the notice convening the 28th Annual General Meeting of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 the Board of Directors of your Company confirm that:

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same.
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible 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 31st March, 2014 and the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities; and
- (iv) they have prepared the annual accounts on a "Going Concern" basis.

AUDITORS:

M/s. Gopal Rao & Associates, Chartered Accountants, Mumbai (having FRN: 127055W), the Statutory Auditors of your Company hold such office upto the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and if re-appointed, their re-appointment would be within the limits prescribed under Section 139 of the Companies Act, 2013.

Your Directors recommend the re-appointment of M/s Gopal Rao & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting upto the conclusion of next Annual General Meeting of the Company and to audit financial statements for the financial year 2014-15.

PUBLIC DEPOSITS:

During the year under review, the Company has neither accepted nor renewed any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules made thereunder.

CORPORATE GOVERNANCE:

Pursuant to the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchange, the following have been made a part of the Annual Report and are attached to this report.

- Corporate Governance Report.
- Certificate of Practicing Company Secretary regarding compliance of conditions of Corporate Governance.
- Management Discussion and Analysis Report.

SUBSIDIARY COMPANY:

The Company has a wholly owned subsidiary company named "KBS Capital Management (Singapore) Pte. Ltd.", Singapore which is engaged in the consultancy services.

The Ministry of Corporate Affairs vide its General Circular No: 2/2011 dated 8th February, 2011 have granted general exemption from attaching the Balance Sheets of subsidiary companies with the holding company's Balance Sheet, if the holding company presents in its Annual Report the Consolidated Financial Statements duly audited by its Statutory Auditors. The Company is publishing consolidated financial statements in the Annual Report, hence the Balance Sheet of subsidiary Company is not attached with the Company's Balance Sheet. A statement containing brief financial details of the Company's subsidiary for the year ended 31st March, 2014 is given in Annexure attached to this Report.

Further, the Annual Accounts of the above referred subsidiary company shall be made available to the shareholders of the Company and of the subsidiary company on request and will also be kept open for inspection at the Registered Office of the Company and of the subsidiary company during the office hours on all working days and during the Annual General Meeting. The Consolidated Financial Statements presented by the Company include Financial Results of its subsidiary company are prepared in strict compliance with applicable Accounting Standards.

EXTENSION OF ANNUAL GENERAL MEETING OF THE COMPANY:

The Company has taken approval from the Registrar of Companies, Maharashtra, Mumbai, vide its order dated 29th September, 2014 for holding the 28th Annual General Meeting of the Company for the financial year ended 31st March, 2014 by three months i.e. up to 30th December, 2014 for preparing Consolidated Financial Statements of the Company.

PARTICULARS OF EMPLOYEES:

During the year under review, no employee was in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended. Hence, your directors have nothing to report in this regard.

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

The Company has constituted an internal Complaint Committee under Section 4 of the Sexual Harassment of Women Act Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was filed before the said Committee.

PARTICULARS OF CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION AND FOREIGN EXCHANGE

In view of the nature of business activities of the Company, your directors have nothing to report regarding particulars with respect to Conservation of Energy pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988; however, the Company makes its best efforts for Conservation of Energy.

The Company has not carried out any specific Research and Development activities. The information related to Technology Absorption, Adoption and Innovation is reported to be Nil.

During the year under review the Company had no transactions involving Foreign Exchange; hence Foreign Exchange Earnings and Outgo are reported to be Nil.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Director

Place: Mumbai
Date: 14.11.2014

Tushar Shah
Chairman & Managing Director

ANNEXURE TO DIRECTOR'S REPORT

Information as required under General Circular No. No.2/2011 No. 51/12/2007-CL-III dated 8th February 2011 issued by the Ministry of Corporate Affairs (MCA) relating to Subsidiary Company for the year ended 31st March, 2014.

(Amount in Rs.)

Sr. No.	Particulars	KBS Capital Management (Singapore) Pte. Ltd.
1.	Financial year ended	31-03-2014
2.	Share Capital	90
3.	Reserve & Surplus	23,11,326
4.	Total Assets	46,53,513
5.	Total Liabilities	23,42,097
6.	Investments (excluding investments in subsidiary companies)	NiL
7.	Turnover & Other Income	41,41,431
8.	Profit/(Loss) before Taxation	2,52,240
9.	Provision for Taxation	10,698
10.	Profit/ (Loss) after Taxation	2,41,542
11.	Proposed Dividend	NiL

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Overview of the Indian Economy**

Indian economy was going through a challenging period in FY 2013-14 also. The GDP growth was lower than 5% for the second consecutive year. Uncertainty in the global outlook, caused by the crisis in the Euro area and general slowdown in global economy impacted exports, in addition to the domestic structural constraints such as lower manufacturing, inflationary pressure, delays in project approvals have impacted the GDP growth.

During the current fiscal, newly formed stable Government has brought back optimism and enthusiasm although the economy continued to face these challenges. The GDP is expected to rise to 5.5% in FY 2014-15 from 4.7% in FY 2013-14 on back of improving macro-economic situation. One of the dramatic macroeconomic developments in recent months has been the decline in inflation. The inflation measured by WPI and CPI have fallen dramatically due to declining prices of commodities, oil prices and base effect. The high and deteriorating current account deficit (CAD) that played a key role in the crisis last year has been reduced substantially due to decline in the prices of oil and gold. CAD is likely to remain at around 2% of GDP. Investment is yet to pick up significantly.

The index of industrial production (IIP) witnessed positive growth in the first half of FY 2014-15 with the first quarter growth better than the second quarter Industrial output increased by 1.9% during April-October 2014 as compared to the 0.2% growth registered during the same period last year. The industrial sector presents a mixed picture mainly on account of contraction in capital goods and consumer non-durables. The overall corporate performance continued to suffer in the first quarter of FY2014-15.

India's trade performance during FY 2013-14 continued to be weak. India's exports grew by 3.98% to USD 312.35 billion in FY 2013-14 while imports fell by 8.11% during the period. Imports declined to USD 450.94 billion, narrowing the trade deficit to USD 138.59 billion in FY 2013-14 as against trade deficit of USD 190.33 billion in FY 2012-13 due to series of import curbs. Gold and silver imports declined 40% to USD 33.5 billion in FY2013-14, compared to close to USD 56 billion in the previous year.

During FY 2014-15, Cumulative value of exports for the period April-November was USD 215.76 billion as against USD 205.44 billion, registering a growth of 5.02% over the same period last year. During the same period (April-November'14), Import was USD 316.37 billion as against USD 302.33 billion, registering a growth of 4.6%. Thus during this period, trade deficit was estimated at USD 100.62 billion which was higher than the deficit of USD 96.89 billion during the same period last year.

The exchange rate of the rupee against major currencies had remained volatile during FY 2013-14 especially since the US Fed first hinted at early tapering of its quantitative easing programme in May 2013. The average annual exchange rate of the rupee vis-a vis USD depreciated by around 10% from Rs. 54.4 in FY2012-13 to Rs 60.5 in FY2013-14. In the current

fiscal so far (till November 2014), the value of Rupee remained broadly stable. It varied from Rs 59.8 per USD on average in the first quarter to Rs. 60.6 per USD in the second quarter of FY 2014-15.

Indian Capital Markets

During the FY 2013-14, the equity markets continued to be affected by a lack of interest by retail investors; however markets have remained positive this year on the back of robust FII inflows. The Sensex was up 18.85% y-o-y in FY 2013-14, against gain of 8.23% in FY2012-13. Bulk of the returns came during the second half of the year on the back of stability in some macro indicators and expectations regarding the evolving political scenario. On a relative basis, the Indian market performed better than the benchmarks of emerging market peers, but underperformed developed markets like USA, UK, Germany and Australia due to an improving outlook in their economies.

FIIs had Rs 797 billion net inflows in Equities during FY 2013-14, although there was net outflow in the second quarter of the fiscal following the US taper news. FIIs returned in a big way in Sept, Oct, Dec and Mar following improvement in some macros and election expectations.

DII activity remained in sharp contrast to FIIs, with net outflows of Rs 542 billion in FY 2013-14. Equity mutual funds have seen net outflows in FY 2013-14, as redemption pressures increased in the second half of the fiscal. Income funds saw robust inflows as investor interest moved towards fixed income in an uncertain economic environment.

Risk Management System

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. 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.

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.

Internal Control System

As noted by the auditors in their report, the Company has an Internal Control System commensurate with its requirements and the size of business.

Opportunities and Threats

Your Company has already entered into the F&O segment in the past year. The immense growth in the F&O segments as well as the increasing amount of FII inflows are very reassuring for the Company and an entry into this new segment would greatly benefit the Company. There is an increasing demand for the advisory services and more awareness on investment planning among investors. Your Company recognizes that sound investment planning advice along with the Company being able to offer bouquet of investment products to its customers besides transaction execution capabilities is a key thrust area and thereby is planning to focus on the same. The Stock Broking Industry has witnessed intense competition, falling brokerage rates and the entry of several big players. However, Your Company continues to achieve cost efficiencies through the application of technology and targeting niche areas with better margins.

Outlook

Indian economy is showing early signs of green shoots and has already shown improvement in some of the important macro-economic indicators such lowering inflation, trade deficit. We expect, the policies and reforms by the new Government may give impetus to economic growth and renew investment climate in India. We are confident that India's long term growth story remains intact.

