

# **ANNUAL REPORT**

## **2019-2020**

**KEN FINANCIAL  
SERVICES LIMITED**

**CORPORATE INFORMATION**

BOARD OF DIRECTORS	:	1. Mr. Manoj Kumar More 2. Mr. Akash Sukhdev Swami 3. Mr. Sumit Surendra Gupta 4. Mr. Sunilkumar Shivkumar Saini 5. Mrs. Gangaben Raman Pagi
COMPANY SECRETARY	:	Ms. Khushboo Vasudev
REGISTERED OFFICE	:	F-3, First Floor, Shah Arcade 1, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East), Mumbai – 400 097.
BANKERS	:	Axis Bank Limited Mumbai
AUDITORS	:	M/s. Motilal & Associates Chartered Accountants
SECRETARIAL AUDITORS	:	Sheetal Patil Practicing Company Secretary
SHARE TRANSFER AGENTS	:	Purva Shareregistry (India) Private Limited Unit No. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011.
SHARES LISTED AT	:	BSE Limited

## **NOTICE**

**Notice** is hereby given that the 26<sup>th</sup> Annual General Meeting of the members of **Ken Financial Services Limited** will be held on **Monday, 28<sup>th</sup> September, 2020 at 04:00 p.m.** through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following business to transact the following business:-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Akash Sukhdev Swami (holding DIN 06938405) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modifications, if any the following as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139(2), 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), and pursuant to the recommendation of the Audit Committee and Board of Directors of the Company, M/s. Satya Prakash Natani & Co., Chartered Accountants, Mumbai (having Firm Registration No. 115438W), be and are hereby appointed as Statutory Auditors of the Company in place of retiring Statutory Auditors, M/s. Motilal & Associates, Chartered Accountant, Mumbai (having Firm Registration No. 106584W), to hold office for a period of 5 (five) consecutive years from the conclusion of this 26<sup>th</sup> Annual General Meeting until the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company to be held for the year ending on 31<sup>st</sup> March, 2025 at such remuneration as may be mutually agreed between M/s. Satya Prakash Natani & Co. and the Board of Directors of the Company.”

### **SPECIAL BUSINESS:**

4. **Reappointment of Mr. Akash Swami (holding DIN 06938405) as a Whole-time Directors of the Company:**

To consider and, if thought fit, pass with or without modification, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 2(94), 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Akash Swami (holding DIN 06938405) as a Whole-time Director of the Company at a monthly remuneration of Rs. 35,000/- (Rupees Thirty Five Thousand only) w.e.f 20<sup>th</sup> June, 2020 for a period of three years whose period of office is liable to determination by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby authorized to take all such steps as may be necessary, proper, expedient and to do all such acts, deeds, matters and things to give effect to this resolution.”

5. **Reappointment of Mr. Sumit Gupta (holding DIN 06938413) as a Whole-time Directors of the Company:**

To consider and, if thought fit, pass with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Sections 2(94), 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Sumit Gupta (holding DIN 06938413) as a Whole-time Director of the Company at a monthly remuneration of Rs. 30,000/- (Rupees Thirty Thousand only) w.e.f 20<sup>th</sup> June, 2020 for a period of three years whose period of office is liable to determination by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby authorized to take all such steps as may be necessary, proper, expedient and to do all such acts, deeds, matters and things to give effect to this resolution.”

**Registered office:**

F-3, First Floor, Shah Arcade 1,  
Shah Arcade SRA CHSL,  
Rani Sati Marg,  
Malad (East),  
Mumbai - 400 097.

**For and on behalf of the Board**

**Sd/--**

**Sumit Gupta**  
**DIN: 06938413**  
**Chairman**

**Place: Mumbai**

**Date: 1<sup>st</sup> September, 2020**

**NOTES:**

1. In view of the continuing COVID-19 pandemic and restrictions imposed on the movement of people, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No.20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the 26th AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Corporate members intending to send their authorized representatives to attend the meeting through VC / OAVM are requested to send to the Company a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf.
4. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards - 2 (SS-2), the particulars of Directors proposed to be appointed / re-appointed at the Annual General Meeting is given in the Annexure to the notice.
6. Explanatory Statement under Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto and forms part of the Notice.
7. The Register of Members and the Share Transfer Books of the Company will be closed from September 22, 2020 to September 28, 2020 (both days inclusive).
8. In accordance with, the circulars issued by MCA and Securities and Exchange Board of India ('SEBI'), owing to the difficulties involved in dispatching of physical copies of the Annual Report of the Company and the Notice of AGM, the same are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participants (DP).
9. Members who have not registered their e-mail addresses so far are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar & Share Transfer Agent in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices, etc. from the Company electronically.
10. Members are requested to furnish their bank account details, change of address and all other required details to the Registrar & Share Transfer Agent in respect of shares if held in physical form. In case of shares held in electronic form, these details should be furnished to the respective Depository Participants (DPs).
11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN card numbers / copies of PAN card to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent, M/s. Purva Sharegistry (India) Private Ltd.

12. The Securities and Exchange Board of India (“SEBI”) has mandated that transfer of securities would be carried out in dematerialized form only w.e.f. 5<sup>th</sup> December, 2018. In view of the same and to avail various benefits of dematerialization, members are requested to dematerialize shares held by them in physical form.
13. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH 13 duly filled in to M/s. Purva Sharegistry (India) Private Ltd. at the Registered Office of the Company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
14. Members may please note that the Notice of the 26<sup>th</sup> Annual General Meeting and the Annual Report for the year ended 31<sup>st</sup> March, 2020 will also be available on the Company’s website [www.ken-fin.com](http://www.ken-fin.com) for their download. For any communication, the shareholders may also send requests to the Company’s investor email id: [kenfsl@rediffmail.com](mailto:kenfsl@rediffmail.com)
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
16. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to atleast 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
17. M/s. Nitesh Chaudhary & Associates, Practicing Company Secretary, Mumbai, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
18. **Instructions for shareholders for registration of E-mail Ids and Bank Details:**
  - (i) **For Temporary Registration of e-mail id for Demat shareholders:**

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Purva Sharegistry (India) Pvt. Ltd. by clicking

the link: <http://www.purvashare.com/email-and-phone-updation/> in their web site [www.purvashare.com](http://www.purvashare.com) and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to RTA at [support@purvashare.com](mailto:support@purvashare.com).

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

**(ii) For Permanent Registration of e-mail id for Demat shareholders:**

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

**(iii) Registration of email id for shareholders holding physical shares:**

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Purva Shareregistry (India) Pvt. Ltd., by clicking the link: <http://www.purvashare.com/email-and-phone-updation/> in their web site [www.purvashare.com](http://www.purvashare.com) and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, mobile number and e mail id. In case of any query, a member may send an e-mail to RTA at [support@purvashare.com](mailto:support@purvashare.com).

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

**(iv) Registration of Bank Details for physical shareholders:**

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Purva Shareregistry (India) Pvt. Ltd., by sending E mail at [support@purvashare.com](mailto:support@purvashare.com). The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e – mail id on a covering letter requesting to update the bank details signed by all the shareholder(s), self attested PAN card copy and address proof along with the copy of the cheque leaf with the first named shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a member may send an e-mail to RTA at [support@purvashare.com](mailto:support@purvashare.com).

**(v) Registration of Bank Details for Demat shareholders:**

It is clarified that for registration of bank details, the Members are requested to register their bank details, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

**19. Instructions for shareholders for remote e-voting are as under:**

- (i) The remote e-voting period begins on <September 25, 2020 (09.00 a.m.)> and ends on <September 27, 2020 (05.00 p.m.)>. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <September 21, 2020>, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on “Shareholders” module.
- (v) Now Enter your User ID:
  - (a) For CDSL: 16 digits beneficiary ID,
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/sequence number in the PAN field.</li> </ul>
Dividend Bank Detail OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>



- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant company <KEN FINANCIAL SERVICES LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- (xviii) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) **Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:**

- (a) For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company / RTA email id.
- (b) For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company / RTA email id.
- (c) The company / RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**20. Instructions for shareholders attending the AGM through VC / OAVM are as under:**

- (i) Shareholder will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder / members login where the EVSN of Company will be displayed.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Shareholders may send their queries in advance atleast 7 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at [kenfsl@rediffmail.com](mailto:kenfsl@rediffmail.com). These queries will be replied to by the company suitably by email. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at [kenfsl@rediffmail.com](mailto:kenfsl@rediffmail.com).
- (vi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (vii) If you have any queries or issues regarding attending AGM through the link, you may contact Mr. Manish Shah on 9324659811 or write an email to [support@purvashare.com](mailto:support@purvashare.com).

**21. Instructions for shareholders for e-voting during the AGM are as under:**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**22. Note for Non – Individual Shareholders and Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [kenfsl@rediffmail.com](mailto:kenfsl@rediffmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Explanatory Statement under Section 102 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Item No. 3:**

The Board of Directors at its meeting held on 15<sup>th</sup> July, 2020 on the recommendation made by the Nomination and Remuneration Committee and pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, re-appointed Mr. Akash Swami as Whole-Time Director of the Company at a monthly remuneration of Rs. 35,000/- with effect from 20<sup>th</sup> June, 2020 for a period of three years whose period of office is liable to determination by rotation.

Every such re-appointment of the Whole-time Director requires approval of the members of the Company in general meeting.

Brief resume of the Director proposed to be re-appointed as stipulated under the Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the annexure to the Notice.

The Board recommends the resolution at Item No. 3 to be passed by the members as an Ordinary Resolution.

Except Mr. Akash Swami, being the appointee director, none of the other Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

**Item No. 4:**

The Board of Directors at its meeting held on 15<sup>th</sup> July, 2020 on the recommendation made by the Nomination and Remuneration Committee and pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, re-appointed Mr. Sumit Gupta as Whole-Time Director of the Company at a monthly remuneration of Rs. 30,000/- with effect from 20<sup>th</sup> June, 2020 for a period of three years whose period of office is liable to determination by rotation.

Every such re-appointment of the Whole-time Director requires approval of the members of the Company in general meeting.

Brief resume of the Director proposed to be re-appointed as stipulated under the Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the annexure to the Notice.

The Board recommends the resolution at Item No. 4 to be passed by the members as an Ordinary Resolution.

Except Mr. Sumit Gupta, being the appointee director, none of the other Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

**Registered office:**

F-3, First Floor, Shah Arcade 1,  
Shah Arcade SRA CHSL,  
Rani Sati Marg,  
Malad (East),  
Mumbai – 400 097.

