

KEN FINANCIAL SERVICES LIMITED

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of maximizing stakeholder's value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization. The Company has adopted the requirement of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure requirements of which are given below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your company's philosophy of Corporate Governance has evolved from its continued faith in fundamentals of fairness, accountability, disclosures and transparency. The Company believes that Corporate Governance is a pre-requisite for attaining sustainable growth in this competitive corporate world.

The governance practices followed by your company have played a vital role in its journey of continued success. All the procedures, policies and practices followed by your company are based on sound governance principles. Comprehensive disclosures, structured accountability in exercise of powers and commitment in compliance with regulations and statutes in latter as well as spirit have enabled your company to enhance shareholder value.

Your Company confirms compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the details of which are given below:

2. BOARD OF DIRECTORS

(i) Composition and Category of Directors as on 31st March 2019.

| Name of Directors | Category |
|--------------------------|-----------------|
| Mr. Manoj More | *Non-Executive |
| Mr. Sunil Saini | *Non-Executive |
| Mr. Akash Swami | Executive |
| Mr. Mukesh Saini ** | Executive |
| Mr. Sumit Gupta | Executive |
| Mrs. Gangaben Pagi | *Non-Executive |

* Also Independent

** Upto 17-09-2018

Independent Director is defined as one who apart from receiving sitting fee as a Director, does not have any other material pecuniary relationship or transactions in his personal capacity with the Company, its promoters & management.

(ii) Meetings and Attendance of Directors during the financial year 2018-2019.

During the financial year 2018-19, the Board of Directors met 6 times. The meetings were held on 30-05-2018, 31-07-2018, 14-08-2018, 03-09-2018, 14-11-2018 and on 14-02-2019.

Attendance of Directors in meetings held during the financial year 2018-2019.

| Name of Directors | No. of Board Meeting attended in F. Y. 2018-2019 | Attendance at Last AGM (29-09-2018) |
|--------------------|--|-------------------------------------|
| Mr. Manoj More | 6 | Yes |
| Mrs. Gangaben Pagi | 6 | Yes |
| Mr. Sunil Saini | 6 | Yes |
| Mr. Akash Swami | 6 | Yes |
| Mr. Mukesh Saini* | 4 | Yes |
| Mr. Sumit Gupta | 6 | Yes |

* Upto 17-09-2018

(iii) Directorships and Committees position held in other Companies as on 31st March 2019

| Name of the Director | No. of outside Directorship held | No. of committee# positions | | Directorship in other listed entities |
|----------------------|----------------------------------|-----------------------------|-----------|---|
| | | As Chairman | As Member | Name and Category |
| Mr. Sunil Saini | 0 | None | None | Nil |
| Mr. Akash Swami | 0 | None | None | Nil |
| Mr. Mukesh Saini ** | 0 | None | None | Nil |
| Mr. Sumit Gupta | 0 | None | None | Nil |
| Mrs. Gangaben Pagi | 1 | None | None | Nil |
| Mr. Manoj More | 6 | 2 | 2 | DJS Stock and Shares Limited – Director |

Only three Committees viz. Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration committee are considered.

(iii) Disclosure of relationships between Director inter-se:

Table given below shows the relationship between the Directors:

| Name of the Directors | Category | Relationship between Directors Inter-se |
|-----------------------|------------------------|---|
| Mr. Sumit Gupta | Professional Executive | None |
| Mr. Akash Swami | Professional Executive | None |
| Mr. Manoj Kumar More | Independent | None |
| Mr. Sunil Saini | Independent | None |
| Mrs. Gangaben Pagi | Independent | None |

(iv) Shareholding of Non- Executive Directors in the Company

The Shareholding of the Non- Executive Directors in the Company as on 31.03.2019:

| Name of Directors | Category | No. of Shares held |
|--------------------------|---------------------------|---------------------------|
| Mr. Manoj Kumar More | Non-Executive Independent | NIL |
| Mr. Sunil Saini | Non-Executive Independent | NIL |
| Mrs. Gangaben Pagi | Non-Executive Independent | NIL |

(v) Independent Directors:

Every Independent Director of the Company is provided with ongoing information about the industry and Company so as to familiarize them with latest developments. The questionnaires are prepared considering the business of the Company.

The details of the Policy for the familiarization programmes for the Independent Directors are hosted on the website of the Company which can be accessed at www.ken-fin.com.

