

KEN FINANCIAL SERVICES LIMITED

101, Shah Arcade, A Wing, Shah Arcade SRA CHS Ltd., Rani Sati Marg,
Near W.E. Highway, Malad (East), Mumbai – 400 097.
Ph. No. 022 28881720, Email: kenfsl@rediffmail.com, Website: ken-fin.com
(CIN- L65990MH1994PLC078898)

Date: 8th September, 2022

To,
BSE Limited
Corporate Relation Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

Script Code 530547
Sub: Annual Report for the financial year 2021-22

Dear Sir / Madam,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report of the Company along with the Notice of the 28th Annual General Meeting and other Statutory Reports for the financial year 2021-22.

Kindly take the same on your records.

Thanking you.

Yours faithfully,
For Ken Financial Services Limited

Shakti Singh Rathore
DIN: 09208373
Director

Encl: as above

ANNUAL REPORT

2021-2022

**KEN FINANCIAL
SERVICES LIMITED**

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	1. Mr. Manoj Kumar More 2. Mr. Sumit Surendra Gupta 3. Mr. Ramanuj Babulal Sodani 4. Ms. Neha Kailash Bhageria 5. Mr. Shakti Singh Rathore 6. Mr. Praveen Kumar Modi
COMPANY SECRETARY	:	Ms. Khushboo Vasudev
REGISTERED OFFICE	:	101, Shah Arcade 1, A Wing, Shah Arcade SRA CHS Ltd., Rani Sati Marg, Near W.E. Highway, Malad (East), Mumbai - 400 097.
BANKERS	:	Axis Bank Limited Mumbai
AUDITORS	:	M/s. Satya Prakash Natani & Co. Chartered Accountants, Mumbai
SECRETARIAL AUDITORS	:	Ms. Abhilasha Chaudhary Practicing Company Secretary
SHARE TRANSFER AGENTS	:	Purva Sharegistry (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 28th Annual General Meeting of the members of **Ken Financial Services Limited** will be held on **Friday, 30th September, 2022 at 05:00 p.m.** through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. **Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the report of Directors and Auditors thereon.

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

“**RESOLVED THAT** the Audited Financial Statements for the year ended 31st March 2022, and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted.”

2. **Appointment of Director who retires by rotation:**

To appoint a Director in place of Mr. Sumit Surendra Gupta (holding DIN 06938413) who retires by rotation and being eligible, offers himself for re-appointment.

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

“**RESOLVED THAT** Mr. Sumit Surendra Gupta (holding DIN 06938413), Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby reappointed as a Director of the Company.”

SPECIAL BUSINESS:

3. **Appointment of Mr. Shakti Singh Rathore (holding DIN 09208373) as a Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shakti Singh Rathore (holding DIN 09208373), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th November, 2021 and whose term of office expires at the Annual General Meeting, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation.

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

4. **Appointment of Mr. Shakti Singh Rathore (holding DIN 09208373) as a Managing Director of the Company:**

To consider, and if thought fit, to pass the following resolution, with or without modification, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, the consent of members of the Company be and is hereby accorded to the appointment of Mr. Shakti Singh Rathore (holding DIN 09208373) as the Managing Director of the Company for a period of 5 (five) years from August 30, 2022 to August 29, 2027 on the terms and conditions of appointment including the payment of remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with authority to the Board of Directors (on the recommendations of the Nomination and Remuneration Committee) to alter, enhance or widen the scope of remuneration including periodical increase in his remuneration as may be permissible within the overall remuneration limits in accordance with Section 197 read with Schedule V of the Companies Act, 2013 and rules made thereunder and other applicable laws, regulations, as amended from time to time.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. Shakti Singh Rathore, the remuneration payable to him by way of salary, allowances and perquisites shall not exceed the limits prescribed under Schedule V to the Companies Act, 2013, or any amendment, modification, variation or re-enactment thereof.

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

5. **Appointment of Mr. Praveen Kumar Modi (holding DIN 08428737) as a Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Praveen Kumar Modi (holding DIN 08428737), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th August, 2022 and whose term of office expires at the Annual General Meeting, be and is hereby appointed as a Director of the Company at a remuneration of Rs. 3,60,000/- p.a., whose period of office shall be liable to retire by rotation.

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

Registered office:

101, Shah Arcade 1, A Wing,
Shah Arcade SRA CHS Ltd.,
Rani Sati Marg, Near W.E. Highway,
Malad (East), Mumbai - 400 097.

For and on behalf of the Board

sd/-

Sumit Surendra Gupta

DIN 06938413

Whole-time Director

Place: Mumbai

Date: 30th August, 2022

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 (collectively referred to as “MCA Circulars”) has permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), during the calendar year 2022. In compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the 28th 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 are requested to send to the Company a duly certified copy of Board Resolution authorizing their representative to attend and vote on their behalf.
4. The attendance of members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of Companies Act, 2013.

5. Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), the information regarding the 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 24, 2022 to September 30, 2022 (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 Limited.
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. 5th 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 Limited 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 28th Annual General Meeting and the Annual Report for the year ended 31st March, 2022 will also be available on the Company's website 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.
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, Membership No. F 10010, COP 16275, 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 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. On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in 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 Sharegistry (India) Private Limited, by clicking the link: <http://www.purvashare.com/email-and-phone-updation/> in their web site 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. 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 Sharegistry (India) Pvt. Ltd., by sending E mail at 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.

(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 and joining the meeting are as under:

- (i) The remote e-voting period begins on September 27, 2022 (09.00 a.m.) and ends on September 29, 2022 (05.00 p.m.). During this period, members of Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2022, 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) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with Individual Shareholders holding securities in demat mode with NSDL CDSL</p>	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) Login method for e-Voting and joining the meeting for Physical shareholders and shareholders other than individual holding in Demat form:

1. The shareholders should log on to e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. 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.

4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Detail OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> • 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.

7. After entering these details appropriately, click on “SUBMIT” tab.
8. 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.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant company <KEN FINANCIAL SERVICES LIMITED> on which you choose to vote.
11. 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.

12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. 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.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
16. If a 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.
17. **Additional Facility for Non – Individual Shareholders and Custodians – For remote e-voting only:**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
 - 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 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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(v) **Instructions for shareholders attending the AGM through VC / OAVM and E-voting During the meeting are as under:**

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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. 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.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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.
11. 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.

(vi) Process for those shareholders whose email addresses are not registered with the Company / Depositories:

- (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 update your email id & mobile no. with your respective Depository Participant (DP).
- (c) For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 or call on toll free no. 1800 22 55 33.

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.

The following Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 3:

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on Saturday, 13th November, 2021, appointed Mr. Shakti Singh Rathore (holding DIN 09208373) as an Additional Director - Executive Director on the Board of Directors of the Company w.e.f. 13th November, 2021.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Shakti Singh Rathore holds office upto the date of ensuing Annual General Meeting. The Company has received notice under Section 160 of the Act from a member proposing the candidature of Mr. Shakti Singh Rathore as a Director of the Company.

Mr. Shakti Singh Rathore is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars issued by BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

The Board of Directors is of the opinion that Mr. Shakti Singh Rathore is a person of integrity and has relevant experience and expertise for being appointed as a Director. The Board considers that the knowledge, expertise and experience as possessed by Mr. Shakti Singh Rathore will be of immense benefit and value to the Company and it is desirable to avail services of Mr. Shakti Singh Rathore as a Director of the Company.

The information as required under Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings is provided in annexure to this Notice.

Based on recommendation of Nomination and Remuneration Committee, the Board recommends Ordinary Resolution as set out at Item No. 3 of the Notice of the AGM for the approval by the members.

Except Mr. Shakti Singh Rathore, 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 of the Notice.

Item No. 4:

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 30th August, 2022, appointed Mr. Shakti Singh Rathore (holding DIN 09208373) as a Managing Director of the Company for a term of 5 years commencing from 30th August, 2022 till 29th August, 2027.

The terms and conditions of the appointment of Mr. Shakti Singh Rathore as a Managing Director are given below:

A. Tenure of appointment:

The appointment of Mr. Shakti Singh Rathore shall be for a period of five years with effect from 30th August 2022 up to 29th August 2027.

B. Remuneration:

Mr. Shakti Singh Rathore shall be paid remuneration of Rs. 6,00,000/- p.a., which is inclusive of salary, allowances, perquisites and benefits, if any.

The perquisites and benefits, if any, shall be valued as per Income Tax Rules, 1962. Any time during the term of these five years, the remuneration payable to Mr. Shakti Singh Rathore may be revised by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, based on the performance of the Company, performance of the Managing Director and his contributions to the growth of the Company and the market standards and the said remuneration, as enhanced, shall not exceed the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013, including any amendment, modification, variation or re-enactment thereof.