**Place: Mumbai**

**Date: 1<sup>st</sup> September, 2020**

**For and on behalf of the Board**

**Sd/--**

**Sumit Gupta**  
**DIN: 06938413**  
**Chairman**

## **ANNEXURE**

**Pursuant to Regulation 26(4) and 36(3) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Information about the directors proposed to be re-appointed is furnished below:**

1.

Name of Director	Mr. Akash Sukhdev Swami
Date of Birth	02-02-1980
No. of Equity Shares held	Nil
Qualification	M.Com
Relationship with other Directors	None
Nature of Expertise	Working experience of trading in stock market
Name of Companies in which he holds Directorship	Nil
Names of Committees of the Companies of which he / she holds membership	Nil

2.

Name of Director	Mr. Sumit Surendra Gupta
Date of Birth	05-11-1985
No. of Equity Shares held	Nil
Qualification	B. Com.
Relationship with other Directors	None
Nature of Expertise	Working experience of trading in stock market
Name of Companies in which he holds Directorship	Nil
Names of Committees of the Companies of which he / she holds membership	Nil

## **DIRECTORS' REPORT**

To,  
The Members,  
**Ken Financial Services Limited**

Your Directors have pleasure in presenting their **26<sup>th</sup> Annual Report** on the Business and Operations of the Company together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2020.

### **1. Financial Results:**

The financial results are summarized below:

(Amount in Rs.)			
	<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March 2020</b>	<b>For the year ended 31<sup>st</sup> March 2019</b>
A	Total Revenue From Operation	17,67,99,636	2,10,83,089
B	Less: Expenses	15,80,47,075	1,81,78,538
C	Profit/(Loss) Before Tax	1,87,52,561	29,04,551
D	Less: Current Tax	48,29,000	8,02,300
	Deferred Tax	2,02,538	(65,199)
	Tax for earlier years	57,063	(2,182)
E	Profit/(Loss) after Tax	1,36,63,959	21,69,632

### **2. Financial Performance:**

During the year under review, the Company has earned Total Revenue from operation is Rs. 17,67,99,636/- in comparison to Rs. 2,10,83,089/- during the previous year. The Net Profit after tax is Rs. 1,36,63,959/- in comparison with Net Profit of Rs. 21,69,632/- during the previous year. Your Directors are hopeful of better performance in the forthcoming year. There was no change in the nature of business of the Company during the year.

### **3. Dividend & Reserves:**

Your Directors abstain from declaring any dividend for the year and no amount of profit earned during the year was transferred to General Reserve.

### **4. Management Discussion & Analysis:**

Management Discussion & Analysis report is being given under Corporate Governance Report. There are no material changes between the end of the financial year and the date of the report which may affect the financial position of the Company.

### **5. Listing With Stock Exchanges:**

At present, the Equity shares of the Company are listed at BSE Ltd. The trading in the shares of the Company on BSE Portal is suspended w.e.f. 21.12.2015 due to certain non-compliance. The process of revocation of suspension in trading of securities of the company is being carried out by the Company.



**6. Dematerialization of Shares:**

99.40% of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2020 and balances 0.60% is in physical form. The Company's Registrar and Transfer Agent is Purva Shareregistry (India) Private Limited. having their registered office at No.9, Shiv Shakti Industrial Estate, Ground Floor, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai – 400 011.

**7. Internal Financial Controls:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**8. Finance & Accounts:**

The Company has not raised any finance by issue of any securities during the year. The Company has adequate financial resources at its disposal for carrying on its business.

The Company has adopted Indian Accounting Standard ("Ind AS") w.e.f. 1<sup>st</sup> April, 2019 with the transition date of 1<sup>st</sup> April, 2018.

Accordingly, the financial statements for the year ended 31<sup>st</sup> March, 2020 has been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other recognised accounting practices and policies to the extent applicable.

The financial statements for the year ended 31<sup>st</sup> March, 2019 have been restated to comply with Ind AS to make them comparable.

The effect of transition from GAAP to Ind AS has been explained by way of reconciliation in the Financial Statements.

**9. Subsidiaries, Joint Ventures and Associates Companies:**

The Company does not have any Subsidiary/ Joint Ventures/ Associate Companies.

**10. Deposits:**

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

**11. Statutory Auditors**

- (a) Comments and notes by auditors in the opinion of the management are self-explanatory and do not require any further comments.
- (b) M/s. Motilal & Associates, Chartered Accountants, holds office till the conclusion of the ensuing Annual General Meeting.

The Board has recommended the appointment of M/s. Satya Prakash Natani & Co., Chartered Accountants, Mumbai (Firm Registration No. 115438W) as the Statutory Auditors of the Company for a term of five years i.e. from the conclusion of the 26<sup>th</sup> Annual General meeting till the conclusion of the 31<sup>st</sup> Annual General meeting to be held for the F.Y. 2024-25 for approval of the members.

**12. Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Sheetal Patil, Practicing Company Secretary, have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is annexed as “Annexure A” to this report.

**13. Internal Auditors:**

In terms of Section 138 of the Act and Rules made there under, M/s. V. P. Agarwal & Co. Chartered Accountants, Mumbai has been appointed as Internal Auditors of the Company.

**14. Extract of the Annual Return:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as “Annexure B”.

**15. Particulars Regarding Conservation of Energy, Technology Absorption:**

Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 requires disclosure of particulars regarding conservation of Energy and Technology absorption. The Company is not having manufacturing facilities of its own; therefore information required under this clause is not applicable to the Company.

**16. Foreign Exchange Earnings / Outgo:**

The Company has neither incurred any expenditure nor earned any income in foreign exchange.

**17. Corporate Social Responsibility (CSR):**

The Company does not fall under the prescribed class of companies' u/s 135(2) of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014. Hence CSR is not applicable to the Company.

**18. Human Resources:**

Your Company treats its “human resources” as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

**19. Meetings of the Board:**

The Board of Directors duly met 6 times during the financial year, the details of the same are being given in the Corporate Governance Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

**20. Disqualification of Directors:**

During the year under review, the Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 that none of the Directors of your Company is disqualified to hold office as director and debarred from holding the office of a Director.

**21. Directors and Key Managerial Personnel****(i) Appointment of Directors retiring by rotation:**

Mr. Akash Sukhdev Swami (holding DIN 06938405), Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Brief profile of the Directors proposed to be re-appointed as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are part of the Notice convening the Annual General Meeting.

**(ii) Declaration by Independent Directors:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**22. Vigil Mechanism:**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy.

**23. Nomination and Remuneration Policy:**

The Nomination & Remuneration Committee of the Board of Directors has adopted a policy which deals with the manner of selection and appointment of Directors, Senior Management and their remuneration. The policy is in compliance with the provisions of Section 178(3) of the Companies Act, 2013. The Remuneration Policy is stated in the Report on Corporate Governance.

**24. Particulars of Loans, Guarantees or Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

**25. Related Party Transactions**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties are on an arm's length basis and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required. Details of transactions with related parties are given in the Notes to the Financial Statements.

**26. Risk Management:**

The Company has adequate internal controls in place at various functional levels and does not foresee any major risk such as financial, credit, legal, regulatory and other risk keeping in view the nature and size of its business.

**27. Safety:**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**28. Significant and Material Orders Passed by the Regulators or Courts:**

There are no significant and material orders passed by Regulators/Courts that would impact the going concern status of the Company and its future operations.

**29. Material changes and commitment:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates on the date of this report.

**30. Board Evaluation:-**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in Board meeting that followed the meeting of independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

### 31. **Audit Committee:**

The Audit Committee is comprised of three Independent Directors.

The composition of the Audit Committee is as follows:-

Name	Designation	Category
Mr. Manoj More	Chairman	Non-Executive Independent Director
Mr. Sunil Saini	Member	Non-Executive Independent Director
Mrs. Gangaben Pagi	Member	Non-Executive Independent Director

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

### 32. **Nomination & Remuneration Committee:**

The Nomination and Remuneration Committee is comprised of three directors.

The composition of the Remuneration Committee is as follows:-

Name	Designation	Category
Mr. Sunil Saini	Chairman	Non-Executive Independent Director
Mr. Manoj More	Member	Non-Executive Independent Director
Mrs. Gangaben Pagi	Member	Non-Executive Independent Director

All the recommendations made by the Nomination and Remuneration Committee were accepted by the Board of Directors of the Company.

### 33. **Ratio of Remuneration:**

The information required pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is furnished hereunder:

Sr. No	Name	Designation	Remuneration for the F.Y. 2019-20	% increase from previous year	Ratio / Times per median of employee remuneration
1.	Mr. Akash Swami	Whole Time Director	4,20,000	Nil	21.19
2.	Mr. Sumit Gupta	Whole Time Director	3,60,000	Nil	18.16
3.	Ms. Khushboo Vasudev	Company Secretary	2,40,000	Nil	N.A.

The particulars of the employees as required under Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as none of the employees of the Company was in receipt of remuneration as prescribed under the said Rules.

### **34. Corporate Governance:**

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. It is imperative that our company affairs are managed in fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. A report on a Corporate Governance is appended as an annexure to this report.

### **35. Share Capital:**

#### **A) Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.

#### **B) Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

#### **C) Bonus Shares**

No Bonus Shares were issued during the year under review.

#### **D) Employees Stock Option Plan**

The Company has not provided any stock option plan during the year under review.

### **36. Directors Responsibility Statement:**

According to the provisions of section 134(3)(c) of the Companies Act, 2013, the directors confirm that:

- in the preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- b) the accounting policies as selected are consistently applied and made judgements and estimates that are reasonable and prudent manner so as to ensure true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and of the profit of the Company for the year ended on that date;
- c) adequate accounting records are maintained in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) financial statements have been drawn up on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**37. Acknowledgment:**

Your directors take the opportunity to record their deep sense of gratitude for the valuable support and cooperation extended to the Company by its shareholders and bankers.

**Registered Office:**

F-3, First Floor, Shah Arcade 1,  
Shah Arcade SRA CHSL,  
Rani Sati Marg,  
Malad (East),  
Mumbai - 400 097.