The Board of Directors confirm that the Independent Directors fulfill the conditions specified in the Act and Listing Regulations and are independent of management.

(vi) Skills, Expertise and Competencies of the Board

| Skill / Expertise/ Competence | Whether available with the Board |
|--------------------------------------|---|
| Industry Knowledge and Experience | Yes |
| Leadership | Yes |
| Team Management | Yes |
| Information Technology | Yes |
| Accounting and Finance | Yes |
| Business Development | Yes |
| Compliance and Risk | Yes |
| Business Strategy | Yes |
| Personal Values | Yes |

3. AUDIT COMMITTEE**(i) Terms of Reference**

The Audit Committee has been mandated with the terms of reference as specified in Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & enumerated in section 177 of the Companies Act, 2013 and covers all the aspects stipulated by the Securities and Exchange Board of India Guidelines.

(ii) Composition of the Committee:

The Audit Committee is comprised of three non-executive Independent Directors. During the financial year ended 31.03.2019, four Audit Committee Meetings were held on 30-05-2018, 14-08-2018, 14-11-2018 and 14-02-2019. The composition of Audit Committee and attendance of each Director at their meetings are as follows:-

| Name | Designation | Category | No. of Meetings attended during the year 2018-19 |
|--------------------|--------------------|------------------------------------|---|
| Mr. Manoj More | Chairman | Non-Executive Independent Director | 4 |
| Mr. Sunil Saini | Member | Non-Executive Independent Director | 4 |
| Mrs. Gangaben Pagi | Member | Non-Executive Independent Director | 4 |

(iii) **Invitee:** (being entitled to attend as per relevant provisions of applicable laws/rules and/or as and when felt necessary)

(a) The Statutory Auditors viz. M/s. Motilal & Associates

(iv) The Chairman of the Audit Committee attended the Annual General Meeting held on 29th September, 2018 and provided clarifications to the members of the Company on the matters relating to Accounts and finance.

(v) An Audit Committee meeting was held on 30th May, 2018 where the Annual Financial Statements for the year ended 31st March, 2018 were reviewed and examined by the members of the Audit Committee before recommending the same to the Board of Directors for their perusal and adoption.

The Audit Committee reviewed the Quarterly / Half Yearly Un-Audited Financial Results on the following dates before recommending the same to the Board.

| Financial Reporting | Date of approval |
|---|---------------------------------|
| Quarter/Year ended 31 st March, 2018 | 30 th May, 2018 |
| Quarter ended 30 th June, 2018 | 14 th August, 2018 |
| Quarter/Half Year ended 30 th Sept. 2018 | 14 th November, 2018 |
| Quarter ended 31 st December, 2018 | 14 th February, 2019 |

Mr. Manoj More, Chairman of the Audit Committee was present at the last AGM.

4. NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of Section 178 of the Companies Act, 2013 and requirements of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has proper constitution of Nomination and Remuneration Committee and terms of reference before the Committee are as under:

(i) Terms of Reference

(a) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration of the Directors, Key Managerial Personnel and other employees.

- (b) The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

(ii) Remuneration Policy:

The Company's remuneration policy aims to attract and retain talent and is in accordance with the industries practices. The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance against earmarked objectives.

The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him.

(iii) Composition, Name of Members and Chairman

The Nomination and Remuneration Committee is comprised of Non-executive independent Directors. During the financial year ended 31.03.2019, Two Committee Meetings were held on 31-07-2018 and 14-02-2019.

The composition of the Nomination and Remuneration Committee and the attendance of each Director at their meetings are as follows:-

| Name | Designation | Category | No. of Meetings attended during the year 2018-19 |
|--------------------|-------------|------------------------------------|--|
| Mr. Sunil Saini | Chairman | Non-Executive Independent Director | 2 |
| Mr. Manoj More | Member | Non-Executive Independent Director | 2 |
| Mrs. Gangaben Pagi | Member | Non-Executive Independent Director | 2 |

(iv) Performance Evaluation Criteria for Independent Directors:

Pursuant to the Companies Act, 2013 and Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performances of each Independent Director. The Evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

- a) Attendance of Board and Committee Meetings;
- b) Quality of contribution to Board deliberations;
- c) Strategic perspectives or inputs regarding future growth of the Company and its performances;
- d) Providing perspectives and feedback going beyond information provided by the management.