Shareholders' approval is also being sought to empower the Board to vary the terms of employment, including the remuneration from time to time based on the exigencies of business, but within the limits prescribed by the Companies Act, 2013.

C. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the tenure of Mr. Shakti Singh Rathore, the Company has no profits or its profits are inadequate, the above remuneration shall be treated as minimum remuneration payable, subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

D. Nature of Duties:

The Managing Director shall have all powers and authorities which remain vested with him under the Companies Act, 2013 and Articles of Association of the company and the Managing Director shall be entitled to the management and control of whole of the affairs of the company.

E. Other terms & conditions:

The terms and conditions of the above appointment shall be within the overall limits of Section 197 of the Act read with Schedule V to the Companies Act, 2013, if applicable and as may be amended from time to time.

Based on recommendation of Nomination and Remuneration Committee, the Board recommends Special Resolution as set out at Item No. 4 of the Notice of the AGM for the approval by the members.

Except Mr. Shakti Singh Rathore, being the appointee, 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 of the Notice.

Item No. 5:

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on Tuesday, 30th August, 2022, appointed Mr. Praveen Kumar Modi (holding DIN 08428737) as an Additional Director (Professional Executive) of the Company with effect from 30th August, 2022.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Praveen Kumar Modi holds office upto the date of ensuing Annual General Meeting. The Company has received notice under Section 160 of the Act from a member proposing the candidature of Mr. Praveen Kumar Modi as a Director of the Company.

Mr. Praveen Kumar Modi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars issued by BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

The Board of Directors is of the opinion that Mr. Praveen Kumar Modi is a person of integrity and has relevant experience and expertise for being appointed as a Director. The Board considers that the knowledge, expertise and experience as possessed by Mr. Praveen Kumar Modi will be of immense benefit and value to the Company and it is desirable to avail services of Mr. Praveen Kumar Modi as a Director of the Company.

The information as required under Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings is provided in annexure to this Notice.

Based on recommendation of Nomination and Remuneration Committee, the Board recommends Ordinary Resolution as set out at Item No. 5 of the Notice of the AGM for the approval by the members.

Except Mr. Praveen Kumar Modi, 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. 5 of the Notice.

Registered office:

101, Shah Arcade 1, A Wing,
Shah Arcade SRA CHS Ltd.,
Rani Sati Marg, Near W.E. Highway,
Malad (East), Mumbai - 400 097.

Place: Mumbai

Date: 30th August, 2022

For and on behalf of the Board

sd/-

Sumit Surendra Gupta

DIN 06938413

Whole-time Director

ANNEXURE

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

1.

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 Companies of which he / she holds membership	Nil

2. and 3.

Name of Director	Mr. Shakti Singh Rathore
Date of Birth	21-05-1992
No. of Equity Shares held	Nil
Qualification	B.Com.
Relationship with other Directors	None
Nature of Expertise	Work experience of more than 10 years in Finance, Accounts, Taxation and Commercial function with strategic planning, budgeting and procurement alongwith a visionary leadership and management skills.
Name of Companies in which he holds Directorship	1. Fur and Fluff Foundation
Names of Committees of Companies of which he / she holds membership	Nil

4.

Name of Director	Mr. Praveen Kumar Modi
Date of Birth	03-05-1989
No. of Equity Shares held	Nil
Qualification	B. Com
Relationship with other Directors	None
Nature of Expertise	Work experience of more than 10 years in finance company. He has gained lot of experience and knowledge in the field of accounts and finance.
Name of Companies in which he / she holds Directorship	Nil
Names of Committees of Companies of which he / she holds membership	Nil

DIRECTORS' REPORT

To,
The Members,
Ken Financial Services Limited

Your Directors have pleasure in presenting the **28th Annual Report** on the Business and Operations of the Company together with the Audited Statement of Accounts of the Company for the financial year ended on March 31, 2022.

1. Financial Results:

The financial results are summarized below:

(Amount in Hundreds)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	Total Revenue	7,23,473	8,99,745
B	Total Expenses	6,23,310	8,38,537
C	Profit/(Loss) Before Tax	1,00,163	61,208
D	Tax expense:		
	- Current Tax	25,600	15,866
	- Tax for earlier years	(387)	1,352
	- Deferred Tax	332	558
E	Profit/(Loss) after Tax	74,617	43,432

2. Financial Performance:

The pandemic induced disruptions continued in FY2022 as well. The first half of FY2022 witnessed a significant impact of the deadly second (Delta) wave of the pandemic - impacting performance of both business and debt management services. The third wave (Omicron) strain was more transmissible due which it has a greater impact on KFSL's operation.

During the year, the Company has earned Total Revenue of Rs.7,23,473 Hundreds in comparison to Rs. 8,99,745 Hundreds during the previous year. The total expenses has been reduced from Rs. 8,38,537 Hundreds to Rs. 6,23,310 Hundreds due to which Net Profit after tax is Rs. 74,617 Hundreds in comparison with Rs.43,432 Hundreds during the previous year.

With the experience of managing significant financial and operational disruption emanating from the pandemic, the transformational journey that KFSL has embarked upon and the exit momentum of FY2022, the Company remains confident of a sound growth trajectory in FY2023 and thereafter.

3. The Covid-19 Pandemic:

The impact of the pandemic on the performance of the Company and measures adopted to steer through FY2022 was once again dominated by the COVID-19 pandemic as new waves of infection swept across countries.

In India, the second wave (called 'Delta') proved far more deadly than the first that struck in 2020. The advent of the highly transmissible variant 'Omicron' in early January 2022 (the third wave) spread much dread across the world. During this wave, India's daily number of reported cases peaked to nearly 350,000 on January 20, 2022 and the active case load was over 22 million as on January 23, 2022. Fortunately, while highly transmissible, Omicron was not as clinically deadly as Delta. So, while many got infected, almost all got well again within a week or so, without hospitalization and mortality. The impact of the second and third wave this continuing crisis have been discussed in detail in Management Discussion and Analysis.

4. Dividend & Reserves:

The Board after assessing the capital buffers, liquidity levels and the impact of COVID19 on the operations of the Company abstains from declaring any dividend for the financial year ended March 31, 2022 and no amount of profit earned during the year was transferred to General Reserve.

5. Management Discussion & Analysis:

Ken Financial Services Limited is a non-systemically important non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) since March 24, 1998, with registration number 13.00423 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd February, 2019. The Company is mainly engaged in the business of financing.

6. Listing with Stock Exchanges:

At present, the Equity shares of the Company are listed at BSE Limited. 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.

7. Dematerialization of Shares:

99.40% of Company's paid-up Equity Share Capital is in dematerialized form as on March 31, 2022 and the balance 0.60% is in physical form. The Company's Registrar and Transfer Agent is M/s. Purva Sharegistry (India) Private Limited having their registered office at Unit No.9, Shiv Shakti Industrial Estate, Gr Floor, J R Bhoncha Marg, Lower Parel, Mumbai - 400 011.

8. Internal Financial Controls:

Internal Financial Controls laid down by the Company is a systematic set of controls and procedures to ensure orderly and effective conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Internal financial controls not only require the system to be designed effectively but also to be tested for operating effectiveness periodically. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

9. Finance & Accounts:

The board after assessing the capital buffers, liquidity levels and the impact of COVID-19 on the operations of the Company did not raise any finance by issue of any securities during the year. Company has adequate financial resources at its disposal for carrying on its business. Your company is required to prepare financial statements under Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. The estimates and judgments relating to financial statements are made on prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs and profit for the FY2022.

10. Subsidiaries, Joint Ventures and Associates Companies:

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

11. 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.

12. Statutory Auditors:

The members of the Company at the 26th AGM held on 28th September, 2020 had appointed M/s. Satya Prakash Natani & Co. (having Firm Registration No. 115438W), Chartered Accountants, Mumbai, as the Statutory Auditors of the Company for a term of 5 years and accordingly they hold their office till the conclusion of Annual General Meeting to be held in the year 2025.

The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

13. 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, the Board has appointed Ms. Abhilasha Chaudhary, Practicing Company Secretary, (ACS No. 62496, CP No. 23604), to undertake secretarial audit of the Company.

The Secretarial Audit Report for the financial year ended March 31, 2022 does not contain any qualification or observation which requires any comments from the Board. The Secretarial Audit Report is annexed to this report as Annexure A.

14. Internal Auditors:

The internal audit function provides an independent view to the Board of Directors, the Audit Committee and the Senior Management on the quality and efficacy of the internal controls, governance systems and processes. In line with the RBI's guidelines on Risk Based Internal Audit, the Company has adopted a Risk Based Internal Audit policy.

In terms of Section 138 of the Companies Act, 2013 and Rules made thereunder, M/s V.P. Agarwal & Co., Chartered Accountants has been appointed as Internal Auditors of the Company.