Discussion on financial performance with respect to operational performance

The Company earned total revenue of Rs. 270.33 Lacs during the year as compared to Rs. 172.07 Lacs during the previous year. The Profit after tax achieved to Rs. 3.46 Lacs during the year as compared to Profit of Rs. 10.40 Lacs in the previous year.

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. 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. Your Company continuously endeavors to attract and retain professional talent.

Cautionary Statement

The statements in this document, other than factual / historical information, contain the words or phrases such as "believe", "expect", "plan", "objective" and other similar words, which are forward looking in nature. Such forward looking statements may be subject to a variety of

risks and uncertainties that could result in actual results differing materially from those indicated in this document. The Company is not under any obligation to update such forward looking statements after this date.

REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CODE OF CONDUCT:**

The Company's philosophy on Corporate Governance is aimed at strengthening the confidence of the shareholders, customers, employees in the Company and building a long term relationship of trust with them by maintaining transparency and periodical disclosures. The Company believes in maintaining high standards of quality and ethical conduct, in its operations.

2. BOARD OF DIRECTORS**a. Board Composition**

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board of directors comprised of total four Directors, out of these, one is Promoter Director, one is Non-Executive/Non-Independent Director and other two are Independent Directors.

None of the Independent Directors has any material pecuniary relationship or transaction with the Company, its Promoter, its Directors, its senior management, which would affect their independence.

Further, none of the Directors on the Board is a member of more than 10 committees and Chairman in more than 5 Committees, across all companies in which they are director.

b. Board Procedure

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairman of other Committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents, are circulated well in advance of the meeting.

Matters discussed at Board meeting generally relate to Company's performance, quarterly/ half yearly results of the Company, review of the reports of Audit Committee and compliance with their recommendation, suggestion, non-compliance of any regulatory, statutory or listing requirements etc.

c. Attendance at the Board Meeting and the last Annual General Meeting:

During the year under review, the Board of Directors met 5 (five) times on 30th May, 2013, 12th August, 2013, 2nd September, 2013, 7th November, 2013 and 14th February, 2014. As stipulated, the gap between two board meetings did not exceeded four calendar months.

The details of Composition and category of Directors, their attendance at each Board Meetings held during the financial year 2013-2014 and at the last Annual General Meeting, and their directorships in other companies and Chairmanships / Memberships in Committees are as follows:

Name of Directors	Category	Attendance at the Board Meeting		No. of directorship held in other public companies	Membership /Chairmanship position in other companies		Attendance at A.G.M. held on 30 th September, 2013
		Held	Attended		Director	Chairman	
Mr. Tushar Shah	Promoter/ Chairman	5	5	-	-	-	Yes
Mr. Ketan Shah	Non - Executive / Non - Independent Director	5	5	-	-	-	Yes
Mr. Nilesh Dharia	Independent Director	5	5	-	-	-	Yes
Mr. Vinod Bapna	Independent Director	5	5	-	-	-	Yes

Note:

1. The directorship held by directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies, Section 25 Companies and Private Companies.
2. Membership /Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public Limited Companies has been considered.

3. BOARD COMMITTEES**a. Audit Committee**

As on 31st March, 2014 The Committee comprises of two independent and one promoter director having financial background and knowledge in the areas of business of the Company.

The Audit Committee met five times viz. 30th May, 2013, 12th August, 2013, 2nd September, 2013, 7th November, 2013 and 14th February, 2014.

The number of meetings attended by each member during the year ended 31st March, 2014 is as follows:

Name of the Director	Designation	No. of Meetings	
		Held	Attended
Mr. Nilesh Dharia	Chairman	5	5

Mr. Vinod Bapna	Member	5	5
Mr. Tushar Shah	Member	5	5

The terms of reference of the Committee are wide. The members have access to all the required information from the Company. The brief descriptions of terms of reference are as follows:

Reviewing with the management, the annual financial statements before the submission to the Board for approval with particular reference to:

- Matters required to be included in Directors' Responsibility Statement are included in the Directors' Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the Management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements concerning financial statements.
 - Disclosure of related party transactions.
 - Qualification in draft audit Report.
- Recommending the appointment/re-appointment/removal of Statutory Auditors, fixation of audit fees and also approval of payments for any other services.
 - 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 before submission to the Board for approval.
 - Reviewing with management, Statutory Auditors adequacy of the internal control systems in the Company.
 - Discussing with Statutory Auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
 - Reviewing the Company's financial and risk management policies.
 - Compliance with the Stock Exchnages and legal requirements concerning financial statements.

- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committees of Directors of the Company.

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

b. Remuneration Committee (Now Known as Nomination and Remuneration Committee)

The Broad terms of reference of the Nomination and Remuneration Committee are to recommend the Company's Policy on remuneration packages for the Managing Director /Executive Directors, reviewing the structures, design and implementation of remuneration policy in respect of Key Managerial Personnel .

During the year under review, no meeting of the Nomination and Remuneration committee was held. The Composition of the Committee as on 31st March, 2014 is as under.

Name of the Member	Designation
Mr. Nilesh Dharia	Chairman
Mr. Ketan Shah	Member
Mr. Vinod Bapna	Member

The Board of Directors of the Company at its meeting held on 30th May, 2014 had re-christened the Remuneration Committee as the Nomination and Remuneration Committee, to comply with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Companies (Meeting of Board and its Powers) Rules, 2014.

The details of remuneration paid to the Directors during the year ended 31st March, 2014 and their shareholding is as follows:

(Amount in Rs.)

Name of the Directors	Salary & Perquisites	Performance Incentive/ Bonus	Comm ission	Sitting Fees	Total	No. of Shares held
Mr. Tushar Shah	12,00,000	-	-	-	12,00,000	22,09,688
Mr. Ketan Shah	-	-	-	-	-	9,00,000
Mr. Nilesh Dharia	-	-	-	16,000	16,000	-
Mr. Vinod Bapna	-	-	-	16,000	16,000	-

Presently the Company does not have any scheme to grant stock options either to the Whole-time directors or employees.

No remuneration is paid to Non-Executive / Independent Directors.

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

c. Shareholders' / Investors' Grievance Committee (Now Known as Stakeholders' Relationship Committee)

The Stakeholders' Relationship Committee met four times i.e. 30th May, 2013, 12th August, 2013, 7th November, 2013, and 14th February, 2014. The number of meetings attended by each member and composition of the Committee during the year ended 31st March, 2014 is as under:

Name of 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

The Board of Directors of the Company at its Meeting held on 30th May, 2014, had re-christened the Shareholders'/ Investors' Grievance Committee as the Stakeholders' Relationship Committee, to comply with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Companies (Meeting of Board and its Powers) Rules, 2014 (the Rules).

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

The Committee meets as and when required, to deal with the matters relating to Physical transfers, transmissions, issue of duplicate certificates, consolidation/split/renewal of share certificates and monitors redressal of complaints from shareholders relating to transfer, non-receipt of Annual Report, dematerialization of shares, etc.

Status of Investors' Complaints:

Opening	Received during the year	Resolved during the year	Pending during the year
0	0	0	0

Name of Compliance Officer:

Mr. Nehal Shah is the Compliance Officer of the Company.

4. GENERAL BODY MEETINGS AND POSTAL BALLOT PROCESS

a) General Body Meetings

Details of location, date and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Time	Venue
2012-2013	30 th September, 2013	5.30 P.M.	106/108, Jai Hind Building, 1 st Floor, Nagindas Master Road, Fort, Mumbai - 400 001
2011-2012	31 st December, 2012	4.00 P.M.	502, Commerce House, 140, Nagindas Master Road, Fort, Mumbai - 400 001
2010-2011	16 th December, 2011	4.00 P.M.	502, Commerce House, 140, Nagindas Master Road, Fort, Mumbai - 400 001

Details of Special resolution passed in the last three Annual General Meeting are as under.

Date of AGM	Purpose of Special Resolution
30 th September, 2013	No special resolution was passed
31 st December, 2012	To appoint Mr. Tanay Shah, relative of Directors of the Company as Quant Research Analyst
16 th December, 2011	Alteration of Articles of Association of the Company.

No Special Resolution was passed through Postal ballot during the financial year 2013-14. None of the business proposed to be transacted in the ensuing Annual General Meeting require a special resolution passed through Postal Ballot.

5. DISCLOSURES

a) Related party transactions:

During the year under review, there were no related party transactions with its promoters, directors, management and subsidiary that had a potential conflict of interest of the Company at large.

b) Code of Conduct and Practising Company Secretaries Certificate on compliance of clause 49 of the Listing Agreement

The Company has laid down Code of Conduct for the Directors and Senior Management Personnel of the Company. A declaration to the effect that the Directors and Senior Managerial personnel have adhered to the same, signed by the Chairman and Managing Director of the Company and Certificate of Practising Company Secretaries on compliance of clause 49 of the Listing Agreement by the Company forms part of this report.

c) Compliance by the Company

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities. No penalties or strictures have been imposed by the Stock Exchange, SEBI or any statutory authority on the Company.

d) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent possible.

e) Disclosures of Risk Management

The Company has initialed the risk assessment and minimizes procedures.

f) CEO / CFO Certification

In terms of the requirement of Clause 49(V) of the Listing Agreement a certificate from Mr. Tushar Shah, Chairman and Managing Director of the Company, in respect of financial year ended 31st March, 2013 was placed before the Board at its meeting held on 2nd September, 2013.

g) Review of Directors Responsibility Statement

The Board in its report has confirmed that the Annual Accounts for the year ended 31st March, 2013 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

h) Whistler Blower Policy

The Company has no formal Whistle Blower policy, however it takes cognizance of complaint made and suggestions given by the employees and whenever necessary, suitable corrective steps are taken for it. No employee was denied to access the Audit Committee for the same purpose.

i) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements, subject to composition of Board of Directors and appointment of Audit Committee, of Clause 49 of the Listing Agreement. The details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant sections of this report.