**Dated: 15<sup>th</sup> July, 2020**

**For and on behalf of the Board**

**Sd/--**

**Sumit Surendra Gupta**

**DIN: 06938413**

**Whole-time Director**

**ANNEXURE A**  
**MR-3**  
**SECRETARIAL AUDIT REPORT**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
M/s. Ken Financial Services Limited  
F-3, First Floor, Shah Arcade 1, Shah Arcade  
SRA CHSL, Rani Sati Marg, Malad (East) Mumbai 400097

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **M/s. Ken Financial Services Limited** (hereinafter called the 'Company') for the audit period covering the Financial Year from 01<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has during the audit period complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Amended Regulations 2018); - **during the financial year under review, the Company has not issued any capital and has not raised any fund through public. Hence the Provisions of the said regulation are not applicable to the Company.**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;- **during the financial year under review, the Company has not issued any shares/options to directors/employees under the (ESOP) said guidelines / regulations. Hence the provisions of the said regulation are not applicable to the company.**



- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **the company has not issued any debt securities during the period under review the provisions of the said regulation are not applicable to the company;**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **the said regulation are not applicable to the company, as the Company is not registered as Registrar to Issue and Share Transfer Agent;**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **the equity shares of the company are neither delisted nor proposed to be delisted. Hence the provision of said regulation not applicable to the company;**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **During the period under review the company have not bought back any securities. Hence the said regulation is not applicable to the company;**

6. Having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the following laws are also applicable on company;

- Circulars, Directions and Notification issued under Reserve Bank of India Act in relation to Non-Banking Financial (Non - Deposit Accepting or Holding) Companies which include any statutory revisions, modifications etc;
- Maharashtra state tax on professions, Trades, Callings and Employment Act, 1975;
- The Equal Remuneration Act, 1976;
- Bombay Shops and Establishments Act, 1948;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations.

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards with respect to Meeting of Board of Director(SS-1), General Meeting (SS-2) and Dividend (SS-3) issued by The Institute of Company Secretaries of India related to Board meetings, General Meeting and Dividend;
- The Listing Regulations Issued by the SEBI i.e. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Proper notice is given to all Directors to schedule the Board meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance and where the same were given at shorter notice than 7 (seven) days, proper consent thereof were obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

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

I further Inform/report that during the audit period, there were no instances of:

- i. Rights/Preferential issue of Shares/debentures/ sweat equity.
- ii. Redemption/buy-back of securities.
- iii. Merger/ amalgamation/ reconstruction etc.
- iv. Foreign technical collaborations.

Lastly I report that the status of the company's scrip is suspended by BSE Ltd. (Stock Exchange where the securities of the companies are listed) w.e.f. March 2016 due to penal reasons and Company has not paid Annual Listing Fees for the audit period, during the year company has complied with the Regulations of the SEBI (LODR) Quarterly, Half Yearly & Yearly Compliances timely.

**Note:**

- This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.
- The Audit was conducted on quarterly basis and all the documents were obtained from the company except compliance for the quarter January to March 2020. Due to COVID-19 outbreak and the Government of India announcement complete 21 days lockdown which was further extended all the compliance documents for the quarter January to March 2020 were obtained through electronic mode and verified with requirements.

For Sheetal Patil  
Practising Company Secretary

Sd/-  
Sheetal Patil  
(Proprietor)  
Memb. No. A24092 CP No. 15548

Place: Navi Mumbai

Dated: 15<sup>th</sup> July, 2020

UDIN: A024092B000459186

**Annexure to the Secretarial Audit Report**

To,  
The Members,  
M/s. Ken Financial Services Limited  
F-3, First Floor, Shah Arcade 1, Shah Arcade  
SRA CHSL, Rani Sati Marg, Malad (East) Mumbai 400097

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

**Management's Responsibility**

- 1) It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
- 3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- 5) The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

**Disclaimer**

- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Sheetal Patil  
Practising Company Secretary

Sd/-  
Sheetal Patil  
(Proprietor)  
Memb. No. A24092 CP No. 15548

Place: Navi Mumbai

Dated: 15<sup>th</sup> July, 2020

UDIN: A024092B000459186

**Annexure B****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2020****[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]****I. REGISTRATION & OTHER DETAILS:**

i	CIN	L65990MH1994PLC078898
ii	Registration Date	10-06-1994
iii	Name of the Company	Ken Financial Services Limited
iv	Category / Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
v	Address of the Registered Office & contact details	F-3, First Floor, Shah Arcade 1, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East), Mumbai -400097. Ph. No. 022-28881720
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Purva Share Registry (India) Pvt. Ltd., Unit No. 9, Shiv Shakti Industrial Estate, J R Borich Marg, Opp. Kasturba Hospital Lane, Lower Parel (East), Mumbai - 400011.

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

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

Sl. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Professional Fees	74140	95.85%

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sl. No.	Name & Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	NIL				

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as percentage of Total Equity)****i) Category-Wise Share Holding**

Category of Shareholders	No. of Shares held at beginning of year				No. of Shares held at end of year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	41,900	0	41,900	1.40	41,900	0	41,900	1.40	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (1) :-</b>	<b>41,900</b>	<b>0</b>	<b>41,900</b>	<b>1.40</b>	<b>41,900</b>	<b>0</b>	<b>41,900</b>	<b>1.40</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2) :-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>41,900</b>	<b>0</b>	<b>41,900</b>	<b>1.40</b>	<b>41,900</b>	<b>0</b>	<b>41,900</b>	<b>1.40</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
C) Cenntal Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1) :-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	580,211	0	580,211	19.34	562,459	0	562,459	18.75	(0.59)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals								0.00	
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	791,263	17,950	809,213	26.97	780,341	17,950	798,291	26.61	(0.36)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	1,278,774	0	1,278,774	42.62	1,278,774	0	1,278,774	42.62	0.00
c) Others (specify)								0.00	
NRI (Repat & Non Repat)	57	0	57	0.00	57	0	57	0.00	0.00
HUF	164,394	0	164,394	5.48	195,258	0	195,258	6.51	1.03
Clearing Members	125,551	0	125,551	4.18	123,361	0	123,361	4.11	(0.07)
<b>SUB TOTAL (B)(2) :-</b>	<b>2,940,250</b>	<b>17,950</b>	<b>2,958,200</b>	<b>98.60</b>	<b>2,940,250</b>	<b>17,950</b>	<b>2,958,200</b>	<b>98.60</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2,940,250</b>	<b>17,950</b>	<b>2,958,200</b>	<b>98.60</b>	<b>2,940,250</b>	<b>17,950</b>	<b>2,958,200</b>	<b>98.60</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>2,982,150</b>	<b>17,950</b>	<b>3,000,100</b>	<b>100.00</b>	<b>2,982,150</b>	<b>17,950</b>	<b>3,000,100</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mr. Aashish Jajodia	41,900	1.40	0.00	41,900	1.40	0.00	0.00
	<b>Total</b>	<b>41,900</b>	<b>1.40</b>	<b>0.00</b>	<b>41,900</b>	<b>1.40</b>	<b>0.00</b>	<b>0.00</b>

**(iii) Change in Promoters' Shareholding (Please Specify, if there is no change)**

Sl. No.		Share holding at the beginning of year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	No changes in Promoters shareholding			
2	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	No changes in Promoters shareholding			
3	At the end of the year	No changes in Promoters shareholding			

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No.	For Each of the Top 10 Shareholders	Share holding at beginning of year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sangeeta Sharad Podar	145000	4.83	145000	4.83
2	Rajmani Verma	141900	4.73	141900	4.73
3	Arcadia Share & Stock Brokers Pvt. Ltd.	123979	4.13	123179	4.11
4	Ishwar Lal Kalantri	110000	3.67	110000	3.67
5	Nandkishore Bhandari	90000	3.00	90000	3.00
6	Prakash Shankar Bhosale	80744	2.69	80744	2.69
7	Milestone Shares & Stock Broking	77037	2.57	77037	2.57
8	Vidyadhar Ramnaresh Dubey	73191	2.44	73191	2.44
9	Yoke Securities Limited	70993	2.37	70993	2.37
10	Bhawani Singh Shekhawat	65000	2.17	65000	2.17

**(v) Shareholding of Directors & Key Managerial Personnel**

Sl. No	For Each of the Directors & KMP	Share holding at beginning of year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	None of the Directors/KMP hold shares in Company			
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	None of the Directors/KMP hold shares in Company			
3	At the end of the year	None of the Directors/KMP hold shares in Company			

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of financial year</b>				
i) Principal Amount	-	32,516,500	-	32,516,500
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>32,516,500</b>	-	<b>32,516,500</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	80,910,860	-	80,910,860
Reduction	-	-	-	-
<b>Net Change</b>	-	<b>80,910,860</b>	-	<b>80,910,860</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	113,427,360	-	113,427,360
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>113,427,360</b>	-	<b>113,427,360</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of the MD/ WTD/ Manager		Total Amount
		Mr. Akash Swami	Mr. Sumit Gupta	
1.	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	420,000	360,000	<b>780,000</b>
	(b) Value of perquisites u/s 17(2) of the Income tax Act. 1961	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act. 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit	-	-	-
	-others, Specify....	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>420,000</b>	<b>360,000</b>	<b>780,000</b>

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors	NIL	NIL
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c ) Others, please specify		
	<b>Total (1)</b>		
2.	Other Non Executive Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c ) Others, please specify.		
	<b>Total (2)</b>		
	<b>Total (B)=(1+2)</b>		
	<b>Total Managerial Remuneration</b>		

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			Khushboo Vasudev		
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	240,000	-	<b>240,000</b>
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	-as % of profit	-	-	-	-
	-others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>240,000</b>	-	<b>240,000</b>



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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

## **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 31<sup>st</sup> March 2020.**

<b>Name of Directors</b>	<b>Category</b>
Mr. Manoj Kumar More	*Non-Executive
Mr. Sunil Shivkumar Saini	*Non-Executive
Mr. Akash Sukhdev Swami	Executive
Mr. Sumit Surendra Gupta	Executive
Mrs. Gangaben Raman Pagi	*Non-Executive

\* Also Independent

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 2019-2020.**

During the financial year 2019-20, the Board of Directors met 6 times. The meetings were held on 15-04-2019, 30-05-2019, 14-08-2019, 04-09-2019, 14-11-2019 and on 14-02-2020.

Attendance of Directors in meetings held during the financial year 2019-2020.