15. Annual Return:

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return can be accessed at Company's website at www.ken-fin.com

16. 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.

17. Foreign Exchange Earnings / Outgo:

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

18. 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.

19. Human Resources:

KFSL firmly believes that Human Capital is its most important asset. During COVID – 19 pandemic, the health, safety and wellbeing of the employees and their families remained our top priority. The Company has embarked on its journey of "Happiness at the workplace" which has helped to look at employee engagement in a more holistic way.

20. Meetings of the Board:

The Board of Directors of the Company duly met 5 times during the FY2022. Details of the meetings and attendance thereat form part of the Corporate Governance Report. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

21. Disqualification of Directors:

During the year, 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.

22. Directors and Key Managerial Personnel:**(i) Appointment of Additional Directors:**

- (a) The Board of Directors of the Company appointed Ms. Neha Kailash Bhageria (holding DIN 09217784) as an Additional Director - Independent Woman Director w.e.f 30th June, 2021. Subsequently, the members of the Company, at their meeting held on 30th September, 2021, appointed Ms. Neha Kailash Bhageria as a Director of the Company.
- (b) The Board of Directors of the Company appointed Mr. Ramanuj Babulal Sodani (holding DIN 00004109) as an Additional Director – Independent Director w.e.f 30th June, 2021. Subsequently, the members of the Company, at their meeting held on 30th September, 2021, appointed Mr. Ramanuj Babulal Sodani as a Director of the Company.

(ii) Resignation of Independent Director:

Mrs. Gangaben Raman Pagi (holding DIN 05136544) resigned from the post of Independent Director of the Company effect from the close of business hours of 1st November, 2021.

(iii) Resignation of Whole-time Director:

Mr. Akash Sukhdev Swami (holding DIN 06938405) resigned from the post of Whole-Time Director of the Company with effect from the close of business hours of 13th November, 2021.

(iv) Appointment of Additional Director:

The Board of Directors of the Company appointed Mr. Shakti Singh Rathore (holding DIN 09208373) as an Additional Executive Director on the Board w.e.f. 13th November, 2021

(v) Appointment of Directors retiring by rotation:

Mr. Sumit Surendra Gupta (holding DIN 06938413), Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

(vi) 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.

23. Vigil Mechanism:

A vigil mechanism provides a channel to employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or any Policy of the Company. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. 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 pursuant to the requirements of section 177(9) of the Act and regulation 22 of the SEBI Listing Regulations and the same can be accessed on Company's website www.ken-fin.com.

24. 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.

25. Directors Responsibility Statement:

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values pursuant to the provisions of the Act and guidelines issued by SEBI/RBI. 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. These form a part of the Notes to the financial statements.

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

- a) in the preparation of annual accounts for the financial year ended 31st March, 2022, 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 31st March, 2022 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.

26. Secretarial Standards of ICSI:

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the MCA circulars granting exemptions in view of the COVID-19 pandemic.

27. Particulars of Loans, Guarantees or Investments

The Company, being an NBFC registered with the RBI and engaged in the business of giving loans in ordinary course of its business. 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.

28. Related Party Transactions

Contracts/arrangement/transactions entered by the Company during FY2022 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. All related party transactions entered during FY2022 were on arm's length basis and not material under the Act and SEBI Listing Regulations. None of the transactions required members' prior approval under the Act or SEBI Listing Regulations. Details of transactions with related parties during FY2022 are provided in the notes to the financial statements. There were no transaction requiring disclosure under section 134(3)(h) of the Act. Hence, Form AOC-2 does not form a part of this report.

29. Risk Management:

The Company closely monitor product portfolios to navigate through the second and third waves of COVID-19 during the year and maintain risk metrics at pre-covid levels. 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.

30. 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.

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

During FY2022, there were no significant and material orders passed by Regulators or Courts or Tribunal impacting the going concern status of the Company and its future operations.

32. 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.

33. Board Evaluation:

Pursuant to Section 178 of the Act, the Nomination and Remuneration Committee and the Board has decided that the evaluation shall be carried out by the Board only and the Committee will only review its implementation and compliance.

Further as per Schedule IV of the Act and provisions of SEBI Listing Regulations, the performance evaluation of independent directors shall be done by the entire Board excluding the Directors being evaluated on the basis of performance and fulfillment of criteria of independence and their independence from the Management.

The Board performs three major roles in a company – it provides direction (i.e. sets the strategic direction of the company), it controls (i.e. monitors the management) and provides support and advice (advisory role). Board evaluation typically examines these roles of the Board and the entailing responsibilities, and assesses how effectively these are fulfilled by the Board. The effectiveness of the Board depends on a variety of factors, some of which are:

- Board Structure: its composition, constitution and diversity and that of its Committees, competencies of the members, Board and Committee charters, frequency of meetings, procedures.
- Dynamics and Functioning of the Board: annual Board calendar, information availability, interactions and communication with CFO and senior executives, Board agenda, cohesiveness and the quality of participation in Board meetings.
- Financial Reporting Process, Internal Audit and Internal Controls: the integrity and the robustness of the financial and other controls regarding abusive related party transactions, vigil mechanism and risk management.
- Monitoring Role: monitoring of policies, strategy implementation and systems.

34. 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 Kumar More	Chairman	Non-Executive Independent Director
Mr. Akash Sukhdev Swami ^{1&2}	Member	Whole-time Director
Mrs. Gangaben Raman Pagi ²	Member	Non-Executive Independent Director
Ms. Neha Kailash Bhageria ³	Member	Non-Executive Independent Director
Mr. Ramanuj Babulal Sodani ³	Member	Non-Executive Independent Director

¹From 14th October 2020

²Upto 30th June, 2021

³From 30th June, 2021

All the recommendations made by the Audit Committee were accepted by the Board.

35. 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. Ramanuj Babulal Sodani ³	Chairman	Non-Executive Independent Director
Mr. Manoj Kumar More	Member	Non-Executive Independent Director
Mrs. Gangaben Raman Pagi ²	Member	Non-Executive Independent Director
Mr. Akash Sukhdev Swami ^{1&2}	Member	Whole-time Director
Ms. Neha Kailash Bhageria ³	Member	Non-Executive Independent Director

¹From 14th October 2020

²Upto 30th June, 2021

³From 30th June, 2021

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

36. Ratio of Remuneration:

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

Sr. No.	Name	Designation	Remuneration for the F.Y. 2021-22	% increase (decrease) from previous year	Ratio / Times per median of employee remuneration
1.	Mr. Akash Sukhdev Swami	Whole-time Director	2,800	Nil	2.00
2.	Mr. Sumit Surendra Gupta	Whole-time Director	900	Nil	0.64
3.	Mr. Shakti Singh Rathore	Additional Director	2,500	100.00	1.79
4.	Ms. Khushboo Vasudev	Company Secretary	1,920	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.

37. Corporate Governance:

Corporate Governance essentially involves balancing the interests of various stakeholders of the Company such as shareholders, management, customers, suppliers, financiers and the government. It entails managing business with accountability to and responsibility towards the shareholders and making accurate, adequate and timely disclosures of relevant information. It includes the processes through which the organisation's objectives are set and pursued in the context of the social, regulatory and market environment. KFSL believes in efficient, transparent and impeccable Corporate Governance for its stability, profitability and desired growth of its business. A report on Corporate Governance is appended as an annexure to this report.

38. Share Capital:**A) Buy Back of Securities**

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

B) Sweat Equity

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

C) Bonus Shares

No Bonus Shares were issued during the year.

D) Employees Stock Option Plan

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

39. Business Responsibility and Sustainability Report ('BRSR')

Pursuant to amendment in SEBI Listing Regulations, top 1,000 listed entities based on market capitalization are required to submit a BRSR with effect from the FY2023. However, in the Financial Year 2021-2022, the Company does not fall under that category. Hence, submission of the said report is not required

40. RBI Guidelines:

The Company continues to fulfil all the norms and standards laid down by RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norm of 15%, the capital to risk-weighted assets ratio of the Company was 27.22% as on 31 March 2022. In line with the RBI guidelines for asset liability management (ALM) system for NBFCs, the Company has an asset liability committee, which meets monthly to review its ALM risks and opportunities.

Further, BFL exceeds the regulatory requirement of liquidity coverage ratio (LCR) introduced by the RBI in FY2020. As against the LCR requirement of 60%, BFL's LCR as on 31 March 2022 was 134%.

The Company continues to be in compliance with the Master Direction for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

41. Acknowledgment:

Your directors would like to place on record their gratitude for the valuable guidance and support received from RBI, SEBI, Registrar of Companies, BSE Limited and other Government and Regulatory agencies and to convey their appreciation to KFSL's customers, bankers, lenders, vendors and all other business associates for their continuous support given by them to the Company.

The Directors also place on record their appreciation for all the employees of the Company for the commitment, team work, professionalism and the resilience and dedication demonstrated by them during this difficult period of COVID-19 pandemic.