6. MEANS OF COMMUNICATION

- a) At present half yearly report on accounts is not being sent to each household of shareholders.
- b) The quarterly, half - yearly and yearly results are published in newspapers viz. 'Business Standard' and 'Mahanayak'.
- c) At present, the Company does not make presentation to institutional investors and analysts.
- d) The Company does not have its own website.
- e) The Management Discussion and Analysis Report given separately forms part of this Annual Report.

7. GENERAL INFORMATION FOR SHAREHOLDERS**a) Date, Time and Venue of Annual General Meeting**

Time : 5.30 p.m.

Date : 30th December, 2014

Day : Tuesday

Venue: 502, Commerce House, 140, Nagindas Master Road, Fort,
Mumbai - 400 001

b) Financial Calendar: (2014-15)

Financial year - 1st April, 2014 to 31st March, 2015

First quarter results - On 8th August, 2014

Second quarter result - On 7th November, 2014

Third quarter result - By 14th February, 2015

Fourth quarter results - By 30th May, 2015

c) Date of Book Closure: 30th December, 2014**d) Dividend Payment Date:** N.A.**e) Listing on Stock Exchange:** BSE Limited

The Company has paid the necessary listing fees for the year 2013-2014.

f) Stock Code: BSE: 530357**g) ISIN:** INE883D01015**h) Market Price Data & comparison with BSE Sensex:**

The monthly high and low quotations of shares traded on the BSE Limited and BSE Sensex during each month in last financial year are as follows:

Month	Company's Shares price at BSE*		BSE Sensex*	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2013	22.80	14.05	19,622.68	18,144.22
May, 2013	18.00	12.00	20,443.62	19,451.26
June, 2013	15.95	11.85	19,860.19	18,467.16
July, 2013	17.51	6.63	20,351.06	19,126.82
August, 2013	7.60	5.60	19,569.20	17,448.71
September, 2013	9.49	6.28	20,739.69	18,166.17
October, 2013	11.90	8.29	21,205.44	19,264.72
November, 2013	12.00	7.80	21,321.53	20,137.67
December, 2013	11.50	9.50	21,483.74	20,568.70
January, 2014	9.50	6.23	21,409.66	20,343.78
February, 2014	8.50	4.71	21,140.51	19,963.12
March, 2014	6.55	5.68	22,467.21	20,920.98

*Source: www.bseindia.com

i) Share Transfer System :

All shares sent for transfer in physical form are registered by the Company's Registrar and Share Transfer Agents (RTA) within a period of 15 days of the lodgment, if documents, are found in order. Shares under objection are returned within two weeks. All requests for

dematerialization of shares are promptly processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CSDL) within 21 days.

j) Shareholding pattern as at 31st March, 2014:

Sr. No	Category of Holders	No. of Shares held	% of Shares held
1.	Promoter and Promoter group	31,13,128	36.53
2.	Mutual Funds/UTI	-	-
3.	Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	-	-
4.	Venture Capital Funds	-	-
5.	FILs	65,949	0.77
6.	Bodies Corporate	96,390	1.13
7.	Individuals	21,18,128	24.86
8.	Clearing Member	6421	0.08
9.	Directors and their relatives and friends	9,00,000	10.56
10.	NRI/OCBs	1,172	0.01
11.	Trust	-	-
12.	Foreign Corporate Bodies	-	-
13.	Shares held by Custodians and against which Depository Receipts have been issued		
	- Promoters & Promoters Group	-	-
	- Public	22,20,000	26.06
	TOTAL	85,21,188	100.00

k) The Distribution of Shareholding as on 31st March 2014:

Slab of Shares Holding		Share Holders	Percentage %	Shares	Percentage %
From	To				
1	500	457	70.52	92237	1.08
501	1000	56	8.64	48248	0.57
1001	2000	37	5.71	59464	0.70
2001	3000	22	3.40	56189	0.66
3001	4000	12	1.85	43350	0.51
4001	5000	9	1.39	41596	0.49
5001	10000	23	3.55	161383	1.89
10001 and above		32	4.94	8018721	94.10
TOTAL		648	100.00	8521188	100.00

l) Dematerialisation of Shares:

As on 31st March, 2014 about 98.25% of the Company Equity Shares have been dematerialized.

m) Outstanding ADRs, GDRs, Warrants or any convertible instruments, conversion date and impact on Equity:

Outstanding 11,10,000 GDRs as on 31st March, 2014 represent 22,20,000 Equity Shares constituting 26.05% of the paid up Share Capital of the Company. Each GDR represents two underlying equity shares of Rs. 10/- each. The said GDRs are listed on Luxembourg Stock Exchange, Luxembourg.

n) Registrar and Share Transfer Agents:**Link Intime India Private Limited**

Unit : KBS India Limited
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (West),
Mumbai - 400 078
Tel. No.: 022-25963838
Fax No.: 022-2594696
Email : mumbai@linkintime.co.in

o) Address for investor correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to:

For General Correspondance:

Link Intime India Private Limited
Unit: KBS India Limited
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (West), Mumbai - 400 078
Tel. No.: 022-25963838
Fax No.: 022-2594696
Email : mumbai@linkintime.co.in

Compliance Officer
Mr. Nehal Shah
502, Commerce House
140, Nagindas Master Road
Fort, Mumbai - 400 001
Tel. No.: 022 - 2264 2670/74
Fax No.: 022 - 2264 2673
Email : investors@kbs.co.in

CEO's DECLARATION ON CODE OF CONDUCT

To
The Members of
KBS INDIA LIMITED

I, Tushar Shah, Chairman & Managing Director of the Company declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct during the year 2013-14.

For KBS India Limited

Place: Mumbai
Date: 14.11.2014

Tushar Shah
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
KBS INDIA LIMITED

We have examined the Compliance of the conditions of Corporate Governance by **KBS INDIA LIMITED** for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said company with the BSE Limited.

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

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

We state that in respect of investor Grievances received, generally no investor grievances are pending for a period exceeding one month against the company as per records maintained by the Company in present.

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

*For Manish Ghia & Associates
Company Secretaries*

Manish L. Ghia
Partner
M. No.: FCS 6252 C. P. No. : 3531

Place: Mumbai
Date: 14.11.2014

INDEPENDENT AUDITOR'S REPORT

To
The Shareholders of KBS India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of the KBS India Limited, which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956, 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 Bank as at 31st March, 2014;
- (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 Cash Flow Statement, of cash flows for the year ended on that date.

Report on Other Legal and Regulatory Matters

1. As required by the Companies (Auditors Report) Order, 2003, as amended, issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered necessary and appropriate, and according to the information and explanations given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion the company has kept proper books of account as required by the law have been kept by the Company so far as appears from our examinations of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in the sub - sections (3C) of the section 211 of the companies Act, 1956.
 - e) On the basis of written representations received from directors, as on 31st March 2014 and taken on the record by the Board of Directors, we report none of the Directors are disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
Gopal Rao & Associates
Chartered Accountants

N. G. Rao
(Proprietor)
Membership No. 33665
Firm Registration No. 127055W

Place: Mumbai
Date: 30.05.2014

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

1. a. The Company has maintained proper record showing 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.
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.
- c. In our opinion and according to the explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- d. 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 301 of the Companies Act, 1956:
 - b. The company has given loan to its subsidiary. In respect of the said loan, the maximum amount outstanding as on 31/03/2014 is Rs. 12,92,89,784/-.
 - f. 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.
 - g. The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.
 - h. 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.
 - i. The company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanation given to us, generally there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchase of shares, fixed assets and for sale of the shares. Further, on the basis of our examinations of books and records of the company, and according to the information and explanations given to

us, we have neither come across nor have been informed of any continuing failure to correct this major weakness in the aforesaid internal control procedures.

5. According to the information and explanations provided by the management, we are of the opinion that, the transactions that need to be entered into the register maintained under section 301 have been so entered.
6. 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 58A and 58AA of the Companies Act, 1956 and rules framed there under apply.
7. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. 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. However, the undisputed statutory dues outstanding for more than six months are as per Annexure "A" attached.
b) 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.
10. The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses during the year under report.
11. On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to bank.
12. As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. On the basis of the records examined by us and evaluation of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of dealings in shares and securities and other investment and timely entries have been made therein. The aforesaid securities have been held by the Company except to the extent of exemption granted under section 49 of the Companies Act, 1956.
15. According to information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by

others from any bank or financial institutions. Accordingly, clause 4 (xv) of the Order is not applicable.