5. REMUNERATION OF DIRECTORS:

- a) Pecuniary relationship or transactions of the non-executive directors: The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2018-19.
- b) Criteria of making payments to non-executive directors: None of the Non - Executive Directors is being paid any remuneration.
- c) Details of remuneration/sitting fees paid to Directors during the year ended 31st March, 2019 and shares held by them on that date are as follows:

| Name of the Directors | Remuneration | Share held |
|-----------------------|--------------|------------|
| Mr. Akash Swami | 4,20,000 | None |
| Mr. Sumit Gupta | 3,60,000 | None |

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

In accordance with the provisions of Section 178(5) of the Companies Act, 2013 and requirements of Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms of reference before the Stakeholders Relationship Committee of the Board are as under:

- (i) The Company has a 'Stakeholders Relationship Committee' to approve transfer and transmission of securities, issue of duplicate certificates, review of share dematerialization and rematerialization, monitoring the performance of company's Registrar and Transfer Agent and deals with other Shareholder related issues.
- (ii) The Committee shall consider and resolve the grievances of the share holders of the company including complaints related to transfer of shares, non receipt of annual report and non receipt of declared dividends.
- (iii) The Committee is chaired by Mr. Manoj More. The Committee met twice during the year 2018-19 on 30-05-2018 and 14-11-2018. The Committee comprises of Two Non-executive and Independent Directors and One Executive Director, Details of composition are as under:

| Name | Designation | Category | No. of Meetings attended during the year 2018-19 |
|-----------------|-------------|------------------------------------|--|
| Mr. Manoj More | Chairman | Non-Executive Independent Director | 2 |
| Mr. Sunil Saini | Member | Non-Executive Independent Director | 2 |
| Mr. Sumit Gupta | Member | Executive | 2 |

Mr. Khushboo Vasudev has been designated by the Board as the 'Compliance Officer' of the Company for complying with the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, Mumbai.

- (ii) Number of Shareholders' complaints received during the year : Nil
 Number not solved to the satisfaction of the Shareholders : Nil
 Number of pending share transfers : Nil

7. GENERAL BODY MEETINGS:

(i) Details of the last three Annual General Meetings:

| AGM | Date of the meeting | Venue | Time |
|------------------|---------------------|--|-----------|
| 22 nd | 30-09-2016 | 302, 3 rd Floor, Standard House, 83, M K Road, Mumbai – 400 002. | 3.00 p.m. |
| 23 rd | 30-09-2017 | 101, Shah Arcade, A wing, Shah Arcade SRA CHS LTD., Rani Sati Marg, Near W.E. Highway, Malad (East), Mumbai – 400 097. | 3.00 p.m. |
| 24 th | 29-09-2018 | 101, Shah Arcade, A wing, Shah Arcade SRA CHS LTD., Rani Sati Marg, Near W.E. Highway, Malad (East), Mumbai – 400 097. | 3:00 p.m. |

(ii) Special Resolution passed in previous three AGMs:

| AGM Date | Special Resolutions passed |
|------------|----------------------------------|
| 30-09-2016 | No Special Resolution was passed |
| 30-09-2017 | No Special Resolution was passed |
| 29-09-2018 | No Special Resolution was passed |

- (iii) Postal Ballot: During the year 2018-19, there was no special resolution passed through postal ballot process. None of the business is proposed to be transacted through Postal Ballot.

8. MEANS OF COMMUNICATION.

| | |
|---|---|
| Quarterly Results | The quarterly results as approved and taken on record by the Board of Directors of the Company generally within one and half month of the close of the relevant quarters are sent forthwith to the Stock Exchange, Mumbai and published in the proforma as prescribed in the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. |
| Which newspaper normally published in | The Free Press Journal (English Newspaper) Lokshakti (Marathi newspaper) |
| Any website where displayed | www.ken-fin.com |
| Whether it also displays official news release | No |
| Whether presentations made to institutional investors or to analyst | No request as such was received |