Registered Office:

101, Shah Arcade 1, A Wing,
Shah Arcade SRA CHS Ltd.,
Rani Sati Marg,
Near W.E. Highway,
Malad (E), Mumbai - 400 097.

Dated: 21st July, 2022**For and on behalf of the Board**

sd/-

Sumit Surendra Gupta
DIN: 06938413
Whole-time Director

sd/-

Shakti Singh Rathore
DIN: 09208373
Director



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,
Ken Financial Services Limited
101, Shah Arcade, A Wing, Shah Arcade
SRA CHS Ltd Rani Sati Marg, Near
W. E. Highway, 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 01st April 2021 to 31st March 2022 ('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 31st March, 2022 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. 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.*
 - (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.*
 - (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 is 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;*

5. 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, and Regulations.

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

- As per the information's and details provided by the management/officers of the company, the company has complied with the 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.
- As per the information's and details provided by the management/officers of the company, 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) and Company has not paid Annual Listing Fees for the audit period.





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.

For Abhilasha Chaudhary & Associates
Practicing Company Secretary

sd/-

Abhilasha Chaudhary, Proprietor
Mem. No.: ACS 62496
COP No.: 23604

UDIN: A062496D000662447
Date: 21st July, 2022

Practising Company Secretary



**Annexure to the Secretarial Audit Report**

To,
The Members,
Ken Financial Services Limited
101, Shah Arcade, A Wing, Shah Arcade
SRA CHS Ltd Rani Sati Marg, Near
W. E. Highway, 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 Abhilasha Chaudhary & Associates
Practicing Company Secretary

sd/-

Abhilasha Chaudhary, Proprietor
Mem. No.: ACS 62496
COP No.: 23604

UDIN: A062496D000662447
Date: 21st July, 2022



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 about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interest while conducting business. In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (the 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Ken Financial Services Limited (the 'Company', 'KFSL') for FY2022.

This report outlines compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations and Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as amended as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures are well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Ken Financial Services Limited (KFSL) recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, investors, regulators and other stakeholder. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices.

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to our Company. 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.

Key elements of KFSL's Corporate Governance

- Compliance with applicable law.
- Number of Board and Committee meetings more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans and risks.
- Board comprises of directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- Panel of independent directors with outstanding track record and reputation.
- Confidential Board evaluation process where each Board member evaluates the performance of every director, Committees of the Board, the Chairman of the Board and the Board as a whole.
- Presentations by key senior management team ('SMT') members of the Company to familiarize the directors with key elements of the businesses.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.

2. BOARD OF DIRECTORS

(i) Composition and Category of Directors as on March 31, 2022

In compliance with the provisions of the SEBI Listing Regulations, the Company has an optimum combination of executive and non-executive directors with a woman independent director. The Company has a non-executive Chairman.

Name of Directors	Designation	Category
Mr. Manoj Kumar More	Chairman	*Non-Executive
Mr. Sumit Surendra Gupta	Whole-time Director	Executive
Mr. Ramanuj Babulal Sodani ¹	Director	*Non-Executive
Ms. Neha Kailash Bhageria ¹	Director	*Non-Executive
Mr. Shakti Singh Rathore ²	Additional Director	Executive

¹From 30-06-2021

²From 13-11-2021

*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 FY2022

During the F.Y. 2021-22, the Board of Directors met 5 (five) times. The meetings were held on 30-06-2021, 13-08-2021, 02-09-2021, 13-11-2021 and on 14-02-2022. Attendance of Directors in meetings held during the financial year 2021-22.

Name of Directors	No. of Board Meeting attended in F.Y. 2021-22	Attendance at Last AGM (30-09-2021)
Mr. Manoj Kumar More	5	Yes
Mr. Sumit Surendra Gupta	5	Yes
Mrs. Gangaben Raman Pagi	5	No
Mr. Ramanuj Babulal Sodani	4	Yes
Ms. Neha Kailash Bhageria	4	Yes
Mr. Shakti Singh Rathore	1	NA

(iii) Directorships and Committees position held in other Companies as on 31-03-2022:

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. Manoj Kumar More	4	1	0	DJS Stock and Shares Limited - Director
Mr. Sumit Surendra Gupta	0	None	None	Nil
Mr. Ramanuj Babulal Sodani	2	None	None	Nil
Ms. Neha Kailash Bhageria	2	None	None	1. DJS Stock and Shares Limited - Director 2. Nexus Surgical and Medicare Limited - Director
Mr. Shakti Singh Rathore	1	None	None	Nil

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

(iv) 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. Shakti Singh Rathore	Professional Executive	None
Mr. Manoj Kumar More	Independent	None
Mr. Ramanuj Babulal Sodani	Independent	None
Ms. Neha Kailash Bhageria	Independent	None

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

The Shareholding of Non- Executive Directors in the Company as on March 31, 2022:

Name of Directors	Category	No. of shares
Mr. Manoj Kumar More	Non-Executive Independent	NIL
Mr. Ramanuj Babulal Sodani	Non-Executive Independent	NIL
Ms. Neha Kailash Bhageria	Non-Executive Independent	NIL

(vi) Familiarization programmes for Independent Directors:

In compliance with Regulation 25(7) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has a structured program for orientation and training of Directors at the time of their joining so as to enable them to understand the nature of the industry in which the Company operates, business model of the Company and roles, rights and responsibilities of independent directors. The Company also seeks to update the Directors on a continuing basis on any significant changes so as to place them in a position to take well informed and timely decisions.

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

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

(vii) Board diversity

In compliance with the provisions of the SEBI Listing Regulations, the Board through Nomination and Remuneration Committee ('NRC') has devised a policy on Board Diversity. The Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The present composition broadly meets this objective. The directors are persons of eminence in areas such as profession, business, industry, finance, law, administration, research, banking, etc. and bring with them experience/skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality.

(viii) Skills, Expertise and Competencies of the Board

As stipulated under schedule V to the SEBI Listing Regulations, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

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

(ix) Opinion of the Board

The Board hereby confirms that, in its opinion, the independent directors fulfil the conditions specified under the SEBI Listing Regulations and the Act and are independent of the management of the Company.

(x) Information placed before the Board

The Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by key members of the senior management on important matters from time to time. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by Management to the Board is far ahead of the mandate under the SEBI Listing Regulations.

Pursuant to the various regulatory requirements and considering business needs, the Board is apprised on various matters, *inter alia*, covering the following:

- Business plans, forecast and strategic initiatives
- Capital expenditure and updates
- Internal financial controls
- Details of incidence of frauds, and corrective action taken thereon
- Supervisory and observation letters issued by RBI
- Status of compliance with Act, SEBI regulations, RBI Regulations and shareholder related matters
- Risk management system, Risk Management Policy and strategy followed

- Compliance with corporate governance standards
- Minutes of meetings of various Committees
- Compliance with fair practices code
- Functioning of customer grievance redressal mechanism

(xi) Orderly succession to Board and Senior Management

One of the key functions of the Board of Directors is selecting, compensating, monitoring, and when necessary, replacing key managerial personnel and overseeing succession planning. Pursuant to regulation 17(4) of the SEBI Listing Regulations, the framework of succession planning for appointment of director/Management is placed before the Board for its review.

Succession planning is a critical element of the human resources strategy at the Company. In selecting between a 'build versus buy' talent model, the Company places a larger emphasis on building talent. This strategy is enabled by hiring most of our employees near the entry level and grooming them using a 'grow from within' career management framework.

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 March 31, 2022, four Audit Committee Meetings were held on 30.06.2021, 13.08.2021, 13.11.2021 and 14.02.2022. The composition of Audit Committee and attendance of each Director at their meetings are as follows:

Name	Designation	Category	No. of meetings attended during
Mr. Manoj Kumar More	Chairman	Non-Executive Independent	4
Mr. Akash Sukhdev Swami ^{1&2}	Member	Executive	1
Mrs. Gangaben Raman Pagi ²	Member	Non-Executive Independent	1
Ms. Neha Kailash Bhageria ³	Member	Non-Executive Independent	3
Mr. Ramanuj Babulal Sodani ³	Member	Non-Executive Independent	3

¹From 14th October 2020

²Upto 30th June, 2021

³From 30th June, 2021

(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. Satya Prakash Natani & Co.

(iv) The Chairman of the Audit Committee attended the Annual General Meeting held on 30th September, 2021.

(v) An Audit Committee meeting was held on 30th June, 2021 where the Annual Financial Statements for the year ended March 31, 2021 were reviewed and examined by the members of the Audit Committee before recommending the same to the Board of Directors for their perusal and adoption.