Name of Directors	No. of Board Meeting attended in F. Y. 2019-20	Attendance at Last AGM (30-09-2019)
Mr. Manoj Kumar More	6	Yes
Mrs. Gangaben Raman Pagi	6	No
Mr. Sunil Shivkumar Saini	6	Yes
Mr. Akash Sukhdev Swami	6	Yes
Mr. Sumit Surendra Gupta	6	Yes

**(iii) Directorships and Committees position held in other Companies as on 31<sup>st</sup> March 2020**

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 Shivkumar Saini	0	None	None	Nil
Mr. Akash Sukhdev Swami	0	None	None	Nil
Mr. Sumit Surendra Gupta	0	None	None	Nil
Mrs. Gangaben Raman Pagi	1	None	None	Nil
Mr. Manoj Kumar More	5	1	0	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 Surendra Gupta	Professional Executive	None
Mr. Akash Sukhdev Swami	Professional Executive	None
Mr. Manoj Kumar More	Independent	None
Mr. Sunil Shivkumar Saini	Independent	None
Mrs. Gangaben Raman Pagi	Independent	None

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

The Shareholding of the Non- Executive Directors in the Company as on 31.03.2020:

<b>Name of Directors</b>	<b>Category</b>	<b>No. of shares held</b>
Mr. Manoj Kumar More	Non-Executive Independent	NIL
Mr. Sunil Shivkumar Saini	Non-Executive Independent	NIL
Mrs. Gangaben Raman Pagi	Non-Executive Independent	NIL

**(v) Familiarization programmes for 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](http://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**

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

**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 31.03.2020, four Audit Committee Meetings were held on 30-05-2019, 14-08-2019, 14-11-2019 and 14-02-2020. The composition of Audit Committee and attendance of each Director at their meetings are as follows:-

Name	Designation	Category	No. of meetings attended during 2019-20
Mr. Manoj Kumar More	Chairman	Non-Executive Independent Director	4
Mr. Sunil Shivkumar Saini	Member	Non-Executive Independent Director	4
Mrs. Gangaben Raman 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 30<sup>th</sup> September, 2019 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 30<sup>th</sup> May, 2019 where the Annual Financial Statements for the year ended 31<sup>st</sup> March, 2019 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 <sup>st</sup> March, 2019	30 <sup>th</sup> May, 2019
Quarter ended 30 <sup>th</sup> June, 2019	14 <sup>th</sup> August, 2019
Quarter/Half Year ended 30 <sup>th</sup> Sept. 2019	14 <sup>th</sup> November, 2019
Quarter ended 31 <sup>st</sup> December, 2019	14 <sup>th</sup> February, 2020

Mr. Manoj Kumar 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 31.03.2020, Two Committee Meetings were held on 30-05-2019 and 14-02-2020.

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 2019-20
Mr. Sunil Shivkumar Saini	Chairman	Non-Executive Independent Director	2
Mr. Manoj Kumar More	Member	Non-Executive Independent Director	2
Mrs. Gangaben Raman 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:

- Attendance of Board and Committee Meetings;
- Quality of contribution to Board deliberations;
- Strategic perspectives or inputs regarding future growth of the Company and its performances;
- 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 2019-20.
- 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 31<sup>st</sup> March, 2020 and shares held by them on that date are as follows:

Name of the Directors	Remuneration	Share held
Mr. Akash Sukhdev Swami	Rs. 4,20,000/-	None
Mr. Sumit Surendra Gupta	Rs. 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 Kumar More. The Committee met twice during the year 2019-20 on 30-05-2019 and 14-02-2020. 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 2019-20
Mr. Manoj Kumar More	Chairman	Non-Executive Independent Director	2
Mr. Sunil Shivkumar Saini	Member	Non-Executive Independent Director	2
Mr. Sumit Surendra 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
23 <sup>rd</sup>	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 <sup>th</sup>	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.
25 <sup>th</sup>	30-09-2019	F-3, First Floor, Shah Arcade 1, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East), Mumbai – 400 097.	2:30 p.m.

### (ii) Special Resolution passed in previous three AGMs:

AGM Date	Special Resolutions passed
30-09-2017	No Special Resolution was passed
29-09-2018	No Special Resolution was passed
30-09-2019	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Manoj Kumar More (holding DIN 00040190) as an Independent Director of the Company w.e.f. 1<sup>st</sup> April, 2019 for a further term of five consecutive years.</li> <li>2. Re-appointment of Mr. Sunilkumar Saini (holding DIN 00673578) as an Independent Director of the Company w.e.f. 1<sup>st</sup> April, 2019 for a further term of five consecutive years.</li> </ol>

- (iii) Postal Ballot: During the year 2019-20, 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.
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Which newspaper normally published in	The Free Press Journal (English Newspaper) Navshakti (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)	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
(ii)	Dividend Payment Date	: N.A.
(iii)	Listing on Stock Exchanges	: The Shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai – 400 001.
(iv)	Listing Fees	: The Company is yet to pay the listing fees to BSE Limited for the financial year 2019-20.
(v)	<b><u>Stock Code</u></b> BSE ISIN	: 530547 : INE395E01018
(vi)	Depository Connectivity	: National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL)
(vii)	Stock Market Data No data is available since no trade has taken place during the financial year 2019-20.	
(viii)	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.
(ix)	<b>Registrar &amp; Transfer Agents:</b> 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. <b>M/s. Purva Sharegistry (India) Private Limited</b> Unit no. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011.	
(x)	<b>Share Transfer System:</b> 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..	

**(xi) DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2020****(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	501	87.29	2077065	69.23
Corporate Bodies	23	4.01	562459	18.75
NRI / OCB	1	0.17	57	0.00
Clearing Members	2	0.35	123361	4.11
Hindu Undivided Family	46	8.01	195258	6.51
<b>Total</b>	<b>574</b>	<b>100</b>	<b>3000100</b>	<b>100</b>

**(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	56.97	65948	2.20
5001 to 10000	54	9.41	46647	1.55
10001 to 20000	47	8.19	72312	2.41
20001 to 30000	21	3.66	53699	1.79
30001 to 40000	18	3.14	64421	2.15
40001 to 50000	20	3.48	96537	3.22
50001 to 100000	27	4.70	210304	7.01
Above - 100000	60	10.45	2390232	79.67
<b>Total</b>	<b>574</b>	<b>100</b>	<b>3000100</b>	<b>100</b>

(xii)	Dematerialization of Shareholding and liquidity	99.40% Company Equity Share's dematerialized as on 31-03-2020
(xiii)	Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity	Not applicable
(xiv)	Plant Locations	The Company is not engaged in any manufacturing activities hence do not have any plant.
(xv)	Address for Correspondence	The shareholders may address their communications/ suggestions/ queries/ grievances to our share transfer agent: <b>Purva Shareregistry (India) Pvt. Ltd.</b> Unit no. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011.
(xvi)	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	<a href="http://www.ken-fin.com/CMS/3/Investor%20Relation">http://www.ken-fin.com/CMS/3/Investor%20Relation</a>
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 M/s. Nitesh Chaudhary & Associates, 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 2019-20, 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 2019-20, 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 2019-20, 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 31<sup>st</sup> March, 2020. 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 Surendra 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: 15-07-2020**

**Sd/--**  
**Sumit Surendra Gupta**  
**DIN: 06938413**  
**Director**

**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 of the Company to the best of my knowledge and belief, certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020;
  - (ii) There has not been significant changes in the accounting policies during the financial year ended 31<sup>st</sup> March, 2020
  - (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: 15<sup>th</sup> July, 2020**

**Sd/--**  
**Sumit Gupta**  
**Chief Financial Officer**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**The Members,**  
**M/s Ken Financial Services Limited,**  
 F-3, First Floor, Shah Arcade 1, Shah Arcade  
 SRA CHSL, Rani Sati Marg, Malad (East) Mumbai 400097

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s Ken Financial Services Limited**, having CIN L65990MH1994PLC078898 and having registered office at **F-3, First Floor, Shah Arcade 1, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East) Mumbai 400097** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), BSE as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 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 other Statutory Authority.

Sr. No.	Name of directors	DIN	Date Of Appointment
1	Manoj Kumar More	00040190	02/12/2004
2	Sunilkumar Shivkumar Sain	00673578	01/10/2008
3	Gangaben Raman Pagi	05136544	30/06/2015
4	Akash Sukhdev Swami	06938405	20/06/2014
5	Sumit Surendra Gupta	06938413	20/06/2014

I further hereby inform that, ensuring the eligibility for the appointment / continuity of Director on the Board is the responsibility of the Company. Our responsibility is to issue this certificate based on verification of documents and information available in the public domain. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Nitesh Chaudhary**  
**Practicing Company Secretary**  
 COP No.: 16275

Sd/--  
**Nitesh Chaudhary**  
**Proprietor**  
 FCS No. 10010

**Place: Mumbai**  
**Date: 15/07/2020**

**UDIN: F010010B000634194**



## **MANAGEMENT DISCUSSION AND ANALYSIS (MD&A):**

### **Overall Review**

The Covid-19 pandemic has exacerbated the woes of non-banking financial companies (NBFCs). The decline in non-bank credit growth, which started in the second half of fiscal 2019, continued through fiscal 2020, accentuated first by economic slowdown and then - more vigorously - by the pandemic. The ramifications are being felt across the sector, though some segments have been impacted more severely than others.

The Reserve Bank of India (RBI) has allowed lenders to extend moratorium on loans up to August 31, temporarily mitigating the hardship of borrowers. However, in the absence of any such moratorium on non-banks' capital market borrowings, ensuring adequate liquidity to meet repayments coming up in the near term has become the primary challenge for most non-banks. Another challenge is to ensure asset quality remains under control, through steps such as maintaining close contact with borrowers and supporting them through this unprecedented crisis. It is clear that NBFCs will need to recalibrate their strategies in order to deal with changing business scenario post pandemic

### **Industry Structure and Development**

NBFCs are emerging as an alternative to mainstream banking. Besides, they are also emerging as an integral part of Indian Financial System and have commendable contributions towards Government's agenda of financial Inclusion. NBFCs form an integral part of the Indian Financial System. They have been providing credit to retail customers in the underserved and unbanked areas. Their ability to innovate products in consonance to the needs of their clients is well established. They have played a key role in the development of important sectors like Road Transport and Infrastructure which are the life lines of our economy. NBFCs have been supplementing the role of the organized banking sector by bridging the credit gaps, i.e., in meeting the increasing financial needs of the corporate sector, delivering credit to the unorganized sector and to small local borrowers. NBFCs have enjoyed a more flexible structure than banks in the organized sector. From time to time, the Central Government as well as Reserve Bank of India has been working towards regulation of these NBFCs. The Department of Non-Banking Supervision of RBI has been indulged in these activities of regulating as well as supervising the NBFCs.

The Government has taken a series of measures to generate demand and ease the liquidity by ensuring public sector banks lend further to NBFCs, introducing partial credit guarantee scheme, organizing loan mela etc.

### **Opportunities and Threats**

At present, the Indian Government is promoting Make in India projects and other similar initiative, like Vocal for Local, involving new business ideas. This is expected to increase the demand for NBFC. As regards threat it could be economic slowdown due to various government measures taken to control the Covid-19 outbreak. Also forex volatility could be a major threat.