9. GENERAL SHAREHOLDERS INFORMATION

| | | | |
|--------|--|--|--|
| (i) | Next AGM: | | |
| | Date | Time | Venue |
| | 30-09-2019 | 2:30 p.m. | F-3, First Floor, Shah Arcade 1, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East), Mumbai – 400 097. |
| (ii) | Financial Year | 1 st April to 31 st March | |
| (iii) | Dividend Payment Date | : | N.A. |
| (iv) | Listing on Stock Exchanges | : | The Shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai – 400 001. |
| (v) | Listing Fees | : | The Company has paid the listing fees to BSE Limited for the financial year 2018-19. |
| (vi) | Stock Code | | |
| | BSE | : | 530547 |
| | ISIN | : | INE395E01018 |
| (vii) | Depository Connectivity | : | National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) |
| (viii) | Stock Market Data | No data is available since no trade has taken place during the financial year 2018-19. | |
| (ix) | Performance of the share price of the Company in comparison to the BSE Sensex: | The trading in the shares of the Company on BSE is suspended w.e.f. 21.12.2015. | |
| (x) | <p>Registrar & Transfer Agents: The Company has appointed M/s. Purva Sharegistry (India) Private Limited as a common agency for share registry work (both physical & electronic) for all matters connected with transfers and transmission of shares and also dematerialization of shares and other related functions.</p> <p>M/s. Purva Sharegistry (India) Private Limited Unit no. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011.</p> | | |
| (xi) | <p>Share Transfer System: With a view to expedite the process of share transfers, the Board of Directors has delegated the power of share transfer to Stakeholders Relationship Committee of the Board. The shares for transfer received in physical mode by the Company, are transferred expeditiously and thereafter, option letter is sent to the transferee(s) for dematerialization, Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories, i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited within 7 days..</p> | | |

(xiii) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019

(a) According to Category holdings

| Category | No. of Shareholders | % of total Share holders | No. of Shares | % of shareholding |
|--------------------------|---------------------|--------------------------|----------------|-------------------|
| Promoters | 1 | 0.17 | 41900 | 1.40 |
| Person Acting in concert | 0 | 0 | 0 | 0.00 |
| FI(s) Bank & Mutual Fund | 0 | 0 | 0 | 0.00 |
| Individual/Indian Public | 500 | 86.81 | 2087987 | 69.60 |
| Corporate Bodies | 24 | 4.17 | 580211 | 19.34 |
| NRI / OCB | 1 | 0.17 | 57 | 0.00 |
| Clearing Members | 4 | 0.69 | 125551 | 4.18 |
| Hindu Undivided Family | 46 | 7.99 | 164394 | 5.48 |
| Total | 576 | 100.00 | 3000100 | 100.00 |

(b) According to Number of Equity Shares

| Nominal Value of Equity Shares held | No. of shareholders | % of total shareholders | No. of shares | % of shareholding |
|-------------------------------------|---------------------|-------------------------|----------------|-------------------|
| Upto 5000 | 327 | 56.77 | 65948 | 2.20 |
| 5001 to 10000 | 55 | 9.55 | 47147 | 1.57 |
| 10001 to 20000 | 46 | 7.99 | 71012 | 2.37 |
| 20001 to 30000 | 21 | 3.65 | 53699 | 1.79 |
| 30001 to 40000 | 18 | 3.12 | 64421 | 2.15 |
| 40001 to 50000 | 20 | 3.47 | 96537 | 3.22 |
| 50001 to 100000 | 27 | 4.69 | 208804 | 6.96 |
| Above - 100000 | 62 | 10.76 | 2392532 | 79.74 |
| Total | 576 | 100.00 | 3000100 | 100.00 |

| | | |
|--------|--|--|
| (xiii) | Dematerialization of Shareholding and liquidity | 99.40% Company Equity Share's dematerialized as on 31-03-2019 |
| (xiv) | Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity | Not applicable |
| (xv) | Plant Locations | The Company is not engaged in any manufacturing activities hence do not have any plant. |
| (xvi) | Address for Correspondence | The shareholders may address their communications/ suggestions/ queries/ grievances to our share transfer agent: Purva Shareregistry (India) Pvt. Ltd. Unit no. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011. |
| (xvii) | Credit Rating | Nil |