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

Financial Reporting	Date of approval
Quarter/Year ended 31 st March, 2021	30 th June, 2021
Quarter ended 30 th June, 2021	13 th August, 2021
Quarter/Half Year ended 30 th September, 2021	13 th November, 2021
Quarter ended 31 st December, 2021	14 th February, 2022

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. This policy, inter alia, provides:

- (a) The criteria for determining qualifications, positive attributes and independence of directors; and
- (b) Policy on remuneration of directors, key managerial personnel and other employees.

The policy is directed towards a compensation philosophy and structure that will reward and retain talent; and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(iii) Composition, Name of Members and Chairman

The Nomination and Remuneration Committee is comprised of Non-Executive Independent Directors. During the financial year ended March 31, 2022, two Committee Meetings were held on 30th June, 2021 and 13th November, 2021.

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
Mr. Ramanuj Babulal Sodani ³	Chairman	Non-Executive Independent	1
Mr. Manoj Kumar More	Member	Non-Executive Independent	2
Mrs. Gangaben Raman Pagi ²	Member	Non-Executive Independent	1
Mr. Akash Sukhdev Swami ^{1&2}	Member	Executive	1
Ms. Neha Kailash Bhageria ³	Member	Non-Executive Independent	1

¹From 14th October 2020

²Upto 30th June, 2021

³From 30th June, 2021

(iv) Performance Evaluation Criteria for Independent Directors:

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

- a) Attendance of Board and Committee Meetings;
- b) Quality and value of contribution to Board deliberations;
- c) Strategic perspectives or inputs regarding future growth of the Company and its performances;
- d) Providing perspectives and feedback going beyond information provided by the management;
- e) Effective follow up on certain crucial matters wherein the concern is expressed;
- f) Communication skills with Board and Senior Management and others.

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 2021-22.
- 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 March 31, 2022 and shares held by them on that date are as follows:

Name of the Directors	Remuneration	Share held
Mr. Akash Sukhdev Swami	2800 Hundreds	None
Mr. Sumit Surendra Gupta	900 Hundreds	None
Mr. Shakti Singh Rathore	2500 Hundreds	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, 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 shareholders 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. During the financial year ended March 31, 2022, two Committee Meetings were held on 13th August, 2021 and 14th February, 2022. Details of composition are as under:

Name	Designation	Category	No. of meetings attended
Mr. Manoj Kumar More	Chairman	Non-Executive Independent	2
Mr. Ramanuj Babulal Sodani	Member	Non-Executive Independent	2
Mrs. Neha Kailash Bhageria	Member	Non-Executive Independent	2

Ms. 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.

(iv) 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
25 th	30-09-2019	F-3, First Floor, Shah Arcade 1, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East), Mumbai - 400 097.	02:30 p.m.
26 th	28-09-2020	Held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Deemed Venue was: F-3, First Floor, Shah Arcade 1, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East), Mumbai - 400 097	04:00 p.m.
27 th	30-09-2021	Held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Deemed Venue was: 101, Shah Arcade 1, A Wing, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East), Mumbai - 400 097	02:30 p.m.

(ii) Special Resolution passed in previous three AGMs:

AGM Date	Special Resolutions passed
30-09-2019	1. Re-appointment of Mr. Manoj Kumar More (holding DIN 00040190) as an Independent Director of the Company w.e.f. 1 st April, 2019 for a further term of five consecutive years. 2. Re-appointment of Mr. Sunilkumar Saini (holding DIN 00673578) as an Independent Director of the Company w.e.f. 1 st April, 2019 for a further term of five consecutive years.
28-09-2020	No Special Resolution was passed
30-09-2021	No Special Resolution was passed

(iii) Postal Ballot:

During the year 2021-22, there was no special resolution passed through postal ballot process. None of the business is proposed to be transacted through Postal Ballot.

8. MEANS OF COMMUNICATION.

Quarterly Results	The quarterly results as approved and taken on record by the Board of Directors of the Company generally within one and half month of the close of the relevant quarters are sent forthwith to the Stock Exchange, Mumbai and published in the proforma as prescribed in the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Which newspaper normally published in	The Free Press Journal (English Newspaper) 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 st April to 31 st March
(ii)	Dividend Payment Date	:	N.A.
(iii)	Listing on Stock Exchanges	:	The Shares of the Company are listed at BSE Limited, Mumbai - 400 001.
(iv)	Listing Fees	:	The Company is yet to pay the listing fees to BSE Limited for the financial year 2021-22.
(v)	Stock Code 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 2021-22.		
(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)	Registrar & Transfer Agents: The Company has appointed M/s. Purva Sharegistry (India) Private Limited as a common agency for share registry work (both physical & electronic) for all matters connected with transfers and transmission of shares and also dematerialization of shares and other related functions. M/s. Purva Sharegistry (India) Private Limited Unit no. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011.		

(x)	<p>Share Transfer System: With a view to expedite the process of share transfers, the Board of Directors has delegated the power of share transfer to Stakeholders Relationship Committee of the Board. The shares for transfer received in physical mode by the Company, are transferred expeditiously and thereafter, option letter is sent to the transferee(s) for dematerialization, Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories, i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited within 7 days..</p>
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(xi) **DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022**

(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	507	88.02	2147099	71.57
Corporate Bodies	21	3.65	496626	16.55
NRI / OCB	1	0.17	57	0.00
Clearing Members	2	0.35	123361	4.11
Hindu Undivided Family	44	7.64	191057	6.37
Total	576	100.00	3000100	100.00

(b) **According to Number of Equity Shares**

Nominal Value of Equity Shares held	No. of shareholders	% of total shareholders	No. of shares	% of shareholding
Upto 5000	325	56.42	65848	2.19
5001 to 10000	53	9.20	45647	1.52
10001 to 20000	48	8.33	73412	2.45
20001 to 30000	21	3.65	53699	1.79
30001 to 40000	18	3.12	64421	2.15
40001 to 50000	20	3.47	96537	3.22
50001 to 100000	29	5.03	220954	7.36
Above - 100000	62	10.76	2379582	79.32
Total	576	100.00	3000100	100.00

(xii)	Dematerialization of Shareholding and liquidity	99.40% Company Equity Share's dematerialized as on 31-03-2022
(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: Purva Shareregistry (India) Pvt. Ltd. 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	http://www.ken-fin.com/cms/3/Investor-Relation
Commodity Price risk or foreign exchange risk and hedging activities	The Company did not engage in commodity & hedging activities.
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 Ms. Abhilasha Chaudhary, Practicing Company Secretary, 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 year 2021-22, 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 2021-22, 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 2020-21, wherever applicable.

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

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/ bonus/ right issues as at 31st March, 2022. 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, Whole-time 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.

sd/-

Place: Mumbai
Dated: 21st July, 2022

Sumit Surendra Gupta
DIN: 06938413
Whole-time 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 Surendra 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 31st March, 2022 and that to the best of my knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2022 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I have reviewed the internal controls and procedures, and to the best of my knowledge and information, I affirm that the Company has adequate internal controls and procedures.
- (d) I have indicated to the auditors and the Audit Committee that:
- (i) There has not been any significant changes in internal control over financial reporting during the financial year ended 31st March, 2022;
 - (ii) There has not been significant changes in the accounting policies during the financial year ended 31st March, 2022;
 - (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.

sd/-

Place: Mumbai
Dated: 21st July, 2022

Sumit Surendra 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,
 101, Shah Arcade, A Wing, Shah Arcade SRA CHS Ltd
 Rani Sati Marg, Near W. E. Highway, 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 **101, Shah Arcade, A Wing, Shah Arcade SRA CHS Ltd Rani Sati Marg, Near W. E. Highway, 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), 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, 2022 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	Ramanuj Babulal Sodani	00004109	30/06/2021
2	Manoj Kumar More	00040190	02/12/2004
3	Sumit Surendra Gupta	06938413	20/06/2014
4	Shaktisingh Sumersingh Rathore	09208373	13/11/2021
5	Neha Kailash Bhageria	09217784	30/06/2021

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 Abhilasha Chaudhary & Associates
 Practicing Company Secretary

sd/-

Abhilasha Chaudhary, Proprietor
 Mem. No.: ACS 62496
 COP No.: 23604

Place: Mumbai
 Date: 21st July, 2022
 UDIN: A062496D000662557



MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Overall Review

Ken Finance Service Limited ('KFSL' or 'the Company') is a non-systemically important non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) since March 24, 1998, with registration number 13.00423 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The Company is mainly engaged in the business of financing. The Company has a diversified lending portfolio across retail, SMEs and commercial customers with significant presence in urban and rural India. It accepts public and corporate deposits and offers variety of financial services products to its customers.