### **Segment-wise/Product-wise Performance**

Your Company has only one reporting segment. The revenue for the year was Rs. 1768.00 lakhs.

**Outlook**

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

**Risk and Concern**

Economic downturn due to covid-19 pandemic is the risk which every industry is facing and the government is trying, through its all measures like economic package and other policy assistance, to revive the economy as earliest as it can. The Government should continue its initiative of Ease of Doing Business. During the year your Company under its well planned and defined risk management policy gave attention to all the risk areas. The Board of Directors is apprised of the development in risk management in periodical meetings where the quarterly results are approved.

**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 up most importance.

**Financial Performance w.r.t. Operational Performance**

During the year under review, the Company has earned Total Revenue of Rs. 1768.00 lakhs in comparison to Rs. 210.83 lakhs during the previous year. The Company has incurred net profit of Rs. 135.06 lakhs in comparison to Rs. 21.01 lakhs 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 SEBI (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.

<b>PARTICULARS</b>	<b>F.Y. 2019-20</b>	<b>F.Y. 2018- 19</b>
Debt equity Ratio <sup>1</sup>	2.17 Times	0.84 Times
Net Profit Margin (%) <sup>2</sup>	7.73%	10.29%
Return on Netwoth (%) <sup>3</sup>	26.13%	5.60%

1. Debt Equity ratio has increased as a result of increase in business of the Company.
2. Net Profit Margin has reduced as a result of increase in business of the Company.
3. Return on net worth increased as a result of increase in business without increase in capital investment.

### **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.

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **KEN FINANCIAL SERVICES LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **KEN FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the statement of Profit and Loss, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter - Effects of COVID-19**

We draw attention to Note 28 in the financial statements, which describes the economic and social consequences the entity is facing as a result of COVID-19 which is impacting the economy, financial markets, Company operations, personnel available for work and being able to access offices. Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Transition to Ind AS: changes in accounting policies, changes to internal controls framework and Additional disclosures associated with transition**

Effective 1 April 2019, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with transition date of 1 April 2018.

The following are the impact areas for the Company upon transition:

- Classification and measurement of financial assets and financial liabilities; and
- Additional disclosures

Transition adjustments are complex accounting requirements and require determination of new accounting policies, including transition option election and practical expedients.

The changes in accounting framework translates into significant changes in standard operating procedures in respect of impacted areas, risk and control framework including internal controls over financial reporting, and application of higher degree of management judgment. We identified transition adjustments as a Key audit matter because of significant degree of management judgment and application on the areas noted above.

Our audit procedures included:

**Design / Controls**

- Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101 - First-time Adoption of Indian Accounting Standards and preparation of disclosures;

**Substantive tests**

- Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101;
- Evaluate the appropriateness of the accounting policies based on the requirements of the new standards;
- Assessed the accuracy of the computations; and
- Performed procedures to check appropriate presentation of disclosures.

Assessed areas of significant estimates and management judgment in line with principles under Ind AS.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate

accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate,

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Motilal & Associates,  
Chartered Accountants  
Firm Regn No. 106584W**

**Sd/-  
Rishabh Jain  
Partner  
Membership No : 179547**

**Place : Mumbai  
Date : 15<sup>th</sup> July 2020**

**UDIN: 20179547AAAAV3674**



## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Ken Financial Services Limited** of even date)

- (i) In respect of the Company’s fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification that, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The Company does not own any Immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) According to the information and explanation given to us, the Company is a Non-Banking Finance Company engaged in the Business of Financial Activities. Consequently, it does not hold any Physical Inventory. Accordingly, the provisions of the Clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- (iv) In our opinion and according to information and explanations given to us, the Company has not advanced loans to Directors/Company in which the director is interested to which the provisions of Section 185 of the Companies Act, 2013 apply and hence not commented upon. Also, in our opinion and according to the information and explanation given to us, the Company has not made investment and given guarantee/provided security which falls under the purview of section 186 of the Companies Act, 2013 and hence not commented upon.
- (v) According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) As per the information and explanation given to us, the maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company and hence not commented upon.

(vii)

- a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Sales tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2020 for a period of more than six months from the date they became payable, except the following:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (in Rs.)</b>	<b>Period to which amount relates</b>	<b>Due Date</b>	<b>Date of Payment</b>
Income Tax Act, 1961	Interest on Payment default u/s 201	18,378/-	FY 2019-20	Various dates	Unpaid till date
Income Tax Act, 1961	Late Filing Fee u/s 234E	2,800/-	Prior to 2014	Various dates	Unpaid till date
Income Tax Act, 1961	TDS short deduction	3,160/-	Prior to 2014	Various dates	Unpaid till date
Income Tax Act, 1961	Interest u/s 201	35,515/-	Prior to 2014	Various dates	Unpaid till date

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, there are no material dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company and hence, not commented upon.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Consequently, provisions of clause 3(xii) of the Order are not applicable to the Company and hence, not commented upon.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting under clause 3 (xiv) are not applicable to the Company and hence, not commented upon.
- (xv) According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is a Non-Banking Finance Company registered under section 45-IA of the Reserve Bank of India Act, 1934 vide Certificate No. 1300957 dated 05th Day of August, 1998.

**For Motilal & Associates,  
Chartered Accountants  
Firm Regn No. 106584W**

**Sd/-  
Rishabh Jain  
Partner  
Membership No : 179547**

**Place : Mumbai  
Date : 15/07/2020**

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements section of our report to the members of **Ken Financial Services Limited** of even date)

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

We have audited the internal financial controls over financial reporting of KEN FINANCIAL SERVICES LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

1. Refer Emphasis of Matter paragraph on Effects of COVID-19 in the Independent Auditor's Report.
2. COVID 19 pandemic has resulted in a different and unique working environment which required performance of selective audit procedures remotely and to that extent there is an impact on testing.

**For Motilal & Associates,  
Chartered Accountants  
Firm Regn No. 106584W**

**Sd/-  
Rishabh Jain  
Partner  
Membership No : 179547**

**Date : 15/07/2020  
Place : Mumbai**

**Ken Financial Services Limited**  
**Balance Sheet as at March 31, 2020**

Particulars		Note No.	As at 31st March, 2020	As at 31st March, 2019	As at 1st April 2018
<b>Assets</b>					
(1)	<b>Financial Assets</b>				
(a)	Cash and Cash Equivalents	2	25,214	15,622,764	396,068
(b)	Loans	3	179,140,214	61,891,780	61,374,028
(c)	Investments	4	152,058	320,450	397,617
(d)	Other Financial assets	5	30,275,000	9,850,000	9,850,000
(2)	<b>Non-Financial Assets</b>				
(a)	Deferred Tax Assets (Net)	6	-	30,243	43,216
(b)	Property, Plant and Equipment	7	205,257	208,893	212,529
(c)	Other non -financial assets	8	14,736,683	2,191,754	1,248,803
<b>Total Assets</b>			<b>224,534,427</b>	<b>90,115,884</b>	<b>73,522,261</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
(1)	<b>Financial Liabilities</b>				
(a)	Payables				
	<b>(I) Trade Payables</b>				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9	51,740,000	16,200,000	-
	<b>(II) Other Payables</b>				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	10	5,435,737	553,476	917,373
(b)	Borrowings (Other than Debt Securities)	11	113,427,360	32,516,500	35,713,000
(2)	<b>Non- Financial Liabilities</b>				
(a)	Provisions	12	716,561	286,967	178,061
(b)	Deferred tax liabilities (Net)	6	161,860	-	-
(c)	Other non-financial liabilities	13	751,784	1,763,820	20,000
(3)	<b>Equity</b>				
(a)	Equity Share Capital	14	30,001,000	30,001,000	30,001,000
(b)	Other Equity	15	22,300,125	8,794,120	6,692,827
<b>Total Liabilities and Equity</b>			<b>224,534,427</b>	<b>90,115,884</b>	<b>73,522,261</b>

As per our report of even date attached  
**For Motilal & Associates**  
**Chartered Accountants**  
**Firm's Registration No.: 106584W**

**For and on behalf of the Board of Directors of**  
**Ken Financial Services Limited**  
**CIN: L65990MH1994PLC078898**

Sd/--  
**Rishabh Jain**  
**Partner**  
**Membership No.: 179547**

Sd/--  
**Sumit Gupta**  
**Whole-time Director & CFO**  
**DIN: 06938413**

Sd/--  
**Akash Swami**  
**Whole-time Director**  
**DIN: 06938405**

**Mumbai**  
**July 15, 2020**

Sd/--  
**Khushboo Vasudev**  
**Company Secretary**

**Ken Financial Services Limited**  
**Statement of Profit or Loss for the year ended March 31, 2020**

	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
	<b>Revenue From Operations</b>			
(i)	Interest Income	16	7,344,843	2,263,112
(ii)	Sale of Services	17	169,454,793	18,819,977
(I)	<b>Total Revenue From Operations</b>		176,799,636	21,083,089
(II)	Other Income		-	-
(III)	<b>Total Income (I+II)</b>		176,799,636	21,083,089
	<b>Expenses</b>			
(i)	Finance Costs	18	2,724,844	-
(ii)	Employee Benefits Expenses	19	1,129,945	945,384
(iii)	Depreciation, amortization and impairment	20	3,636	3,636
(iv)	Others expenses	21	154,188,650	17,229,518
(IV)	<b>Total Expenses (IV)</b>		158,047,075	18,178,538
(V)	<b>Profit / (loss) before exceptional items and tax (III - IV)</b>		18,752,561	2,904,551
(vi)	Exceptional items		-	-
(vii)	Profit/(loss) before tax (V - VI)		18,752,561	2,904,551
(viii)	Tax Expense :	23		
	(1) Current Tax		4,829,000	802,300
	(2) Deferred Tax		202,538	-65,199
	(3) Tax for earlier years		57,063	-2,182
(ix)	Profit / (loss) for the period from continuing operations(VII-VIII)		13,663,959	2,169,632
(x)	Profit/(loss) from discontinued operations		-	-
(xi)	Tax Expense of discontinued operations		-	-
(xii)	Profit/(loss) from discontinued operations(After tax) (X-XI)		-	-
(XIII)	<b>Profit/(loss) for the period (IX+XII)</b>		13,663,959	2,169,632
(XIV)	<b>Other Comprehensive Income</b>			
	(A) (i) Items that will not be reclassified to profit or loss	22	-168,391	-77,167
	(ii) Income tax relating to items that will not be reclassified to profit or loss		10,436	8,828
	<b>Sub Total (A)</b>		-157,955	-68,339
	(B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Subtotal (B)</b>		-	-
	<b>Other Comprehensive Income (A + B)</b>		-157,955	-68,339
(XV)	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)</b>		13,506,004	2,101,293
(XVI)	<b>Earnings per equity share (for continuing operations)</b>	22 (A)		
	Basic (Rs.)		4.50	0.70
	Diluted (Rs.)		4.50	0.70
(XVII)	<b>Earnings per equity share (for discontinued operations)</b>			
	Basic (Rs.)		-	-
	Diluted (Rs.)		-	-
(XVIII)	<b>Earnings per equity share (for continuing and discontinued operations)</b>	22 (A)		
	Basic (Rs.)		4.50	0.70
	Diluted (Rs.)		4.50	0.70