16. As explained to us, the Company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company and after placing reliance on the reasonable assumptions made by the Company, there are no funds raised on a short-term basis, which have been used for long-term investment, and vice versa.
18. The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. As per information & explanations given to us, and on the basis of the records and documents examined by us, the Company has not issued any secured debentures during the year.
20. As per information & explanations given to us, and on the basis of the records and documents examined by us, The Company has not raised money during the year.
21. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

For and on behalf of
Gopal Rao & Associates
Chartered Accountants

(N.G.Rao)
Proprietor

Membership No. 33665
Firm Registration No. 127055W

Date: 30.05.2014
Place: Mumbai

BALANCE SHEET AS ON 31ST MARCH, 2014

PARTICULARS	Note No	As on 31.03.2014 Rs.	As on 31.03.2013 Rs.
I EQUITY & LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	90,211,880	90,211,880
(b) Reserves and surplus	2	157,604,275	157,258,267
(c) Money received against share warrants		-	-
2. Share application money pending allotment			
3. Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
4. Current Liabilities			
(a) Short Term Borrowings	3	1,180,500	1,925,500
(b) Trade Payables	4	238,377	1,224,720
(c) Other Current Liabilities	4A	4,730,414	4,700,155
(d) Provisions	5	927,283	717,796
TOTAL		254,892,729	256,038,318
II ASSETS			
1. Non Current Assets			
a) Fixed Assets	6		
(i) Tangible			
Gross Block		17,100,046	16,920,975
Less: Depreciation		14,743,770	14,340,337
Less: Gain/Loss on sale of asset		23,603	-
Net Block		2,332,673	2,580,638
(ii) Intangible	6	19,601,000	19,601,000
b) Non Current Investment	7	3,243	3,243
c) Long Term Loans & Advances		-	-
2. Current Assets			
(a) Current investments	8	8,696,817	8,696,817
(b) Inventories		-	-
(c) Trade receivables	9	38,367,562	52,625,028
(d) Cash and cash equivalents	10	2,007,938	6,398,608
(e) Short-term loans and advances	11	172,140,039	155,596,500
(f) Other current assets	12	11,743,457	10,536,484
TOTAL		232,955,813	233,853,437
		254,892,729	256,038,318

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

FOR KBS INDIA LIMITED

As per our Audit Report of Even Date
FOR GOPAL RAO & ASSOCIATES
CHARTERED ACCOUNTANTS

Tushar Shah
MANAGING DIRECTOR

Ketan Shah
DIRECTOR

N.G.RAO
(PROPRIETOR)

PLACE :- MUMBAI
DATE :- 30th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Note No.	Year Ended 31.03.2014 Rs.	Year Ended 31.03.2013 Rs.
INCOME			
Revenue From Operations	13	6,142,240	3,766,158
Other Income	14	20,890,876	13,440,912
Total Income		27,033,116	17,207,070
EXPENDITURE			
Administration Expenses	15	19,918,087	8,648,402
Employee Benefit Expenses	16	4,342,992	4,707,096
Finance Charges	17	941,500	723,742
Depreciation	6	403,433	450,519
Other Expenses	18	871,609	1,224,073
Total Expenditure		26,477,621	15,753,832
Profit / (Loss) before exceptional and extraordinary items and tax		555,495	1,453,238
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		555,495	1,453,238
Extraordinary items			
Profit / (Loss) before tax		555,495	1,453,238
Tax expense:			
Less: Provision for - Current Tax		209,487	413,139
- Deferred Tax		-	-
Profit / (Loss) after Taxation		346,008	1,040,099
Earning Per Share			
(a) Basic and Diluted		0.04	0.21
Balance Carried to Balance Sheet		346,008	1,040,099

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

FOR KBS INDIA LIMITED

As per our Audit Report of Even Date
FOR GOPAL RAO & ASSOCIATES
CHARTERED ACCOUNTANTS

Tushar Shah
MANAGING DIRECTOR

Ketan Shah
DIRECTOR

N.G.RAO
(PROPRIETOR)

PLACE :- MUMBAI
DATE :- 30th May, 2014

CASH FLOW STATEMENT

Particulars	Notes	For the year ended	
		31st March, 2014	31st March, 2013
Cash Flows from Operating Activities			
Net Profit Before Tax		555,495	1,453,238
Add: Depreciation and amortization	6	403,433	450,519
Less: Interest Income	14	(4,111,749)	(6,518,625)
Operating Profit before working capital Changes		(3,152,821)	(4,614,868)
Increase /(Decreases) in Short Term Borrowings	3	(745,000)	(100,000)
Increase /(Decreases) in Trade Payables	4	(986,343)	985,894
Increase /(Decreases) in Other Current Liabilities	4A	30,260	2,202,826
Increase /(Decreases) in Provisions	5	-	(352,120)
(Increase) /Decreases in Current Investment	8	-	(31,730)
(Increase) /Decreases in Trade Receivables	9	14,257,465	3,906,434
(Increase) /Decreases in Short Term Loans & Advances	11	(16,543,539)	(11,574,147)
(Increase) /Decreases in Other current Assets	12	(1,206,974)	(3,159,547)
Foreing Currency Translation gain/(loss)		-	-
Cash Flows from Operating Activities		(8,346,952)	(12,737,258)
Cash Flows from Investing Activities			
Interest received	14	4,111,749	6,518,625
Gain on Sale of Asset		23,603	-
Purchase of Fixed Assets	6	(179,071)	(139,014)
Cash Flows from Investing Activities		3,956,281	6,379,611
Cash Flows from Financing Activities			
		-	-
Net Increase / (Decrease) in Cash & Cash Equivalents		(4,390,671)	(6,357,647)
Cash & Cash Equivalents at beginning of the period		6,398,609	12,756,256
Cash & Cash Equivalents at end of the period		2,007,938	6,398,609

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

FOR KBS INDIA LIMITED

As per our Audit Report of Even Date
FOR GOPAL RAO & ASSOCIATES
CHARTERED ACCOUNTANTS

Tushar Shah
Managing Director

Ketan Shah
Director

N.G.RAO
(PROPRIETOR)

PLACE :- MUMBAI
DATE :- 30th May,2014

NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2014

NOTE - 1	Share Capital	As at 31 March, 2014	As at 31 March, 2013
	AUTHORISED		
	120,000,00 (2012-120,000,00) Equity Shares @ Rs. 10/- each	120,000,000	120,000,000
	2,00,000 (2012- 2,00,000) 0% Redeemable Preference Shares @ Rs. 100/- each	20,000,000	20,000,000
	TOTAL	140,000,000	140,000,000
	ISSUED, SUBSCRIBED AND PAID UP		
	85,21,188 (2012- 85,21,188) Equity shares @ Rs. 10/- each fully paid up (Out of the above Share Capital 23,00,000 Equity Shares of Rs 10 each fully paid up has been issued to Foreign Depository as underlying shares against 11,50,000 GDRs)	85,211,880	85,211,880
	50,000 (2012- 50,000) 0% Redeemable Pref. Shares @ Rs. 100/- each	5,000,000	5,000,000
	TOTAL	90,211,880	90,211,880

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

PARTICULARS	Opening Balance	Additions	Deductions	Closing Balance
Authorised Capital				
1,20,00,000 Equity Shares of Rs.10 Each	120000000	-	-	120000000
2,00,000 Preference Shares of Rs. 100 Each	20000000	-	-	20000000
Issued Share Capital				
85,21,188 Equity Shares of Rs.10 Each	85211880	-	-	85211880
50,000 Preference Shares of Rs. 100 Each	5000000	-	-	5000000
Subscribed and Fully Paid up Capital				
85,21,188 Equity Shares of Rs.10 Each	85211880	-	-	85211880
50,000 Preference Shares of Rs. 100 Each	5000000	-	-	5000000
Calls Unpaid	-	-	-	-
Forfeited Shares	-	-	-	-
TOTAL	90,211,880	-	-	90,211,880

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Tushar Suresh Shah	2209688	25.93	2209688	25.93
Ketan Babulal Shah	900000	10.56	900000	10.56
Yogesh Chandawalla	893492	10.49	900000	10.56
Madhu Suresh Shah	881220	10.34	881220	10.34
Equity shares without voting rights				
The Bank of New York Mellon	2300000	26.99	2300000	26.99
Total	7184400	84.31	7190908	84.38
0% Redeemable preference shares				
M/s Rivoli	50000	100	50000	100

NOTE - 2	Reserves & Surplus	As at 31 March, 2014	As at 31 March, 2013
	Share Premium Account	112,689,850	112,689,850
	Capital Reserve	936,569	936,569
	General Reserve	5,000,000	5,000,000
	<u>Profit & Loss Account</u>		
	Opening Balance:	38,631,848	
	Add : Foreign Currency Translation Res.	-	
	Add : Profit During the year	346,008	
		38,977,856	38,631,848
	TOTAL	157,604,275	157,258,267
NOTE - 3	Short Term Borrowings	As at 31 March, 2014	As at 31 March, 2013
	Loans repayable on demand		
	From Individuals / Firms	1,180,500	1,925,500
	From Companies	-	-
	TOTAL	1,180,500	1,925,500
NOTE - 4	Trade Payable	As at 31 March, 2014	As at 31 March, 2013
	Trade Payable	238,377	1,224,720
	TOTAL	238,377	1,224,720
NOTE - 4A	Other Current Liabilities	As at 31 March, 2014	As at 31 March, 2013
	Other Current Liabilities	4,730,414	4,700,155
	TOTAL	4,730,414	4,700,155
NOTE - 5	Provisions	As at 31 March, 2014	As at 31 March, 2013
	Provision For Tax	927,283	717,796
	TOTAL	927,283	717,796