The COVID-19 pandemic is a once in a lifetime occurrence that has brought with it unimaginable suffering to people and to almost all sections of the economy. When the pandemic struck and led to nationwide lockdowns to curtail the transmission of disease, it was natural to fear that the global economy would stay in extreme stress of the kind not seen since the Great Depression and would have a long-lasting economic impact. To counter the crippling impact of the lockdowns on economies, the world's policymakers have resorted to fiscal and monetary measures never seen before in global economic history. It still remains to be seen if these relief measures sufficed, and whether actions taken by Governments across the globe adequately compensated for the disruptions created in the lives of people. Fortunately, science prevailed. Multiple vaccines were found with impressive efficacy levels in less than a year - which will probably rank as among one of the most incredible achievements in science. The announcement of successful development of vaccines seemed to lift spirits around the world. Fortunately for India, which is home to some of the largest vaccine makers in the world, the supply constraints should be limited and temporary. Thereafter, we have seen a rebound - thanks to the resilience of our citizens and entrepreneurs of our economy.

The beginning of FY2022 was once again dominated by the COVID-19 pandemic as new waves of infection swept across the world. In India, the second wave (called 'Delta') proved far more lethal than the first that struck in 2020. After a shaky start in some places, the vaccine immunization programmes by the Indian Government and Governments across the world has been exemplary. It saved lives and livelihood.

The highly transmissible variant 'Omicron' in early January 2022 (the third wave) spread rapidly across the world. During this wave, India's daily number of reported cases peaked to nearly 350,000 on 20 January 2022. Faced with the prospect of yet more lockdowns, there was fear that the world would face yet another year of slow economic growth. Fortunately, while highly transmissible, Omicron was not as lethal as Delta. So, while many got infected, fatality rate was fortunately low. The world did not see a re-run of massive drop in GDP as witnessed FY2021.

Thanks to a huge vaccination drive and the preparedness to deal with COVID-19 as a way of life people, firms and both the Central and State Governments sensibly dealt with the virus. Consequently, the strong link between COVID-19 waves and fall in GDP growth seem to have considerably reduced. As long as the new variants are like Omicron, we should have less to worry about mass hospitalisations, high mortality, multiple lockdowns and lower growth.

This pandemic has inflicted enormous pain and suffering to individuals and corporates alike across the world. However, it gave the world an opportunity to reinvent itself to adapt to new ways of life and business.

Industry Structure and Development

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs are leveraging their superior understanding of regional dynamics and customised products and services to expedite financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt service standards have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, they are well-suited to bridge the financing gap in a large country like India. Systemically Important NBFCs have demonstrated agility, innovation, and frugality to provide formal financial services to millions of Indians.

We believe that NBFCs with superior capital adequacy, better margins, frugal cost management, prudent risk management and those incorporating above four key cornerstones in their business models will continue to deliver sustainable growth in the foreseeable future.

Opportunities and Threats

The Non-Banking Financial Companies (NBFC) performs the function of delivering credit to the local borrowers, unorganized sectors and corporate sector, performing like a banking sector but is different from banks. What sets NBFCs apart from traditional banks is their ground-level understanding of their customers' profile and their credit needs. These insights add to their ability to innovate and customize products as per their clients' needs. One of the biggest opportunities for NBFC is its new to credit investment customers. Such customers are those people who belong from the rural area and have never borrowed credits or loans from any financial institution in the past. Therefore, NBFCs are a boon for the rural sector. Usually, banks often rely on banking and credit history while assessing the loan applications of their customers. Therefore, these new to credit customers do not qualify for a bank loan. To serve this segment, NBFCs have to build the entire machinery in a different way. They need to implement unique models to assess the creditworthiness of applicants and lend them with comparatively less paperwork. Since these customers find it hard to attain a bank loan, they are ready to pay some additional amount of interest on their loan. NBFCs charge a higher rate of interest, within RBI's prescribed regulations.

Moreover, given the rise of non-performing assets (NPAs) in the banking industry, banks have become even more cautious to evaluate the credit worthiness of their borrowers. Since these customers do not have any credit history, NBFCs may have to deploy additional resources for on-ground visits, reference checks and so on. Non-performing assets have been a challenge not only the banks but as well as for the NBFCs. With the new credit customers, the risk remains higher as compared to those customers who have a credit history. Therefore, NBFCs have to continuously work on checks and balances to make sure that the EMIs are on time, customer records remain up to date, and any red alerts are notified immediately. NBFC plays a very important role in providing financial assistance to those in need and it supplements the role of traditional banks by meeting the financial requirements of the unorganized and organized sectors.

There are many challenges & opportunities for the future of NBFC in India and therefore, it is necessary for them to work properly so as to create financial stability and protect the interest of the borrowers and depositors

Segment-wise/Product-wise Performance

The Company is engaged mainly in business of financing and as such there are no other reportable segment. The revenue for the year was Rs. 7,23,473 Hundreds in comparison to Rs. 8,99,745 Hundreds during the previous year.

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

The Company evaluates the adequacy of all internal controls and processes; and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework.

Financial Performance w.r.t. Operational Performance

During the year under review, the Company has earned Total Revenue of Rs. 7,23,473 Hundreds in comparison to Rs. 8,99,745 Hundreds during the previous year. The total expenses has been reduced from Rs. 8,38,537 Hundreds to Rs. 6,23,310 Hundreds due to which Net Profit after tax is Rs. 74,617 Hundreds in comparison with Rs.43,432 Hundreds 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

People are our key pillars of strength. This belief was further strengthened as our people showed tremendous resilience and extraordinary commitment during the pandemic times to bring the Company back to its core performance.

COVID-19 created an unprecedented health crisis, especially during the second wave. We at KFSL took multiple initiatives to ensure safety and well-being of employees and their families and extended financial and logistical support towards diagnosis and treatment. KFSL is committed to create a vibrant and inclusive workplace for all its employees and actively takes steps to ensure these are well enshrined in our policies and practices.

We have adopted people practices that enable us to attract and retain talent in an increasingly competitive market; and to foster a work culture that is always committed to providing the best opportunities to employees to realise their potential. We are committed as an equal opportunity employer.

Our stated philosophy of ‘Do More Earn More’ rewards people for their performance and contribution — which are anchored on metricised work deliverables and directly reflected in their earning potential. This ensures ownership and empowerment of our employees all the way down to its frontline facing staff.

KFSL has a strong orientation to learning and development. For KFSL people are its key assets. All employees, from a new joiner to a tenured one are provided tailored learning opportunities as per their role, level, and specific focus area. At early career stages, the focus is on making the employee role ready through functional knowledge and skill-based training, moving to managerial capability building at mid-levels, and leadership at senior levels.

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.

Particulars	F.Y. 2021-22	F.Y. 2020-21
Debt equity Ratio ¹	3.05 Times	2.90 Times
Net Profit Margin (%) ²	10.31%	4.83%
Return on Networth (%) ³	11.49%	7.66%

¹Debt Equity ratio has increased as a result of increase in business of the Company.

²Net Net Profit Margin has increased as a result of increase in business of the Company.

³Return 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 Auditors' Report

To the Members of **Ken Financial Services Limited**

Opinion

We have audited the accompanying financial statements of **Ken Financial Services Limited** (the 'Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'financial statements').

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 Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those standards are further described in the Auditors' responsibility 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. We have determined that there are no key audit matters to be communicated in our report.

Information other than the financial statements and Auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the company's annual report but does not include the financial statements, and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

The Board of Directors of the Company is also responsible for overseeing the Company's financial reporting process.

Auditors' responsibility 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 auditors' 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 judgement 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 auditors' 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 auditors' 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 auditors' 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit on the separate financial statements, 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - (e) On the basis of the written representations received from the Directors as on 31 March 2022 taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure 2'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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.
 - iv.