As per our report of even date attached  
**For Motilal & Associates**  
**Chartered Accountants**  
**Firm's Registration No.: 106584W**

For and on behalf of the Board of Directors of  
**Ken Financial Services Limited**  
**CIN: L65990MH1994PLC078898**

Sd/--  
**Rishabh Jain**  
**Partner**  
**Membership No.: 179547**

Sd/--  
**Sumit Gupta**  
**Whole-time Director & CFO**  
**DIN: 06938413**

Sd/--  
**Akash Swami**  
**Whole-time Director**  
**DIN: 06938405**

**Mumbai**  
**July 15, 2020**

Sd/--  
**Khushboo Vasudev**  
**Company Secretary**

**Ken Financial Services Ltd**  
**Statement of Cash Flow as on 31/03/2020**

Particular	As at 31st March, 2020	As at 31st March, 2019
Profit after tax	13,506,004	2,101,293
Adjustment to reconcile net profit to net cash provided by operating activities		
Interest Income on Term Deposit	-142,089	-
Depreciation & amortization	3,636	3,636
Provision on Standard Assets	429,594	108,906
<b>Operating profit / (Loss) before working capital changes</b>	<b>13,797,145</b>	<b>2,213,835</b>
<b>Changes in Working Capital:</b>		
Decrease/(Increase) in Value of Investments	168,392	77,167
Decrease/(Increase) in Loans & Advances and Other Assets	-117,248,434	-517,752
(Increase)/Decrease in Other Financial Assets	-20,425,000	-
(Increase)/Decrease in Other Non-Financial Assets	-	57,200
Increase/(Decrease) in Trade Payables	40,422,260	15,836,103
Increase/(Decrease) in Other Non Financial liabilities	-1,012,036	1,743,820
Cash generated from operating activities	<b>-84,297,673</b>	<b>19,410,374</b>
Income Tax Paid	12,352,826	987,178
<b>Net Cash generated/ (used) from/ in operating activities (A)</b>	<b>-96,650,499</b>	<b>18,423,196</b>
<b>Cash flow from investing activities</b>		
Interest Income on Term Deposit	142,089	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>142,089</b>	<b>-</b>
<b>Cash flows from Financing Activities</b>		
Proceeding of borrowings	80,910,860	-
Repayment of long-term borrowings	-	-3,196,500
<b>Net cash flow from / (used in) Financing activities (C)</b>	<b>80,910,860</b>	<b>-3,196,500</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>-15,597,550</b>	<b>15,226,696</b>
Cash and cash equivalents as at the beginning of the year	<b>15,622,764</b>	<b>396,068</b>
<b>Cash and cash equivalents as at end of the year</b>	<b>25,214</b>	<b>15,622,764</b>

As per our report of even date attached  
**For Motilal & Associates**  
**Chartered Accountants**  
**Firm's Registration No.: 106584W**

**For and on behalf of the Board of Directors of**  
**Ken Financial Services Limited**  
**CIN: L65990MH1994PLC078898**

Sd/--  
**Rishabh Jain**  
**Partner**  
**Membership No.: 179547**

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**Sumit Gupta**  
**Whole-time Director & CFO**  
**DIN: 06938413**

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**Akash Swami**  
**Whole-time Director**  
**DIN: 06938405**

**Mumbai**  
**July 15, 2020**

Sd/--  
**Khushboo Vasudev**  
**Company Secretary**



**NOTE:1 FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020****A. Company Overview:-**

Ken Financial Services Limited ('the Company') is a Non-Banking Finance Company. The company is public limited company and is listed on Bombay Stock Exchange. The Company is incorporated and domiciled in India having its registered office at F-3, First Floor, Shah Arcade 1, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East) Mumbai – 400097.

**B. Basis of Preparation & Measurement:**

The financial statement has been prepared in accordance with Indian Accounting standards (hereinafter referred to as the 'Ind AS') notified by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The Financial Statements up to the year ended 31st March 2019 were prepared in accordance with accounting standards as per Companies (Accounting Standard) Rules, 2006 (as amended) notified under section 133 of Act and other relevant provision of Act (and rules thereunder (referred as "Indian GAAP" or "Previous GAAP").

These Financial Statements for the year ended 31st March 2020 are the first Financial Statement of the Company under Ind AS. Refer Note 24 for an explanation how the transition from previous GAAP to Ind AS has affected the Company's financial Position, financial performance and Cash flows.

The financial statement has been prepared on an accrual system, based on the principle of going concern and under the historical cost convention, except for:

- Financial instruments – measured at fair value

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**C. Critical Accounting Estimates and Judgments**

The preparation of financial statements in accordance with Ind AS requires management to make certain judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, with the differences between the same being recognized in the period in which the results are known or materialize. Continuous valuation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about areas involving a higher degree of judgment or complexity or critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities are included in the following notes:

- (a) Estimation of useful life – Note on Property, Plant and Equipment

(b) Recognition of deferred tax assets – Note on Deferred Tax

#### **D. Significant Accounting Policies:**

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated. The presentation of financial statements requires the use of certain accounting estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed.

#### **1. Leases**

##### **Policy Applicable from April 1, 2019**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

## **2. Property Plant & Equipment:**

### **(a) Initial Measurement & Recognition**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use with any trade discounts or rebates being deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition, if any, of qualifying fixed assets incurred up to the date the asset is ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, plant and equipment.

Cost of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under Other non-current Assets.

Any gain or loss on disposal of an item of property plant and equipment is recognized in statement of profit and loss.

### **(b) Subsequent expenditure**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

### **(c) Depreciation:**

Depreciation is provided on the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013. Depreciation on assets added/disposed off during the year is provided on pro-rata basis from the date of addition or up to the date of disposal, as applicable.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

## **3. Inventories**

Inventories, if any, are valued at the lower of cost and net realizable value. Cost is computed on a weighted average basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

#### 4. Cash and Cash Equivalents

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

#### 5. Financial Instruments:

##### (A) Financial Assets

##### Recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

**(a) Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any, is recognised in the Statement of Profit and Loss.

**(b) Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(c) Measured at fair value through profit or loss:** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

**Trade Receivables and Loans:**

Trade receivables and loans are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

**Equity Instruments:**

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL. For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

**De-recognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

**Impairment of Financial Assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognised in Statement of Profit and Loss, if any.

**(B) Financial Liabilities:****Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

**Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**De-recognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**6. Provisions and Contingent Liabilities**

Provisions are recognised when the Company

- (a) has a present obligation (legal or constructive) as a result of a past event,
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
- (c) a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**7. Revenue Recognition**

Interest, finance charges, service charges etc. are recognized as income on accrual basis. Revenue is measured at the fair value of the consideration received or receivable and recognized when it is probable that the economic benefits associated with the transaction will flow to the entity.

**8. Other Income**

Other income is mainly accounted on accrual basis, except in case of significant uncertainties.

**9. Employee benefits/ Retirement Benefits:**

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

**SHORT-TERM OBLIGATION:**

Short-term employee benefits like salaries, wages, bonus and welfare expenses payable wholly within twelve months of rendering the services are accrued in the year in which the associated services are rendered by the employees and are measured at the amounts expected to be paid when the liabilities are settled.

**LONG-TERM OBLIGATION**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

**10. Impairment of Non-Financial Assets:**

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset maybe impaired. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value infuse is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss recognized for goodwill is not reversed in subsequent periods.

**11. Taxation:**

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/ expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is recognized using the tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

## **12. Earnings per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



**Ken Financial Services Limited****Statement for Changes in Equity for year ended 31st March 2020****A. Equity Share Capital**

(In Rs)

<b>Particulars</b>	<b>Balance as at April 1, 2018</b>	<b>Changes during the year</b>	<b>Balance as at March 31, 2019</b>	<b>Changes during the year</b>	<b>Balance as at March 31, 2020</b>
3000100 Equity Shares (2019 : 3000100; 2018 : 3000100) of Rs 10 each	30,001,000	-	30,001,000	-	30,001,000

**B. Other Equity**

<b>Particulars</b>	<b>Reserves and Surplus</b>	<b>Total</b>
	<b>Profit and Loss Account</b>	
Balance as at April 1, 2018	6,692,827	6,692,827
Total Comprehensive Income for the year	2,101,293	2,101,293
Transfer to retained earnings	-	-
<b>Balance as at March 31, 2019</b>	<b>8,794,120</b>	<b>8,794,120</b>
Balance as at April 1, 2019	8,794,120	8,794,120
Total Comprehensive Income for the year	13,506,004	13,506,004
Transfer to retained earnings	-	-
<b>Balance as at March 31, 2020</b>	<b>22,300,125</b>	<b>22,300,125</b>

**Ken Financial Services Ltd****Notes to the Balance Sheet as at 31st March, 2020**

(in ₹)