FIXED ASSETS AS ON 31ST MARCH 2014

Note - 6 FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION				Gain/Loss on sale		NET BLOCK	
	COST AS AT 01.04.2013	ADDITIONS / (DEDUCTIONS) DURING THE YEAR	COST AS AT 31.03.2014	BALANCE AS ON 01.04.2013	RATE OF DEP %	DURING THE YEAR	BALANCE AS ON 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
TANGIBLE ASSETS											
COMPUTER	8,128,886	61,248	8,190,134	6,771,939	13.91	193,972	6,965,931	-	-	1,224,203	1,356,927
WEBSITE	4,258,303	0	4,258,303	3,609,791	13.91	90,208	3,699,999	-	-	538,304	648,512
MOTOR CAR (EL-6218)	863,482	(30,000.00)	833,482	795,081	25.89	14,798	809,879	23,603.00	-	-	68,401
MOTOR CAR (EL-6362)	876,276	0	876,276	806,862	25.89	17,971	824,833	-	-	51,443	69,414
AIR CONDITIONER	659,067	32,500	691,567	538,228	13.91	21,112	559,360	-	-	132,207	120,839
OFFICE EQUIPMENT	769,860	66,023	835,883	689,314	13.91	17,341	706,655	-	-	129,028	80,340
FURNITURE & FIXTURES	1,365,101	49,300	1,414,401	1,128,902	18.10	48,011	1,176,913	-	-	237,488	236,199
TOTAL (A)	16,926,976	179,071	17,106,046	14,340,337	-	403,433	14,743,770	23,603	0	2,332,673	2,690,638
INTANGIBLE ASSETS											
BSE STOCK EXCHANGE MEMBERSHIP CARD	10,000,000	0	10,000,000	0	0	0	0			10,000,000	10,000,000
NSE CARD DEPOSIT	7,650,000	0	7,650,000	0	0	0	0			7,650,000	7,650,000
USE CARD	1,951,000	0	1,951,000	0	0	0	0			1,951,000	1,951,000
TOTAL (B)	19,601,000	0	19,601,000	0	0	0	0	0	0	19,601,000	19,601,000
TOTAL (A + B)	36,528,976	179,071	36,708,046	14,340,337	0	403,433	14,743,770	23,603	0	21,933,673	22,181,638
Tangible Assets	16,712,261	69,700	16,781,961	13,374,530	-	515,288	13,889,818	0	0	2,892,143	3,337,731
Intangible Assets	20,101,000	-500,000	19,601,000	0	-	0	0	0	0	19,601,000	20,101,000
Total	36,813,261	-430,300	36,382,961	13,374,530	-	515,288	13,889,818	0	0	22,483,143	23,488,731

NOTE: 1. Figures shown below total are of previous year.
2. Depreciation is calculated at the rates specified in schedule XIV of Companies Act, 1956 based on WDV method.

NOTE - 7	Non Current Investments	As at 31 March, 2014	As at 31 March, 2013
	In Subsidiary companies		
	2(2011-12)Equity Share of US \$ 1=Rs.46.35 each KBS Capital Management (Singapore)Pte	93	93
	50 Shares of Jaihind Co-op Bank	3150	3150
	Total	3,243	3,243
NOTE - 8	Current Investment	As at 31 March, 2014	As at 31 March, 2013
	Other Investments (Valued at cost)		
	Secured Considered Good	8,266,337	8,266,337
	Share Stock (Deposit With BSE)	398,750	398,750
	Share Stock (Own Trading)	31,730	31,730
	Total	8,696,817	8,696,817
NOTE - 9	Trade Receivable	As at 31 March, 2014	As at 31 March, 2013
	Amount Outstanding for a period exceeding six months	38,367,562	52,625,028
	Unsecured , Considered Good		
	Others	-	-
	Unsecured , Considered Good		
	Total	38,367,562	52,625,028
NOTE - 10	Cash and Bank Balances	As at 31 March, 2014	As at 31 March, 2013
	Cash Balance	362,557	1,452,335
	Bank Balances	145,381	3,446,272
	Other - Fixed Deposits	1,500,000	1,500,000
	Total	2,007,938	6,398,608
NOTE - 11	Short Term Loans & Advances	As at 31 March, 2014	As at 31 March, 2013
	Short Term Loans & Advances Other	42,728,973	41,793,225
	Secured Considered Good		
	Short Term Loans & Advances To Relatives	129,411,066	113,803,275
	Secured Considered Good		
	Total	172,140,039	155,596,500
NOTE - 12	Other Current Assets	As at 31 March, 2014	As at 31 March, 2013
	Other Current Assets	11,743,457	10,536,484
	Total	11,743,457	10,536,484
NOTE - 13	Revenue From Operation	As at 31 March, 2014	As at 31 March, 2013
	Brokerage Income	6,549,539	3,666,302
	Income / (Loss) on Share Trading	(407,299)	99,856
	Advisory Fees	-	-
	Total	6,142,240	3,766,158
NOTE - 14	Other Income	As at 31 March, 2014	As at 31 March, 2013
	Interest Income	4,111,749	6,518,625
	Other Income	16,779,127	6,922,287
	Total	20,890,876	13,440,912
NOTE - 15	Administrative Expenses	As at 31 March, 2014	As at 31 March, 2013
	Administrative Expenses	19,918,087	8,648,402
	TOTAL	19,918,087	8,648,402

NOTE - 16	Payments to Employees	As at 31 March, 2014	As at 31 March, 2013
	Salaries & Bonus	1,983,215	2,437,576
	Employees E.S.I.C./c	78,960	14,442
	Leave Encashment	326,677	320,784
	Director's Meeting Fees	35,956	39,956
	Director's Remuneration	1,200,000	1,200,000
	Staff Welfare	312	5,602
	Medical Allowance	75,000	71,463
	Conveyance Allowance	48,249	45,318
	Education Allowance	12,000	10,458
	HRA	524,123	501,929
	Gratuity	-	-
	Total	4,342,992	4,707,096

NOTE - 17	Finance Charges	As at 31 March, 2014	As at 31 March, 2013
	Bank Charges & Commission	85,730	128,361
	Bank Interest	740,553	540,969
	Other Interest	115,217	54,412
	Finance Cost	-	-
	TOTAL	941,500	723,742

NOTE - 18	Other Expenses	As at 31 March, 2014	As at 31 March, 2013
	Other Expenses	871,609	1,224,073
	TOTAL	871,609	1,224,073

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE
YEAR ENDED 31ST MARCH, 2014

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:

Fixed Assets are stated at cost less depreciation.

iii. DEPRECIATION:

Depreciation on Fixed Assets is charged in the account on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

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.

vii. RETIREMENT BENEFITS:

No provision for future liabilities made in respect of gratuity, leave encashment, etc.

1. Balances of Sundry Debtors, Sundry Creditors and payables, deposits, loans & advances given or taken from the parties, are subject to confirmation.
2. As Company being share and stock broking and Investment Company additional information as required under part II of Schedule – VI of Companies Act, 1956, is irrelevant and not applicable.
3. Number of Employees of the Company in respect of or entitled to receive emolument in the aggregate of Rs.12,00,000/- or more per annum or Rs. 1, 00,000/- or more per month employed for part of the year:
ONE
4. As there is no remuneration paid in excess of the minimum limit as specified under section 349 of the Companies Act, 1956 to the Managerial Persons, calculation of net profit under the said section 349 is not required.

5. Details of Auditors Remuneration (inclusive of Service Tax):

	<u>Current Year</u>	<u>Previous Year</u>
Audit Fees	44,120/-	44,120/-
Tax Audit Fees	11,030/-	11,030/-
Certification Charges	22,060/-	22,060/-
Income Tax Consultancy Charges	11,030/-	11,030/-
	88,240 /-	88,240/-

6. 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 account as under:

As on 31 st March 2014, the Depreciation as per Companies Act, 1956	Rs. 4,03,433/-
As on 31 st March 2013, the Depreciation as per Income Tax Act, 1961	Rs. 2,80,980/-
Current year Timing Difference	Rs. 1,22,453/-
Deferred Tax Asset not recognized @30.90% on Rs. 1, 22,453/-	Rs. 37,838/-

7. 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.2013-14	F.Y.2012-13
Profit/(Loss) available to the Equity Shareholders	Rs.346,008/-	Rs.14,53,238/-
Weighted average No. of equity share for Basic EPS	85,21,188	85,21,188
Nominal Value of equity shares	Rs. 10	Rs. 10
Earning Per Share (Basic/ Diluted)	Rs.0.04	Rs.0.17

8. CONTINGENT LIABILITY NOT ASCERTAINED:

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

9. 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.
10. The foreign currency rate fluctuation on balance as on 31/03/2014 of US \$ 21,02,105.38/- is Rs. 12,654,674/- credited to the Profit & Loss Account is in accordance with AS 11(Revised) The Effects of Changes in Foreign Exchange Rates.
11. During the year The Company has debited to Profit and Loss A/c. as Bad debts of Rs. 1,42,57,465.44/-.
12. During the year, the company has made payments of ESIC for the periods May-13 and June-13.
13. The company has not filed the TDS return for the last quarter.
14. Service tax liability for the year is still partly unpaid.
15. Profession Tax for the month of March 14 is unpaid.
16. Rate of Interest on ICD given to Supama Financial Services, RSM Exim and Oasis Heights Developers LLP is charged @ 9% P.A.
17. Loan given by PJ Mewawala and Divya Finance and Investments are no longer payable and hence has been written back amounting to Rs.650,000/-
18. In the opinion of the management, the following Debtors shown in the Balance sheet are consider more than six months:

(Rs. In Thousand)		
Sr No.	Name of Debtors	Balance as on 31.03.2014
1.	Shrim Capital Management	38,367,562/-
	Total Amount	38,367,562/-

19. 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
8	Others (Independent Director)	Mr Ghanshyam V Karkera
9	Others (Independent Director)	Mr VinodKumar G Bapna
10	Others (Independent Director)	Mr Nilesh Dharia

II - List of Transactions entered with them

(Rs. In Thousand)

Sr No	Nature of Transactions	Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Remuneration Paid	-	-	12,00.00	12,00.00	-	-	12,00.00	12,00.00
2	Director Meeting Fees	-	-	32.00	39.96	-	-	32.00	39.96
3	Interest Received	3474.26	30,54.84					3474.26	30,54.84
4	Loan Repaid by	-	-					-	-
5	Brokerage Received	-	-	8.07	10.66	46.88	51.29	54.95	61.95
6	Salary	-	-	-	-	120.00/-	540.00/-	120.00/-	540.00/-
7	Sundry Payable	-	-	-	-	-	157.43/-	-	157.43/-
	Outstanding Liabilities								
1	Loan given to	12,94,11.07	11,38,03.28	-	-	-	-	12,94,11.07	11,38,03.28

20. 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 Rs. 6,549,539/- and other is trading of shares from which loss is Rs. (407,299/-)

21. Principal of Consolidation:

- a) The consolidated financial statements relate to KBS India Limited, the holding company and its foreign subsidiary. The consolidation of accounts of the company with its subsidiary has been prepared in accordance with the Accounting Standard (AS) 21 'Consolidated financial Statements' taking into

considerations the stipulations mentioned in Accounting Standard (AS) 11 'The Effects of Changes in Foreign Exchange Rates'. The financial statements of the parent and its Foreign Subsidiary are combined on a line by line basis and intra group balances, intra group transactions and unrealized profits or losses are fully eliminated.

- b) Foreign Currency Translation Gain of Rs. 12,654,674/- is been added to the Profit & Loss Account.
- c) As it is a 100% Foreign Subsidiary the Minority Interest is NIL

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

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

**FOR GOPAL RAO & ASSOCIATES
CHARTERED ACCOUNTANTS**

**Tushar Shah
MANAGING DIRECTOR**

**Ketan Shah
DIRECTOR**

**(N. G. RAO)
PROPRIETOR**

Place: Mumbai.
Date: 30th May, 2014

INDEPENDENT AUDITOR'S REPORT

To
The Shareholders of KBS India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of the KBS India Limited and its subsidiary, which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated financial statements 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 31st March, 2014;
- (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 consolidated Cash Flow Statement, of cash flows for the year ended on that date.

Report on Other Matters

We did not audit the financial statements of subsidiary included in the consolidated financial statements, These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

*For and on behalf of
Gopal Rao & Associates
Chartered Accountants*

*N. G. Rao
(Proprietor)
Membership No. 33665
Place: Mumbai
Date: 14th November, 2014*

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2014

PARTICULARS	Note No	AS AT 31.03.14	AS AT 31.03.13
I EQUITY & LIABILITIES			
1. Shareholders' funds			
(a) Share capital	1	90,211,880	90,211,880
(b) Reserves and surplus	2	159,949,658	159,139,250
(c) Money received against share warrants		-	-
2. Share application money pending allotment			
3. Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
4. Current Liabilities			
(a) Short Term Borrowings	3	1,180,500	1,925,500
(b) Trade Payables	4	238,377	1,224,720
(c) Other Current Liabilities	4A	7,072,511	5,999,913
(d) Provisions	5	973,260	749,541
TOTAL		259,626,186	259,250,805
II ASSETS			
1. Non Current Assets			
a) Fixed Assets	6		
(i) Tangible			
Gross Block		17,100,046	16,920,975
Less: Depreciation		14,743,770	14,340,337
Less: Gain/Loss on sale of asset		23,603	-
Net Block		2,332,673	2,580,638
(ii) Intangible	6	19,601,000	19,601,000
b) Non Current Investment	7	3,243	3,243
c) Long Term Loans & Advances		-	-
2. Current Assets			
(a) Current investments	8	8,696,817	8,696,817
(b) Inventories		-	-
(c) Trade receivables	9	38,367,562	52,625,028
(d) Cash and cash equivalents	10	2,021,640	6,445,549
(e) Short-term loans and advances	11	176,859,792	158,762,046
(f) Other current assets	12	11,743,457	10,536,484
TOTAL		237,689,270	237,065,923
		259,626,186	259,250,804

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

FOR KBS INDIA LIMITED

As per our Audit Report of Even Date
FOR GOPAL RAO & ASSOCIATES
CHARTERED ACCOUNTANTS

Tushar Shah
Managing Director

Ketan Shah
Director

N.G.RAO
(PROPRIETOR)

PLACE :- MUMBAI
DATE :- 14th November, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Note No.	CURRENT YEAR	PREVIOUS YEAR
INCOME			
Revenue From Operations	13	6,142,240	3,766,158
Other Income	14	25,032,307	17,167,511
Total Income		31,174,547	20,933,669
EXPENDITURE			
Administration Expenses	15	20,333,018	9,023,663
Employee Benefit Expenses	16	4,342,992	4,707,096
Finance Charges	17	4,415,761	3,778,613
Depreciation	6	403,433	450,519
Other Expenses	18	871,609	1,224,073
Total Expenditure		30,366,813	19,183,965
Profit / (Loss) before exceptional and extraordinary items and tax		807,735	1,749,704
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		807,735	1,749,704
Extraordinary items			
Profit / (Loss) before tax		807,735	1,749,704
Tax expense:			
Less: Provision for - Current Tax		220,185	434,987
- Deferred Tax			
Profit / (Loss) after Taxation		587,550	1,314,717
Earning Per Share			
(a) Basic and Diluted			
Balance Carried to Balance Sheet		587,550	1,314,717

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

FOR KBS INDIA LIMITED

As per our Audit Report of Even Date
FOR GOPAL RAO & ASSOCIATES
CHARTERED ACCOUNTANTS

Tushar Shah
Managing Director

Ketan Shah
Director

N.G.RAO
(PROPRIETOR)

PLACE :- MUMBAI

DATE :- 14th November, 2014

CONSOLIDATED CASH FLOW STATEMENT

Particulars	Notes	For the year ended	
		31.03.2014	31.03.2013
Cash Flows from Operating Activities			
Net Profit Before Tax		807,735	1,749,705
Adjustment for Interest Expenditure		3,474,261	3,054,871
Adjustment for Interest Income		(4,141,431)	(3,726,599)
Add: Depreciation and amortization	6	403,433	450,519
Less: Interest Income	14	(4,111,749)	(6,518,625)
Operating Profit before working capital Changes		(3,567,751)	(4,990,129)
Increase /(Decreases) in Short Term Borrowings	3	(745,000)	(100,000)
Increase /(Decreases) in Trade Payables	4	(986,343)	985,894
Increase /(Decreases) in Other Current Liabilities	4A	927,914	2,089,204
Increase /(Decreases) in Provisions	5	-	(352,120)
(Increase) /Decreases in Current Investment	8	-	(31,730)
(Increase) /Decreases in Trade Receivables	9	14,257,465	3,906,434
(Increase) /Decreases in Short Term Loans & Advances	11	(16,543,539)	(11,574,147)
(Increase) /Decreases in Other current Assets	12	(1,206,974)	(3,159,547)
Foreing Currency Translation gain/(loss)			-
Cash Flows from Operating Activities		(7,864,229)	(13,226,141)
Cash Flows from Investing Activities			
Interest received	14	4,111,749	6,518,625
Gain on Sale of Asset		23,603	-
Purchase of Fixed Assets	6	(179,071)	(139,014)
Cash Flows from Investing Activities		3,956,281	6,379,611
Cash Flows from Financing Activities		(521,187)	622,190
Net Increase / (Decrease) in Cash & Cash Equivalents		(4,429,135)	(6,224,340)
Cash & Cash Equivalents at beginning of the period			
Cash & Cash Equivalents at end of the period		(4,429,135)	(6,224,340)

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

FOR KBS INDIA LIMITED

As per our Audit Report of Even Date
FOR GOPAL RAO & ASSOCIATES
CHARTERED ACCOUNTANTS

Tushar Shah
Managing Director

Ketan Shah
Director

N.G.RAO
(PROPRIETOR)

PLACE :- MUMBAI
DATE :- 14th November, 2014

KBS INDIA LIMITED

NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2014

NOTE - 1

Share Capital	As at 31 March, 2014	As at 31 March, 2013
AUTHORISED		
120,000,00 (2012-120,000,00) Equity Shares @ 2,00,000 (2012- 2,00,000) 0% Redeemable Preference Shares @ Rs. 100/- each	120,000,000	120,000,000
TOTAL	140,000,000	140,000,000

ISSUED, SUBSCRIBED AND PAID UP		
10/- each fully paid up	85,211,880	85,211,880
(Out of the above Share Capital 23,00,000 Equity Shares of Rs 10 each fully paid up has been issued to Foreign Depository as Shares @ Rs. 100/- each	5,000,000	5,000,000
TOTAL	90,211,880	90,211,880