- (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and
 - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For and on behalf of
Satya Prakash Natani & Co.
Chartered Accountants
Firm's Registration No.: 115438W

sd/-

Satya Prakash Natani
Partner
Membership No.: 048091
UDIN: 22048091AJXBAB7528

Mumbai
May 30, 2022

Annexure 1 to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Ken Financial Services Limited on the financial statements as at and for the year ended 31 March 2022)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i)
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of Intangible assets.
 - (b) As explained to us, all the property, plant and equipment have been physically verified by the management during the period at reasonable interval and no material discrepancies were noticed on such physical verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not own any immovable property during the year.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment or Intangible assets or both during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
 - (a) 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)(a) of the Order are not applicable to the Company.
 - (b) The Company has not been sanctioned any working capital limits during the year by any banks or financial institutions. Consequently comment under this clause of the order is not applicable.
- (iii)
 - (a) The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
 - (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
 - (e) The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (e) of the Order is not applicable to the company.
 - (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment. Hence the requirement to report loans granted to promoters, related parties as defined in clause 76 of section 2 of the Act or to any other parties on clause 3(iii) (f) of the Order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company being NBFC registered with RBI, provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues wherever applicable have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed

any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

- (ix)
 - (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
 - (c) According to the information and explanations given to us by the management, the Company has not raised any term loan during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
 - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been utilised for long term purposes.
 - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
 - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x)
 - (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi)
 - (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) According to the information and explanations given to us, the Company has not received any whistle blower complaint during the year. Accordingly, clause 3(xi)(c) of the Order is not applicable.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv)
 - (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence reporting requirement under Clause 3 (xv) of the Order are not applicable to the Company.
- (xvi)
 - (a) The Company is a Non-Banking Finance Company and is required to obtain Registration under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained.
 - (b) The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) for conducting Non-Banking Financial activities and no business has been conducted by the Company without a valid CoR.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting requirements under clause 3 (xvi)(c) of the Order is not applicable.
 - (d) As per the information and explanations given to us, there are no core investment companies as defined in the regulations made by the Reserve Bank of India as part of its group and hence the reporting requirements under clause 3 (xvi)(d) of the Order are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they

fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, provisions of section 135 of the Companies Act, 2013 are not applicable for the year under report. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For and on behalf of
Satya Prakash Natani & Co.
Chartered Accountants
Firm's Registration No.: 115438W

sd/-

Satya Prakash Natani
Partner
Membership No.: 048091
UDIN: 22048091AJXBAB7528

Mumbai
May 30, 2022

Annexure 2 to Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report 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 with reference to financial statements of Ken Financial Services Limited (the 'Company') as of 31 March 2022 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 with reference to financial statements 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 (the 'Guidance Note'). 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 respective 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.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, 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 with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

A Company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the criteria for internal financial controls with reference to financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note.

For and on behalf of
Satya Prakash Natani & Co.
Chartered Accountants
Firm's Registration No.: 115438W

sd/-

Satya Prakash Natani
Partner
Membership No.: 048091
UDIN: 22048091AJXBAB7528

Mumbai
May 30, 2022

Ken Financial Services Limited**Balance Sheet**

(₹ in '00)

Particulars	Note No.	As at March 31,	
		2022	2,021
ASSETS			
Financial Assets			
Cash and cash equivalents	2	14,949	26,822
Trade receivable	3	940	774
Loans	4	2,585,733	2,293,904
Investments	5	10,863	2,249
Other financial assets	6	3,500	3,500
Non-Financial Assets			
Property, plant and equipment	7	1,980	2,016
Other non -financial assets	8	178,174	62,321
Total Assets		2,796,138	2,391,586
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Payables			
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	9	108,900	92,288
Other Payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	10	34,684	47,974
Borrowings (Other than debt securities)	11	1,977,753	1,645,457
Non- Financial Liabilities			
Provisions	12	10,343	9,189
Deferred tax liabilities (Net)	13	3,578	2,260
Other non-financial liabilities	14	11,547	27,329
Equity			
Equity share capital	15	300,010	300,010
Other equity	16	349,323	267,079
Total Liabilities and Equity		2,796,138	2,391,586
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Satya Prakash Natani & Co.
Chartered Accountants
 Firm registration number: 115438W

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

Sd/-
Satya Prakash Natani
Partner
 Membership number: 048091

Sd/-
Shakti Singh Rathore
Director
 DIN: 09208373

Sd/-
Sumit Gupta
WTD & Chief Financial Officer
 DIN: 06938413

Mumbai
 May 30, 2022

Sd/-
Khushboo Vasudev
Company Secretary

Ken Financial Services Limited**Statement of Profit and Loss**

Particulars	Note No.	(₹ in '00, except EPS)	
		For the year ended March 31,	
		2022	2021
Revenue From Operations			
Interest income	17	257,473	176,328
Sale of services	18	466,000	715,700
Total Revenue From Operations		723,473	892,028
Other income	19	-	7,717
Total Income		723,473	899,745
Expenses			
Finance costs	20	102,078	78,549
Employee benefits expenses	21	20,211	38,486
Depreciation, amortization and impairment	22	36	36
Others expenses	23	500,986	721,466
Total Expenses		623,310	838,537
Profit before tax		100,163	61,208
Tax Expense	25		
Current tax		25,600	15,866
Deferred tax (credit)/charge		332	558
Tax for earlier years		(387)	1,352
Total tax expense		25,546	17,776
Profit after tax		74,617	43,432
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Changes in fair value of fair value through OCI (FVOCI) equity instruments	26	8,614	729
Tax impact on above		(985)	(83)
Total other comprehensive income for the year (net of tax)		7,628	645
Total comprehensive income for the year		82,245	44,077
Earnings per share:	24		
(Nominal value per share ₹ 10)			
Basic (₹)		2.74	1.47
Diluted (₹)		2.74	1.47

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Satya Prakash Natani & Co.
Chartered Accountants
 Firm registration number: 115438W

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

Sd/-
Satya Prakash Natani
Partner
 Membership number: 048091

Sd/-
Shakti Singh Rathore
Director
 DIN: 09208373

Sd/-
Sumit Gupta
WTD & Chief Financial Officer
 DIN: 06938413

Mumbai
 May 30, 2022

Sd/-
Khushboo Vasudev
Company Secretary

Ken Financial Services Ltd

Statement of Cash Flows

Particular	(₹ in '00)	
	For the year ended March 31,	
	2022	2021
(I) Operating activities		
Profit after tax	82,245	44,077
Adjustments for:		
Depreciation and amortisation	36	36
Provision on standard assets	1,154	2,024
Cash generated from operation before working capital changes	83,435	46,137
Working capital changes		
(Increase)/decrease in trade receivables	(168)	(773)
(Increase)/decrease in loans & advances and other assets	(291,828)	(505,877)
(Increase)/decrease in value of investments	(8,614)	(729)
(Increase)/decrease in other financial assets	-	299,250
(Increase)/decrease in other non-financial assets	(114,535)	89,063
Increase/(decrease) in trade payables	3,322	(431,496)
Increase/(decrease) in other non-financial liabilities	(15,782)	19,811
	(344,170)	(484,613)
Income tax paid	-	-
Net cash generated from/(used in) operating activities (I)	(344,170)	(484,613)
(II) Investing activities		
Net cash generated from/(used in) investing activities (II)		
(III) Financing activities		
Proceeding of borrowings	332,297	511,183
Net cash generated from/(used in) financing activities (III)	332,297	511,183
Net increase / (decrease) in cash and cash equivalents (I+II+III)	(11,873)	26,570
Cash and cash equivalents at the beginning of the year	26,822	252
Cash and cash equivalents at the end of the year	14,949	26,822

• The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

• Components of cash and cash equivalents are disclosed in note no. 2.

As per our report of even date
For Satya Prakash Natani & Co.
Chartered Accountants
Firm registration number: 115438W

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

Sd/-
Satya Prakash Natani
Partner
Membership number: 048091

Sd/-
Shakti Singh Rathore
Director
DIN: 09208373

Sd/-
Sumit Gupta
WTD & Chief Financial Officer
DIN: 06938413

Mumbai
May 30, 2022

Sd/-
Khushboo Vasudev
Company Secretary

Ken Financial Services Limited

Statement of Changes in Equity

Equity Share Capital

(₹ in '00)

Particulars	For the year ended March 31,	
	2022	2021
Balance at the beginning of the year	300,010	300,010
Changes in equity share capital during the year	-	-
Balance at the end of the year	300,010	300,010

Other equity

For the year ended March 31, 2022

Note No.	Particulars	Reserves and surplus		Total other equity
		Retained Earnings	Equity Instruments through OCI	
16	Balance as of April 1, 2021	268,696	(1,618)	267,078
	Profit after tax	74,617	-	74,617
	Other comprehensive income for the year (net of tax)	-	7,628	7,628
	Balance as of March 31, 2022	343,313	6,011	349,323
	Balance as of April 1, 2020	225,264	(2,263)	223,001
	Profit after tax	43,432	-	43,432
	Other comprehensive income for the year (net of tax)	-	645	645
	Balance as of March 31, 2021	268,696	(1,618)	267,079

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Satya Prakash Natani & Co.
Chartered Accountants
Firm registration number: 115438W

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

Sd/-
Satya Prakash Natani
Partner
Membership number: 048091

Sd/-
Shakti Singh Rathore
Director
DIN: 09208373

Sd/-
Sumit Gupta
WTD & Chief Financial Officer
DIN: 06938413

Mumbai
May 30, 2022

Sd/-
Khushboo Vasudev
Company Secretary

Notes to financial statements for the year ended March 31, 2022**Note No.: 1****A. Company Overview:-**

Ken Financial Services Limited ('the Company', 'KFSL') (Corporate ID No.: L65990MH1994PLC078898) is a company limited by shares, incorporated on June 10, 1994 and domiciled in India. The shares of the Company are listed on the Bombay Stock Exchange (BSE), India. The Company is mainly engaged in the business of financing. The Company has its registered office at 101, Shah Arcade, A Wing, Shah Arcade SRA CHS Ltd., Rani Sati Marg, Near W. E. Highway, Malad (East), Mumbai - 400 097.