Note No.	Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>2</b>	<b>Cash and Cash Equivalents</b>			
	Cash on hand	2,692	7,262	16,902
	Balance With Banks	22,522	15,615,502	379,166
	<b>Total</b>	<b>25,214</b>	<b>15,622,764</b>	<b>396,068</b>
<b>3</b>	<b>Loans</b>			
	<b>At Amortized Cost</b>			
	Loans Repayable On Demand	179,140,214	61,891,780	61,374,028
	<b>Total (A) - Gross</b>	<b>179,140,214</b>	<b>61,891,780</b>	<b>61,374,028</b>
	Less: Impairment loss allowance	-	-	-
	<b>Total (A) - Net</b>	<b>179,140,214</b>	<b>61,891,780</b>	<b>61,374,028</b>
	Secured	-	-	-
	Unsecured	179,140,214	61,891,780	61,374,028
	<b>Total (B) - Gross</b>	<b>179,140,214</b>	<b>61,891,780</b>	<b>61,374,028</b>
	Less: Impairment loss allowance	-	-	-
	<b>Total (B) - Net</b>	<b>179,140,214</b>	<b>61,891,780</b>	<b>61,374,028</b>
	(C) (I) Loans in India			
	(i) Public Sector	-	-	-
	(ii) Others	179,140,214	61,891,780	61,374,028
	<b>Total (C) - Gross</b>	<b>179,140,214</b>	<b>61,891,780</b>	<b>61,374,028</b>
	Less: Impairment loss allowance	-	-	-
	<b>Total (C) - Net</b>	<b>179,140,214</b>	<b>61,891,780</b>	<b>61,374,028</b>
<b>5</b>	<b>Other Financial assets</b>			
	<b>Security Deposit</b>			
	i) Deposits on Rented Premises	100,000	-	-
	ii) Advance against Capital Assets *	30,175,000	9,850,000	9,850,000
	(*Advance against Capital Assets represents advance given in lieu of shares to be bought.)			
	<b>Total</b>	<b>30,275,000</b>	<b>9,850,000</b>	<b>9,850,000</b>
<b>6</b>	<b>Deferred Tax Assets (Net)</b>			
	<u>Components of Deferred Tax Asset / (Liabilities)</u>			
	Property, Plant and Equipment	-779	95,309	2,067
	Provision for Standard Assets	-180,344	-73,894	-45,851
	Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	19,264	8,828	-
	Mat Credit Entitlement	-	-	87,000
	<b>Total</b>	<b>-161,860</b>	<b>30,243</b>	<b>43,216</b>
	The movement on the deferred tax account is as follows:			
	At the start of the year	30,243	-43,784	64,770
	Charge to Statement of Profit and Loss	-202,538	65,199	-108,554
	Charge to Other Comprehensive Income	10,436	8,828	-
	<b>At the end of year</b>	<b>-161,860</b>	<b>30,243</b>	<b>-43,784</b>
<b>8</b>	<b>Other non -financial assets</b>			
	Balance with Revenue Authorities	14,722,884	2,177,955	1,177,804
	Advance for Expenses	13,799	13,799	70,999
	<b>Total</b>	<b>14,736,683</b>	<b>2,191,754</b>	<b>1,248,803</b>
<b>9</b>	<b>Trade Payables</b>			
	Micro, small and medium enterprises	-	-	-
	Others	51,740,000	16,200,000	-
	<b>Total</b>	<b>51,740,000</b>	<b>16,200,000</b>	<b>-</b>

## 4. Investments

Investments	As at March 31, 2020						
	Amortised cost	At fair value			Sub-total	Others	Total
		Through other comprehensive income	Thorough profit & loss	Designated at FVTPL			
	(1)	(2)	(3)	(4)	(5)= (2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Equity Shares (Quoted)	-	152,058	-	-	152,058	-	152,058
Equity Shares (Unquoted)	-	-	-	-	-	-	-
<b>Total - Gross (A)</b>	-	<b>152,058</b>	-	-	<b>152,058</b>	-	<b>152,058</b>
(i) Investment Outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	152,058	-	-	152,058	-	152,058
<b>Total - Gross (B)</b>	-	<b>152,058</b>	-	-	<b>152,058</b>	-	<b>152,058</b>

Investments	As at March 31, 2019						
	Amortised cost	At fair value			Sub-total	Others	Total
		Through other comprehensive income	Thorough profit & loss	Designated at FVTPL			
	(1)	(2)	(3)	(4)	(5)= (2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Equity Shares (Quoted)	-	320,450	-	-	320,450	-	320,450
Equity Shares (Unquoted)	-	-	-	-	-	-	-
<b>Total - Gross (A)</b>	-	<b>320,450</b>	-	-	<b>320,450</b>	-	<b>320,450</b>
(i) Investment Outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	320,450	-	-	320,450	-	320,450
<b>Total - Gross (B)</b>	-	<b>320,450</b>	-	-	<b>320,450</b>	-	<b>320,450</b>

Investments	As at April 1, 2018						
	Amortised cost	At fair value			Sub-total	Others	Total
		Through other comprehensive income	Thorough profit & loss	Designated at FVTPL			
	(1)	(2)	(3)	(4)	(5)= (2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Equity Shares (Quoted)	-	397,617	-	-	397,617	-	397,617
Equity Shares (Unquoted)	-	-	-	-	-	-	-
<b>Total - Gross (A)</b>	-	<b>397,617</b>	-	-	<b>397,617</b>	-	<b>397,617</b>
(i) Investment Outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	397,617	-	-	397,617	-	397,617
<b>Total - Gross (B)</b>	-	<b>397,617</b>	-	-	<b>397,617</b>	-	<b>397,617</b>

**Ken Financial Services Ltd****Note : 7 Property, Plant and Equipment**

(in ₦ )

<b>Particulars</b>	<b>Plant &amp; Machinery</b>	<b>Electrical Installations</b>	<b>Furniture &amp; Fixtures</b>	<b>Office Equipment's</b>	<b>Computers</b>	<b>Total</b>
Deemed Cost as of April 1, 2018	24,425	7,131	68,216	31,693	81,064	212,529
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
Gross carrying value as of March 31, 2019	24,425	7,131	68,216	31,693	81,064	212,529
Gross carrying value as of April 1, 2019	24,425	7,131	68,216	31,693	81,064	212,529
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2020</b>	<b>24,425</b>	<b>7,131</b>	<b>68,216</b>	<b>31,693</b>	<b>81,064</b>	<b>212,529</b>
Accumulated depreciation as of April 1, 2018	-	-	-	-	-	-
Depreciation for the year	3,636	-	-	-	-	3,636
Accumulated depreciation on deletions	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2019	3,636	-	-	-	-	3,636
Accumulated depreciation as of April 1, 2019	3,636	-	-	-	-	3,636
Depreciation for the year	3,636	-	-	-	-	3,636
Accumulated depreciation on deletions	-	-	-	-	-	-
<b>Accumulated depreciation as of March 31, 2020</b>	<b>7,272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,272</b>
<b>Carrying value as of March 31, 2020</b>	<b>17,153</b>	<b>7,131</b>	<b>68,216</b>	<b>31,693</b>	<b>81,064</b>	<b>205,257</b>
Carrying value as of March 31, 2019	20,789	7,131	68,216	31,693	81,064	208,893
Carrying value as of April 1, 2018	24,425	7,131	68,216	31,693	81,064	212,529

10	<b>Other Payables</b> Micro, small and medium enterprises Others		-	-	-
			5,435,737	553,476	917,373
		<b>Total</b>	<b>5,435,737</b>	<b>553,476</b>	<b>917,373</b>
11	<b>Borrowings (Other than Debt Securities)</b> <b>At Amortized Cost</b> Loans Repayable on Demand - from banks - from other parties  Borrowings in India Borrowings outside India				
			-	-	-
			113,427,360	32,516,500	35,713,000
		<b>Total (A)</b>	<b>113,427,360</b>	<b>32,516,500</b>	<b>35,713,000</b>
			113,427,360	32,516,500	35,713,000
			-	-	-
		<b>Total (B)</b>	<b>113,427,360</b>	<b>32,516,500</b>	<b>35,713,000</b>
12	<b>Provisions</b> Provision on Standard Assets				
			716,561	286,967	178,061
		<b>Total</b>	<b>716,561</b>	<b>286,967</b>	<b>178,061</b>
13	<b>Other non-financial liabilities</b> Statutory Dues				
			751,784	1,763,820	20,000
		<b>Total</b>	<b>751,784</b>	<b>1,763,820</b>	<b>20,000</b>
15	<b>Other Equity</b> <b>Profit and Loss Account</b> Balance at the beginning of the reporting period Total Comprehensive Income for the year Transfer to retained earnings Balance at the end of the reporting period				
			8,817,470	6,716,177	5,678,931
			13,506,004	2,101,293	1,037,246
			-	-	-
			22,323,476	8,817,470	6,716,177
<b>Nature and purpose of reserve</b>					
Profit and Loss Account : Profit and Loss Account is the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.					

**Ken Financial Services Ltd****Notes to the Profit and Loss A/c for the Year Ended 31st March, 2020**

<b>Note No.</b>	<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>16</b>	<b>Interest Income</b>		
	<b>On Financial Assets measured at Amortised Cost</b>		
	Interest on Loans	7,202,754	2,263,112
	Interest On Term Deposit	142,089	-
	<b>Total</b>	<b>7,344,843</b>	<b>2,263,112</b>
<b>17</b>	<b>Sale of Services</b>		
	Professional fees received	169,454,793	18,819,977
	<b>Total</b>	<b>169,454,793</b>	<b>18,819,977</b>
<b>18</b>	<b>Finance Costs</b>		
	Interest on borrowings	2,724,844	-
	<b>Total</b>	<b>2,724,844</b>	<b>-</b>
<b>19</b>	<b>Employee Benefits Expenses</b>		
	Salaries & Wages	1,123,495	940,000
	Staff Welfare Expenses	6,450	5,384
	Others (to be specified)		
	<b>Total</b>	<b>1,129,945</b>	<b>945,384</b>
<b>20</b>	<b>Depreciation, amortization and impairment</b>		
	Depreciation	3,636	3,636
	<b>Total</b>	<b>3,636</b>	<b>3,636</b>
<b>21</b>	<b>Others expenses</b>		
	Annual Listing Fees	300,000	250,000
	Payment to Auditors *	40,000	40,000
	Professional fees paid	144,826,000	15,092,900
	Rent, Rates and Taxes	328,500	129,000
	Share Registrar Fees	33,000	40,625
	Sundry Balances written off	2,333	120,615
	Provision for Standard Assets	429,594	108,906
	Impairment of Financial Instruments	7,798,500	-
	Others	430,723	1,447,471
	<b>Total</b>	<b>154,188,650</b>	<b>17,229,518</b>
	<b>* Audit Fees</b>		
	Statutory Audit Fees	40,000	40,000
	<b>Total</b>	<b>40,000</b>	<b>40,000</b>
<b>22</b>	<b>Other Comprehensive Income</b>		
	Net gain/(loss)on financial instruments at fair value through profit & loss		
	- Investments	-168,391	-77,167
	<b>Total net gain/(loss)on fair value changes</b>	<b>-168,391</b>	<b>-77,167</b>
	Fair value changes		
	-Realised		
	-Unrealised	-168,391	-77,167
	<b>Total net gain/(loss)on fair value changes</b>	<b>-168,391</b>	<b>-77,167</b>

**Note : 22 (A) Earnings per share  
(Basic & Diluted)**

<b>Particulars</b>	<b>As at 31/03/2020</b>	<b>As at 31/03/2019</b>
Net Profit / (loss) after tax for the year (in Rs.)	13,506,004	2,101,293
Profit / loss attributable to equity share holders (in Rs.)	13,506,004	2,101,293
Weighted Average Number of equity shares outstanding during the year	3,000,100	3,000,100
Basic and Diluted Earnings Per Share (Rs.)	4.50	0.70
Face Value per Share (Rs.)	10	10

The Company does not have any Dilutive Potentiall Equity Shares. Hence Basic and Diluted EPS are same.