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

PARTICULARS	Opening Balance	Additions	Deductions	Closing Balance
Authorised Capital				
1,20,00,000 Equity Shares ofRs.10 Each	120000000	-	-	120000000
2,00,000 Preference Shares of Rs. 100 Each	20000000	-	-	20000000
Issued Share Capital				
85,21,188 Equity Shares of Rs.10 Each	85211880	-	-	85211880
50,000 Preference Shares of Rs. 100 Each	5000000	-	-	5000000
Subscribed and Fully Paid up Capital				
85,21,188 Equity Shares ofRs.10 Each	85211880	-	-	85211880
50,000 Preference Shares of Rs. 100 Each	5000000	-	-	5000000
Calls Unpaid	-	-	-	-
Forfeited Shares	-	-	-	-
TOTAL	90,211,880	-	-	90,211,880

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Tushar Suresh Shah	2209688	25.93	2209688	25.93
Ketan Babulal Shah	900000	10.56	900000	10.56
Yogesh Chandawalla	893492	10.49	900000	10.56
Madhu Suresh Shah	881220	10.34	881220	10.34
Equity shares without voting rights				
The Bank of New York Mellon	2300000	26.99	2300000	26.99
Total	7184400	84.31	7190908	84.38

0% Redeemable preference shares

M/s Rivoli	50000	100	50000	100
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NOTES FORMING PART OF BALANCE SHEET AS ON 31.03.2014

NOTE - 2	Reserves & Surplus	As at 31 March, 2014	As at 31 March, 2013
	Share Premium Account	112,689,850	112,689,850
	Capital Reserve	936,569	936,569
	General Reserve	5,000,000	5,000,000
	<u>Profit & Loss Account</u>		
	Opening Balance: 38,631,848		
	Add : Foreign Currency Translation Res. -		
	Add : Profit During the year 346,008		
		41,323,239	40,512,831
	TOTAL	159,949,658	159,139,250
NOTE - 3	Short Term Borrowings	As at 31 March, 2014	As at 31 March, 2013
	Loans repayable on demand		
	From Individuals / Firms	1,180,500	1,925,500
	From Holding Company	-	-
	TOTAL	1,180,500	1,925,500
NOTE - 4	Trade Payable	As at 31 March, 2014	As at 31 March, 2013
	Trade Payable	238,377	1,224,720
	TOTAL	238,377	1,224,720
NOTE - 4A	Other Current Liabilities	As at 31 March, 2014	As at 31 March, 2013
	Other Current Liabilities	7,072,511	5,999,913
	TOTAL	7,072,511	5,999,913
NOTE - 5	Provisions	As at 31 March, 2014	As at 31 March, 2013
	Provision For Tax	973,260	749,541
	TOTAL	973,260	749,541

FIXED ASSETS AS ON 31ST MARCH 2014

Note - 6 FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION			Gain/Loss on sale		NET BLOCK		
	COST AS AT 01.04.2013	ADDITIONS / (DEDUCTION) DURING THE YEAR	COST AS AT 31.03.2014	BALANCE AS ON 01.04.2013	RATE OF DEP %	DURING THE YEAR	BALANCE AS ON 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
TANGIBLE ASSETS											
COMPUTER	8,128,886	61,248	8,190,134	6,771,959	13.91	193,972	6,965,931	-	-	1,224,203	1,356,927
WEBSITE	4,258,303	0	4,258,303	3,609,791	13.91	90,208	3,699,999	-	-	558,304	648,512
MOTOR CAR (EL-6218)	863,482	(30,000.00)	833,482	795,081	25.89	14,798	809,879	23,603.00	-	-	68,401
MOTOR CAR (EL-6562)	876,276	0	876,276	806,862	25.89	17,971	824,833	-	-	51,443	69,414
AIR CONDITIONER	699,067	32,500	731,567	538,228	13.91	21,132	559,360	-	-	132,207	120,839
OFFICE EQUIPMENT	769,860	66,023	835,883	689,514	13.91	17,341	706,855	-	-	129,028	80,346
FURNITURE & FIXTURES	1,365,101	49,300	1,414,401	1,128,902	18.10	48,011	1,176,913	-	-	237,488	236,199
TOTAL (A)	16,920,975	179,071	17,100,046	14,340,337		403,433	14,743,770	23,603	0	2,332,673	2,580,638
INTANGIBLE ASSETS											
BSE STOCK EXCHANGE MEMBERSHIP CARD	10,000,000	0	10,000,000	0	0	0	0			10,000,000	10,000,000
NSE CARD DEPOSIT	7,650,000	0	7,650,000	0	0	0	0			7,650,000	7,650,000
VSE CARD	1,951,000	0	1,951,000	0	0	0	0			1,951,000	1,951,000
TOTAL (B)	19,601,000	0	19,601,000	0	0	0	0	0	0	19,601,000	19,601,000
TOTAL (A + B)	36,521,975	179,071	36,701,046	14,340,337	0	403,433	14,743,770	23,603	0	21,933,673	22,181,638
Tangible Assets	16,712,261	69,700	16,781,961	13,374,530	-	515,288	13,889,818	0	0	2,892,143	3,337,731
Intangible Assets	20,101,000	-500,000	19,601,000	0	-	0	0	0	0	19,601,000	20,101,000
Total	36,813,261	-430,300	36,382,961	13,374,530	-	515,288	13,889,818	0	0	22,493,143	23,438,731

NOTE: 1. Figures shown below total are of previous year.
2. Depreciation is calculated at the rates specified in schedule XIV of Companies Act 1956 based on W.D.V. method.

NOTE - 7	Non Current Investments	As at 31 March, 2014	As at 31 March, 2013
	In Subsidiary companies		
	2(2011-12)Equity Share of US \$ 1=Rs.46.35 each KBS Capital Management (Singapore)Pte	93	93
	50 Shares of Jaihind Co-op Bank	3,150	3,150
	Total	3,243	3,243
NOTE - 8	Current Investment	As at 31 March, 2014	As at 31 March, 2013
	Other Investments (Valued at cost)		
	Secured Considered Good	8,266,337	8,266,337
		-	-
	Share Stock (Deposit With BSE)	398,750	398,750
	Share Stock (Own Trading)	31,730	31,730
	Total	8,696,817	8,696,817
NOTE - 9	Trade Receivable	As at 31 March, 2014	As at 31 March, 2013
	Amount Outstanding for a period exceeding six months	38,367,562	52,625,028
	Unsecured , Considered Good	-	-
	Others	-	-
	Unsecured , Considered Good	-	-
	Total	38,367,562	52,625,028
NOTE - 10	Cash and Bank Balances	As at 31 March, 2014	As at 31 March, 2013
	Cash Balance	362,557	1,452,335
	Bank Balances	159,083	3,493,214
	Other - Fixed Deposits	1,500,000	1,500,000
	Total	2,021,640	6,445,549
NOTE - 11	Short Term Loans & Advances	As at 31 March, 2014	As at 31 March, 2013
	Short Term Loans & Advances Other	176,859,792	158,762,046
	Secured Considered Good	-	-
		-	-
	Short Term Loans & Advances To Relatives	-	-
	Secured Considered Good	-	-
		-	-
	Total	176,859,792	158,762,046
NOTE - 12	Other Current Assets	As at 31 March, 2014	As at 31 March, 2013
	Other Current Assets	11,743,457	10,536,484
	Total	11,743,457	10,536,484
NOTE - 13	Revenue From Operation	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Brokerage Income	6,549,539	3,666,302
	Income / (Loss) on Share Trading	(407,299)	99,856
	Advisory Fees	-	-
	Total	6,142,240	3,766,158
NOTE - 14	Other Income	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Interest Income	8,253,180	10,245,224
	Other Income	16,779,127	6,922,287
	Total	25,032,307	17,167,511

NOTE - 15	Administrative Expenses	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Administrative Expenses	20,333,018	9,023,663
	TOTAL	20,333,018	9,023,663

NOTE - 16	Payments to Employees	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Salaries & Bonus	1,983,215	2,437,576
	Employees E.S.I.C.A/c	78,960	14,442
	Leave Encashment	326,677	320,784
	Director' s Meeting Fees	35,956	39,956
	Director's Remuneration	1,200,000	1,200,000
	Staff Welfare	312	5,602
	Medical Allowance	75,000	71,463
	Conveyance Allowance	48,249	45,318
	Education Allowance	12,000	10,458
	HRA	524,123	501,929
	Meal Coupons	58,500	59,568
	Total	4,342,992	4,707,096

NOTE - 17	Finance Charges	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Bank Charges & Commission	85,730	128,361
	Bank Interest	740,553	540,969
	Other Interest	115,217	54,412
	Finance Cost	3,474,261	3,054,871
		-	-
	TOTAL	4,415,761	3,778,613

NOTE - 18	Other Expenses	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Other Expenses	871,609	1,224,073
	TOTAL	871,609	1,224,073

**NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2014**

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:

Fixed Assets are stated at cost less depreciation.

iii. DEPRECIATION:

Depreciation on Fixed Assets is charged in the account on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

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.

vii. RETIREMENT BENEFITS:

No provision for future liabilities made in respect of gratuity, leave encashment, etc.