10. DISCLOSURES:

| | |
|---|---|
| Disclosure on materially significant related party transactions i.e. transactions of the Company of Material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large | There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management or relatives etc. during the year, that may have potential conflict with the interests of the Company at large. |
| Details of Non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or Securities and Exchange Board of India or any Statutory Authority or any matter related to Capital Market during last three years. | Due to certain non-compliance regarding filing reports, the trading in the shares of the Company on BSE Portal is suspended w.e.f. 21.12.2015. The Company has initiated the process for revocation of suspension in trading of shares of the Company. |
| Details of establishment of vigil mechanism / whistle blower policy | The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. |
| Details of compliance with mandatory requirements and adoption of non-mandatory requirements | The Company has complied with all mandatory requirements of Regulation 27 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 The Details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant section of this report. |
| Material Subsidiary | The Company has no material subsidiary |
| Web link for policy on dealing with related party transactions | http://www.ken-fin.com/CMS/3/Investor%20Relation |
| Commodity Price risk or foreign exchange risk and hedging activities | The Company did not engage in commodity & hedging activities during the year. |
| Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) | The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) |

| | |
|--|---|
| Certificate regarding no-disqualification of Directors | A certificate from CS Nitesh Chaudhary, Practicing Company Secretary, Mumbai has been obtained stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed to this Report on Corporate Governance. |
| Fees paid to Statutory Auditors | Total fees of Rs. 40,000/- (Rupees Forty Thousand only) for the Financial Year 2018-19, for all the services was paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. |

11. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

- (a). number of complaints filed during the financial year : Nil
 (b). number of complaints disposed of during the financial year : Nil
 (c). number of complaints pending as on end of the financial year : Nil

12. COMPLIANCE OF THE REQUIREMENTS OF CORPORATE GOVERNANCE REPORT:

During the year 2018-19, the Company has complied with the requirements of Corporate Governance Report as mentioned in sub-paras (2) to (10) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

13. DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF THE Securities and Exchange Board of India (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015:

- a) Reporting of Internal Auditor – The Internal Auditor directly reports to the Audit Committee.

14. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE:

The Company has complied with the Regulations 17 to 27 and Clauses (b) to (i) sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the year 2018-19, wherever applicable.

**15. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/
UNCLAIMED SUSPENSE ACCOUNT:**

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/ bonus/ right issues as at 31st March, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

DECLARATION – CODE OF CONDUCT

I, Sumit Gupta, Director and Chief Financial Officer of the Company, do hereby declare that all the Board members and Senior management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to requirements of para D of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board

Place: Mumbai
Dated: 30-05-2019

Sumit Gupta
DIN: 06938413
Director

CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER CERTIFICATE

[Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.]

I, Mr. Sumit Gupta, Chief Financial Officer and Director of the Company hereby certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of my knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2019 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I have reviewed the internal controls and procedures, and to the best of my knowledge and information, I affirm that the Company has adequate internal controls and procedures.
- (d) I have indicated to the auditors and the Audit Committee that:
- (i) There has not been any significant changes in internal control over financial reporting during the financial year ended 31st March, 2019;
 - (ii) There has not been significant changes in the accounting policies during the financial year ended 31st March, 2019
 - (iii) I have not become aware of any significant fraud or involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Dated: 30th May, 2019

Sumit Gupta
DIN 06938413
Chief Financial Officer

AUDITORS COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**To the members of Ken Financial Services Limited**

We have reviewed the compliance of conditions of Corporate Governance by Ken Financial Services Limited for the year ended 31st March, 2019 as stipulated in para E of Schedule V the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange:

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance in all material respect as stipulated in the above mentioned Listing Agreement.

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 Motilal & Associates
Chartered Accountants
Firm Reg. No. 106584W**

**Motilal Jain
Proprietor
Membership No. 036811**

**Place: Mumbai
Date: 30-05-2019**

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A):

MACRO ECONOMY: REVIEW AND OUTLOOK

Goldilocks 2017 gave way to a volatile 2018. Rise of trade tensions between the US and China impacted the business sentiments, while US Fed's monetary tightening contributed to the global liquidity tightening. This liquidity tightening amid relatively high levels of global debt slowed down the growth momentum in the global economy in the second half of 2018.

Against this backdrop of tightening global liquidity coupled with rising crude oil prices, India witnessed a reversal in capital flows and a Balance of Payments (BoP) squeeze, thus putting pressure on exchange rate. At the same time, default by a AAA rated entity in September 2018, further impacted the sentiments in the money markets, leading to a near-freeze at one point. Bond spreads shot up significantly and risk appetite among NBFCs weakened, with focus shifting to preserving liquidity rather than chasing growth. However, as BoP situation improved and rupee stabilised towards end of 2018, RBI began to inject liquidity into the banking system. In addition, Fed's unexpectedly dovish tilt in January 2019, also supported flows to Emerging Markets.