**Note : 23 Income Tax Expense**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>A. Components of Income Tax Expense</b>		
<b>Tax Expense recognised in the Statement of Profit and Loss</b>		
<b>Current Tax</b>		
Current Tax on the profits for the year	4,829,000	802,300
Adjustments for current tax of prior periods	57,063	-2,182
<b>Total a</b>	<b>4,886,063</b>	<b>800,118</b>
<b>Deferred Tax</b>		
Origination and Reversal of Temporary Differences	192,103	-74,027
Impact of change in tax rate	-	-
<b>Total b</b>	<b>192,103</b>	<b>-74,027</b>
<b>Total (a+b)</b>	<b>5,078,166</b>	<b>726,091</b>
<b>B. Reconciliation of Tax Expense and the Accounting profit multiplied by India's Tax rate</b>		
Profit/(loss) for the period	18,752,561	2,904,551
<b>Tax Expense at the Indian Tax rate of 25.168% (PY: 26%)</b>	<b>4,719,645</b>	<b>755,183</b>
Tax effects of amounts which are not deductible (taxable) in computing taxable income	109,192	47,117
Adjustments of current tax of prior periods	57,063	-2,182
Tax losses for which no Deferred income tax was recognised	192,103	-74,027
Tax on Income exempt from income tax		
<b>Income Tax Expense as per profit &amp; loss</b>	<b>5,078,002</b>	<b>726,091</b>
<b>C. Amounts recognised in Other Comprehensive Income</b>		
Amount of income tax relating to each component of other comprehensive income	-168,391	-77,167
	10,436	8,828
Deferred Tax: Fair value changes on Equity Investments through other comprehensive income	<b>10,436</b>	<b>8,828</b>

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 25.168% and 26% respectively.



**Note : 24 Reconciliations as per Ins AS-101 First Time Adoption of Indian Accounting Standards****Reconciliation of total equity as at 31 March 2019 and 1 April 2018**

<b>Particulars</b>	<b>01.04.2018</b>	<b>31.03.2019</b>
Total equity (Shareholder's funds) as per IGAAP	36,603,147	38,772,780
Adjustments	90,680	56,734
Total equity as per Ind AS	36,693,828	38,829,513

**Reconciliation of total comprehensive income for the year ended 31 March 2019**

<b>Particulars</b>	<b>31.03.2019</b>
Profit after tax as per previous GAAP	2,169,632
Adjustments	-
Profit after tax as per Ind AS	2,169,632
Other Comprehensive Income	(68,339)
<b>Total Comprehensive Income for the period</b>	<b>2,101,293</b>

**Reconciliation of Statement of Cash flows**

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

**Note : 25 Fair value measurements****Financial instruments by category:****31-Mar-20**

Particulars	Carrying Value				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
(i) Cash and Cash Equivalents	-	-	25,214	25,214	-	-	-	-
(ii) Loans	-	-	179,140,214	179,140,214	-	-	-	-
(iii) Investments	-	-	152,058	152,058	-	-	-	-
(iv) Other Financial Assets	-	-	30,275,000	30,275,000	-	-	-	-
<b>TOTAL</b>	-	-	209,592,487	209,592,487	-	-	-	-
<b>Financial Liabilities</b>								
(i) Trade Payables	-	-	51,740,000	51,740,000	-	-	-	-
(ii) Other Payables	-	-	5,435,737	5,435,737	-	-	-	-
(iii) Borrowings (Other than Debt Securities)	-	-	113,427,360	113,427,360	-	-	-	-
<b>TOTAL</b>	-	-	170,603,097	170,603,097	-	-	-	-

**31-Mar-19**

Particulars	Carrying Value				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
(i) Cash and Cash Equivalents	-	-	15,622,764	15,622,764	-	-	-	-
(ii) Loans	-	-	61,891,780	61,891,780	-	-	-	-
(iii) Investments	-	-	320,450	320,450	-	-	-	-
(iv) Other Financial Assets	-	-	9,850,000	9,850,000	-	-	-	-
<b>TOTAL</b>	-	-	87,684,994	87,684,994	-	-	-	-
<b>Financial Liabilities</b>								
(i) Trade Payables	-	-	16,200,000	16,200,000	-	-	-	-
(ii) Other Payables	-	-	553,476	553,476	-	-	-	-
(iii) Borrowings (Other than Debt Securities)	-	-	32,516,500	32,516,500	-	-	-	-
<b>TOTAL</b>	-	-	49,269,976	49,269,976	-	-	-	-

**31-Mar-18**

Particulars	Carrying Value				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
(i) Cash and Cash Equivalents	-	-	396,068	396,068	-	-	-	-
(ii) Loans	-	-	61,374,028	61,374,028	-	-	-	-
(iii) Investments	-	-	397,617	397,617	-	-	-	-
(iv) Other Financial Assets	-	-	9,850,000	9,850,000	-	-	-	-
<b>TOTAL</b>	-	-	72,017,713	72,017,713	-	-	-	-
<b>Financial Liabilities</b>								
(i) Other Payables	-	-	917,373	917,373	-	-	-	-
(ii) Borrowings (Other than Debt Securities)	-	-	35,713,000	35,713,000	-	-	-	-
<b>TOTAL</b>	-	-	36,630,373	36,630,373	-	-	-	-

The carrying amounts of Cash and Cash equivalents, Loans, Other Financial Assets, Trade and Other Payables and Borrowings (Other than Debt Securities) are

**I. Fair value hierarchy**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity

**II. Valuation techniques used to determine fair value**

Significant valuation techniques used to value financial instruments include:

- o Use of quoted market price or dealer quotes for similar instruments
- o Using discounted cash flow analysis.

The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They are classified as

**Note : 26 Capital Management**

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-today needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**Note : 27 Financial Risk Management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**A. Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The company is exposed to credit risk from its operating activities (primarily for loans) and from its financing activities (deposits with banks and other financial instruments).

Credit risk management

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company's maximum exposure to credit risk as at 31st March, 2020, 2019 & 2018 is the carrying value of each class of financial assets.

**i) Loans**

Credit risk on Loans given is limited based on past experience and management's estimate.

**ii) Cash and Cash Equivalents**

The Company held cash and bank balance with credit worthy banks of Rs 25,214 at March 31, 2020, (March 31, 2019: Rs15,622,764; March 31, 2018: Rs.396,068). The credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks where credit risk is largely perceived to be extremely insignificant.

**B. Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – Trade and Other Payables and Borrowings.

Liquidity risk management

The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31st March, 2020 and 31st March, 2019. This was the result of cash delivery from the business. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis. The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents (to the extent required).

**C. Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments. The Company is exposed to market risk primarily related to interest rate risk and the market value of the investments.

**i) Currency Risk**

The functional currency of the Company is Indian Rupee. Currency risk is not material, as the Company does not have any exposure in foreign currency.

**ii) Interest Rate Risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

According to the Company interest rate risk exposure is only for floating rate borrowings. Company does not have any floating rate borrowings on any of the Balance Sheet date disclosed in this financial statements.

**iii) Price Risk**

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in quoted instruments.

**a Fair value sensitivity analysis for fixed rate Instruments**

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through Profit or Loss. Therefore, a change in interest rates at the reporting date would not affect Profit or Loss.

**b Cash flow sensitivity analysis for variable rate Instruments**

The company does not have any variable rate instrument in Financial Assets or Financial Liabilities.

**28: Impact of COVID:**

The company has assessed the impact of COVID- 19 on its financial statement based on the internal and external information upto the date of approval of these financial statements and the company believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic.

**29. First-time adoption of Ind-AS**

These financial statement of Ken Financial Services Limited for the year ended March 31, 2020 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2018 as the transition date and IGAAP as previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statement, disclosure in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statement for the year ended March 31, 2020 and comparative information. An explanation of how the transition from previous GAAP to Ind AS has effected the Company's Balance Sheet and Statement of Profit & Loss is set out in Note 24. Exemption on first-time adoption of Ind AS availed in accordance with Ind AS 101 have been set in below:

**Deemed cost for property, plant and equipment**

The Company has elected to continue with the carrying value of all of its plant and equipment recognised as of April 1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**30. Segment Reporting**

The Company is engaged mainly in trading activities and as such there are no other reportable segment as defined by Indian Accounting Standard 108 on "Operating Segments" issued by the Institute of Chartered Accountants of India.

31. There are no dues to Micro, Small & Medium Enterprises as at Balance Sheet date and no interest has been paid to any such parties. This is based on the information on such parties identified on the basis of information available with the Company and relied upon by the auditors.

**32.Related Parties Disclosures****32.i Companies in which promoters have significant influence**

NIL

**32.ii Key Management Personnel**

- Akash Swami (Whole time Director)
- Sumit Gupta (Whole time Director & CFO)
- Khushboo Vasudev (Company Secretary)

	Akash Swami	Sumit Gupta	Khushboo Vasudev
	420,000	360,000	240,000
Short-Term Employee Benefits	(420,000)	(360,000)	(160,000)
Post-Employment Benefits	Nil (Nil)	Nil (Nil)	Nil (Nil)
Other Long-Term Benefits	Nil (Nil)	Nil (Nil)	Nil (Nil)
Termination Benefits	Nil (Nil)	Nil (Nil)	Nil (Nil)
Share-Based Payment	Nil (Nil)	Nil (Nil)	Nil (Nil)
Total:	420,000 (420,000)	360,000 (360,000)	240,000 (160,000)

33. The previous year figures have been regrouped /reclassified wherever considered necessary. Figures have been rounded off to the nearest rupee.

**As per our report of even date attached**

**For Motilal & Associates**

**Chartered Accountants**

**Firm's Registration No.: 106584W**

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

**Ken Financial Services Limited**

**CIN: L65990MH1994PLC078898**

**Sd/-**

**Rishabh Jain**

**Partner**

**Membership No.: 179547**

**Sd/--**

**Sumit Gupta**

**Whole-time Director & CFO**

**DIN: 06938413**

**Sd/--**

**Akash Swami**

**Whole-time Director**

**DIN: 06938405**

**Sd/-**

**Khushboo Vasudev**

**Company Secretary**

**Mumbai**

**July 15, 2020**