1. Balances of Sundry Debtors, Sundry Creditors and payables, deposits, loans & advances given or taken from the parties, are subject to confirmation.
2. As Company being share and stock broking and Investment Company additional information as required under part II of Schedule – VI of Companies Act, 1956, is irrelevant and not applicable.
3. Number of Employees of the Company in respect of or entitled to receive Emolument in the aggregate of Rs. 12, 00,000/- or more per annum or Rs. 1, 00,000/- or more per month employed for part of the year: ONE
4. As there is no remuneration paid in excess of the minimum limit as specified under section 349 of the Companies Act, 1956 to the Managerial Persons, calculation of net profit under the said section 349 is not required.
5. **Details of Auditors Remuneration (inclusive of Service Tax):**

	<u>Current Year</u>	<u>Previous Year</u>
Audit Fees	44,120/-	44,120/-
Tax Audit Fees	11,030/-	11,030/-
Certification Charges	22,060/-	22,060/-
Income Tax Consultancy Charges	<u>11,030/-</u>	<u>11,030/-</u>
	<u>88,240 /-</u>	<u>88,240/-</u>

6. 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 account as under:

As on 31 st March 2014, the Depreciation as per Companies Act, 1956	Rs. 4,03,433/-
As on 31 st March 2013, the Depreciation as per Income Tax Act, 1961	<u>Rs. 2,80,980/-</u>
Current year Timing Difference	<u>Rs. 1,22,453/-</u>
Deferred Tax Asset not recognized @30.90% on Rs. 1, 22,453/-	<u>Rs. 37,838/-</u>

7. 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.2013-14	F.Y.2012-13
Profit/(Loss) available to the Equity Shareholders	Rs.346,008/-	Rs.14,53,238/-
Weighted average No. of equity share for Basic EPS	85,21,188	85,21,188
Nominal Value of equity shares	Rs. 10	Rs. 10
Earning Per Share (Basic/ Diluted)	Rs.0.04	Rs.0.17

8. CONTINGENT LIABILITY NOT ASCERTAINED:

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

9. 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.
10. The foreign currency rate fluctuation on balance as on 31/03/2014 of US \$ 21,02,105.38/- is Rs. 12,654,674/- credited to the Profit & Loss Account is in accordance with AS 11(Revised) The Effects of Changes in Foreign Exchange Rates.
11. During the year The Company has debited to Profit and Loss A/c. as Bad debts of Rs. 1,42,57,465.44/-.
12. During the year, the company has made payments of ESIC for the periods May-13 and June-13.
13. The company has not filed the TDS return for the last quarter.
14. Service tax liability for the year is still partly unpaid.
15. Profession Tax for the month of March 14 is unpaid.
16. Rate of Interest on ICD given to Supama Financial Services, RSM Exim and Oasis Heights Developers LLP is charged @ 9% P.A.
17. Loan given by PJ Mewawala and Divya Finance and Investments are no longer payable and hence has been written back amounting to Rs.650,000/-
18. In the opinion of the management, the following Debtors shown in the Balance sheet are consider more than six months:

(Rs. In Thousand)		
Sr No.	Name of Debtors	Balance as on 31.03.2014
1.	Shrim Capital Management	38,367,562/-
Total Amount		38,367,562/-

19. 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
8	Others (Independent Director)	Mr Ghanshyam V Karkera
9	Others (Independent Director)	Mr VinodKumar G Bapna
10	Others (Independent Director)	Mr Nilesh Dharia

II - List of Transactions entered with them

(Rs. In Thousand)

Sr No	Nature of Transactions	Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Remuneration Paid	-	-	12,00.00	12,00.00	-	-	12,00.00	12,00.00
2	Director Meeting Fees	-	-	32.00	39.96	-	-	32.00	39.96
3	Interest Received	3,474.26	30,54.84					3474.26	30,54.84
4	Loan Repaid by	-	-					-	-
5	Brokerage Received	-	-	8.07	10.66	46.88	51.29	54.95	61.95
6	Salary	-	-	-	-	120.00/-	540.00/-	120.00/-	540.00/-
7	Sundry Payable	-	-	-	-	-	157.43/-	-	157.43/-
	Outstanding Liabilities								
1	Loan given to	12,94,11.07	11,38,03.28	-	-	-	-	12,94,11.07	11,38,03.28

20. 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 Rs. 6,549,539/- and other is trading of shares from which loss is Rs. (407,299/-)

21. Principal of Consolidation:

- a) The consolidated financial statements relate to KBS India Limited, the holding company and its foreign subsidiary. The consolidation of accounts of the company with its subsidiary has been prepared in accordance with the Accounting Standard (AS) 21 'Consolidated financial Statements' taking into

considerations the stipulations mentioned in Accounting Standard (AS) 11 'The Effects of Changes in Foreign Exchange Rates'. The financial statements of the parent and its Foreign Subsidiary are combined on a line by line basis and intra group balances, intra group transactions and unrealized profits or losses are fully eliminated.

- b) Foreign Currency Translation Gain of Rs. 12,654,674/- is been added to the Profit & Loss Account.
- c) As it is a 100% Foreign Subsidiary the Minority Interest is NIL

- 22. These Notes to Accounts should be read with the Notes to Accounts appended to the Stand Alone Balance Sheet of the Subsidiary Company KBS Capital Management (Singapore) Pte Ltd.
- 23. Previous year's figures have been regrouped wherever necessary to confirm the classification adopted in the current year.

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

**FOR GOPAL RAO & ASSOCIATES
CHARTERED ACCOUNTANTS**

**Tushar Shah
MANAGING DIRECTOR**

**Ketan Shah
DIRECTOR**

**(N. G. RAO)
PROPRIETOR**

**Place: Mumbai.
Date: 14th November, 2014**

KBS INDIA LIMITED

(CIN: L51900MH1985PLC035718)

Regd. Office: 502, Commerce House, 140 Nagindas Master Road, Fort, Mumbai - 400001

Phone: 022-40362626; Fax: 022-66139977/75; Email:investors@kbs.co.in

<p>ATTENDANCE SLIP</p> <p>28TH ANNUAL GENERAL MEETING ON 30TH DECEMBER, 2014</p>	
<p>Registered Folio/ DP ID & Client ID</p>	
<p>Name and address of the shareholder(s)</p>	
<p>Joint Holder 1 Joint Holder 2</p>	
<p>I/we hereby record my/our presence at the 28th Annual General Meeting of the Company held at 502, Commerce House, 140, Nagindas Master Road, Fort, Mumbai - 400 001 on Tuesday, 30th December, 2014 at 5.30 p.m.</p>	
<p>.....</p> <p>Member's Folio/DP ID/Client ID No. Member's/Proxy's name (in Block Letters) Member's/Proxy's Signature</p>	
<p>Note: 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 ENTRANCE OF THE MEETING HALL.</p>	

Note : PLEASE BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

KBS INDIA LIMITED

(CIN: L51900MH1985PLC035718)

Regd. Office: 502, Commerce House, 140 Nagindas Master Road, Fort, Mumbai - 400001

Phone: 022-40362626; Fax: 022-66139977/75; Email:investors@kbs.co.in

FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholder(s),

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as are 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 communication to you through electronic mode:

Folio No.	
Name of the Shareholder	
Father's/Mother's/Spouse's Name	
Address (Registered Office Addressing case the Member is a Body Corporate)	
E-mail Id	
PAN or CIN	
UIN (AadharNumber)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

Note: Members holding shares in DEMAT mode may furnish these details to their respective DPs.

Place: _____

Date: _____

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 LTD., C-13, PANNALAL SILK MILLS COMPOUND, LBS ROAD, BHANDUP (WEST), MUMBAI 400078."

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 for the same.

Thanking You,

For KBS INDIA LIMITED

Tushar Shah
Chairman & Managing Director

KBS INDIA LIMITED

(CIN: L51900MH1985PLC035718)

Regd. Office: 502, Commerce House, 140 Nagindas Master Road, Fort, Mumbai - 400001
Phone: 022-40362626; Fax: 022-66139977/75; Email: investors@kbs.co.in**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

28TH ANNUAL GENERAL MEETING ON 30TH DECEMBER, 2014

Name of the member (s): _____

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;

(2) Name _____

Address _____

Email Id: _____ Signature _____ or failing him;

(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 28TH Annual General Meeting of the Company to be held on Tuesday, 30th December, 2014 at 5.30 p.m. 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:

Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention no. of share)			
		For	Against	Abstain	
Ordinary Business:					
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 st March, 2014 along with Reports of the Directors' and of the Auditors.				
2	Ordinary Resolution for appointment of a Director in place of Mr. Tushar Shah, Chairman and Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.				
3	Ordinary Resolution for re-appointment of M/s. Gopal Rao & Associates, Chartered Accountants Mumbai (having FRN: 127055W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.				
Special Business:					
4	Ordinary Resolution for re-appointment of Mr. Nilesh Dharia as an Independent Director of the Company to hold office as such upto 31 st March, 2019.				
5	Ordinary Resolution for re-appointment of Mr. Vinod Bapna as an Independent Director of the Company to hold office as such upto 31 st March, 2019.				
Signed this _____ day of _____, 2014					
Signature of shareholder _____					
Signature of Proxy holder(s) _____					
<table border="1" style="margin-left: auto;"> <tr> <td style="text-align: center;">Affix Revenue Stamp Re.0.15</td> </tr> </table>					Affix Revenue Stamp Re.0.15
Affix Revenue Stamp Re.0.15					

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 deemed appropriate.