However, these interim market dislocations impacted India's growth momentum. Exports slowed down in a broad-based manner, while liquidity tightening and NBFCs' risk aversion impacted pockets of leveraged consumption such as cars, two wheelers and commercial vehicles. However, there are segments in the economy which are holding up quite well. For example, infrastructure/construction growth is running at a healthy pace helped by government spending.

Overall Outlook

While global growth has been moderating for last six months, there are early signs of stabilisation. If there is any rebound in global growth, India's exports are likely to benefit. On the domestic front, monetary policy transmission is the key monitorable. Also, the political rhetoric is shifting towards stimulating the rural economy, which augurs well for the consumption pockets of the economy. Expansionary monetary and fiscal policy, both together, is a rare event and is expected to provide a significant boost to the economy. Even banking sector NPA problems are largely behind us, helped by Insolvency & Bankruptcy Code (IBC), and government has made significant progress on PSU banks recapitalisation.

Therefore, it is expected that economic activity should start to gain traction gradually during the course of FY20 though the first half may be muted. The downside risk arises from the way oil prices behave on how the US sanctions against Iran pan out, how the ongoing US China trade war ends and a sharper than expected slowdown in the global economy, which may hurt not only exports but also capital flows and sentiments.

Segment-wise/Product-wise Performance

Your Company has only one reporting segment. The revenue for the year was Rs. 210.83 lakh and the profit after tax was Rs. 21.70 lakh.

Outlook

The markets presently are volatile and how sooner it will get stabilized is not easy to predict. However, with the industry's increasing preparedness, the evolving opportunities can be better harvested.

Risk Management

Risk management is integral part of business for the Company. The good risk management practices of the Company have facilitated navigating through environmentally turbulent times. While we have been managing various risks, a need for holistic approach to risk management led us to embrace yet another long journey towards Enterprise Risk Management (ERM). This we believe would strategically benchmark our practices to the best in class levels in ensuing years.

Internal Control System

Your Company has a planned internal control system through internal checks and reviews it periodically to strengthen it and safeguard Company's assets. Management Information System is given utmost importance.

Financial Performance w.r.t. Operational Performance

During the year under review, the Company has earned Total Revenue of Rs. 210.83 lakh in comparison to Rs. 33.21 lakh during the previous year. The Company has earned net profit after tax of Rs. 21.70 lakh in comparison to Rs. 9.23 lakh during the previous year.

Safety, Health and Environment

Your Company as a matter of policy gives greater importance to safety, health and environment and also ensures compliance with applicable legislative requirements.

Human Resources

Your Company recognizes the importance of Human Resource in achieving its objectives and strategies as human resource plays an important role in the success and growth of Company. Your company gives priority in honing and utilizing their skills through in house training programs.

Key Financial Ratios:

In accordance with the Securities and Exchange Board of India (Listing Obligations and disclosures Requirements) Regulations 2018 (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in Key sector-specific financial ratios.

The Company has identified the following ratios as key financial ratios: (in %)

| Particulars | F.Y. 2018- 2019 | F.Y. 2017- 2018 |
|--|------------------------|------------------------|
| Debtors Turnover Ratio ¹ | Not Applicable | |
| Inventory Turnover Ratio ² | Not Applicable | |
| Interest Coverage Ratio ³ | Not Applicable | |
| Current Ratio ⁴ | 85% | 74% |
| Debt Equity Ratio ⁵ | 84% | 98% |
| Operating Profit Margin (%) ⁶ | Not Applicable | |
| Net Profit Margin (%) ⁷ | 10% | 28% |
| Return On Net-worth (%) ⁸ | 6% | 3% |

1. Due to the nature of business of the company, this ratio is not applicable to the company.
2. Due to the nature of business of the company, this ratio is not applicable to the company.
3. The Company didn't paid any interest during the financial year therefore this ratio is not applicability to the company.
4. No significant change in the ratio.
5. No significant change in the ratio.
6. Due to the nature of business of the company, this ratio is not applicable to the company.
7. Net Profit Margin (%) gone down due to change in the business structure of the company.
8. Return on Net-worth (%) gone up due to change in the business structure of the company.

Cautionary Statement

The report contains forward looking statements describing expectations, estimates, plans or words with similar meaning. Your Company's actual result may differ from those projected depending on various factor. Your Company cannot guarantee that the assumptions and estimates in the forward looking statements are accurate or will be realized.