The Company is a non-systemically important non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) since March 24, 1998, with registration number 13.00423 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019.

Financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On May 30, 2022, Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

B. Basis of Preparation:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions'), notification for Implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI notification for Implementation of Ind AS') and other applicable RBI circulars/notifications. The Company uses accrual basis of accounting.

The financial statements are presented in Indian Rupee (₹), which is also the functional currency of the Company, in denomination of hundred as permitted by Schedule III to the Act. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. The COVID-19 pandemic has not affected the going concern assumption of the Company.

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.

B.1 Presentation of financial statements

The Company presents its Balance Sheet in the order of liquidity.

The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where permitted by Ind AS.

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. Summary of 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. Retirement and other employee 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 in use 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 Ltd

Notes to financial statements for the year ended March 31, 2022

Note No.	Particulars	As at March 31					
		2022	2021				
2	Cash and cash equivalents						
	Cash on hand	629	1,104				
	Balance with banks						
	In current accounts	14,320	25,718				
		14,949	26,822				
3	Trade receivable						
	Considered good - unsecured	940	774				
		940	774				
	- Impairment allowance recognised on trade receivables is I Nil (Previous year: I Nil).						
	- No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.						
	Trade Receivables aging as at March 31, 2022						
		Outstanding from due date of payment					
	Particulars	Less than 6 months	6 months 1 year	1-2 Years	2-3 years	More than 3 years	Total
	Undisputed Trade receivables – considered good	740	200	-	-	-	940
	Trade Receivables aging as at March 31, 2021						
		Outstanding from due date of payment					
	Particulars	Less than 6 months	6 months 1 year	1-2 Years	2-3 years	More than 3 years	Total
	Undisputed Trade receivables – considered good	774	-	-	-	-	774
4	Loans						
	(A) At amortized cost						
	Loans repayable on demand					2,585,733	2,293,904
	Total (A) - Gross					2,585,733	2,293,904
	Less: Impairment loss allowance					-	-
	Total (A) - Net					2,585,733	2,293,904
	(B) Out of above						
	Secured					75,391	70,126
	Unsecured					2,510,341	2,223,778
	Total (B) - Gross					2,585,733	2,293,904
	Less: Impairment loss allowance					-	-
	Total (B) - Net					2,585,733	2,293,904
	(C) Out of above						
	Loans in India						
	(i) Public Sector					-	-
	(ii) Others					2,585,733	2,293,904
	Total (C) - Gross					2,585,733	2,293,904
	Less: Impairment loss allowance					-	-
	Total (C) - Net					2,585,733	2,293,904

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

Note	As at March 31				
5 Investments					
(A) At amortised cost	-	-			
(B) At fair value through other comprehensive income					
In equity instruments					
Equity shares (Quoted)	10,863	2,249			
	10,863	2,249			
(C) At fair value through profit or loss	-	-			
(D) At cost	-	-			
Total (A+B+C+D)	10,863	2,249			
Out of above					
In India	10,863	2,249			
Outside India	-	-			
	10,863	2,249			
6 Other financial assets					
Security Deposit	3,500	3,500			
	3,500	3,500			
8 Other non -financial assets					
Balance with revenue authorities	94,043	56,358			
Indirect tax credits available for utilisation	30,617	2,449			
Advances to suppliers and others	53,513	3,513			
Total	178,174	62,321			
9 Trade payables					
Micro, small and medium enterprises	-	-			
Others	108,900	92,288			
	108,900	92,288			
Trade payables aging as at March 31, 2022					
Particulars	Outstanding from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	108,900	-	-	-	108,900
Trade payables aging as at March 31, 2021					
Particulars	Outstanding from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	92,288	-	-	-	92,288
10 Other payables					
Micro, small and medium enterprises	-	-	-	-	-
Others	34,684				47,974
	34,684				47,974

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

Note	As at March 31	
11 Borrowings (Other than debt securities)		
At amortized cost		
Loans repayable on demand		
- from banks	-	-
- from other parties	1,977,753	1,645,457
Total (A)	1,977,753	1,645,457
Borrowings in India	1,977,753	1,645,457
Borrowings outside India	-	-
Total (B)	1,977,753	1,645,457
12 Provisions		
Provision on standard assets	10,343	9,189
	10,343	9,189
13 Deferred Tax Liabilities (Net)		
<u>Components of deferred tax asset / (Liabilities)</u>		
Property, plant and equipment and provision for standard assets	99	57
Provision for standard assets	2,603	2,313
Unrealised gain on securities carried at fair value through profit or loss / G	876	(109)
	3,578	2,260
The movement on the deferred tax account is as follows:		
At the start of the year	2,260	1,619
Charge to Statement of Profit and Loss	332	558
Charge to Other Comprehensive Income	985	83
At the end of year	3,578	2,260
14 Other non-financial liabilities		
Statutory dues	11,547	27,329
	11,547	27,329
16 Other equity		
Retained earnings		
Balance at the beginning of the year	268,696	225,264
Profit for the year	74,617	43,432
	343,313	268,696
Transfer to retained earnings	-	-
Balance as at the end of the year	343,313	268,696
Other reserves		
FVTOCI Equity Investments		
Balance as at the beginning of the year	-1,618	-2,263
Addition/(reduction) during the year	7,628	645
Balance as at the end of the year	6,011	-1,618
Nature and purpose of other equity		
(a) Retained Earnings:		
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.		
(b) FVTOCI Equity Investments:		
The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI Equity Investments reserve within equity. The company transfers amount from this reserve to retained earnings when the		

Ken Financial Services Ltd**Note : 7 Property, plant and equipment**

(₹ in '00)

Particulars	Plant & Machinery	Electrical Installations	Furniture & Fixtures	Office Equipment's	Computers	Total
Deemed Cost as of April 1, 2020	244	71	682	317	811	2,125
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
Gross carrying value as of March 31, 2021	244	71	682	317	811	2,125
Gross carrying value as of April 1, 2021	244	71	682	317	811	2,125
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
Gross carrying value as of March 31, 2022	244	71	682	317	811	2,125
Accumulated depreciation as of April 1, 2020	73	-	-	-	-	73
Depreciation for the year	36	-	-	-	-	36
Accumulated depreciation on deletions	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2021	109	-	-	-	-	109
Accumulated depreciation as of April 1, 2021	109	-	-	-	-	109
Depreciation for the year	36	-	-	-	-	36
Accumulated depreciation on deletions	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2022	145	-	-	-	-	145
Carrying value as of March 31, 2022	99	71	682	317	811	1,980
Carrying value as of March 31, 2021	135	71	682	317	811	2,016

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

Note : 15 Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
A. Authorised Share Capital :				
Equity shares of Rs 10/- Each	3,250,000	325,000	3,250,000	325,000
B. Issued, Subscribed and fully paid up				
Equity shares of Rs 10/- Fully Paid up	3,000,100	300,010	3,000,100	300,010
	3,000,100	300,010	3,000,100	300,010

Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
Equity Shares of par value Rs 10/- fully paid up				
Outstanding at the beginning of the year	3,000,100	300,010	3,000,100	300,010
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	3,000,100	300,010	3,000,100	300,010

Terms / Rights attached to equity shares

The Company has only one class of equity share having par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share held. All the equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities in proportion to their shareholding.

None of the shareholders held more than 5% of the total equity shares of the Company as at March 31, 2022 and as at March 31, 2021.

Shareholding pattern of promoters

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Changes during the year	% Changes during the previous year
	No of Shares	% Holding	No of Shares	% Holding		
Aashish Jajodia	41,900	1.40%	41,900	1.40%	0.00%	0.00%
	41,900	1.40%	41,900	1.40%	0.00%	0.00%

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

Note No.	Particulars	(₹ in '00)	
		As at March 31	
		2022	2021
17	Interest income		
	On Financial Assets measured at Amortised Cost		
	Interest on Loans	257,473	176,328
		257,473	176,328
18	Sale of services		
	Professional fees received	466,000	715,700
		466,000	715,700
19	Other Income		
	Interest on income tax refund	-	7,659
	Other Income	-	59
		-	7,717
20	Finance costs		
	Interest on borrowings	102,078	78,549
		102,078	78,549
21	Employee benefits expenses		
	Salaries & Wages	19,520	38,486
	Staff Welfare Expenses	691	-
		20,211	38,486
22	Depreciation, amortization and impairment		
	Depreciation	36	36
		36	36
23	Others expenses		
	Annual Listing Fees	3,000	3,000
	Business Promotion Expense	12,871	11,340
	Bad Debts	29,510	-
	Payment to Auditors *	400	400
	Professional fees paid	447,000	692,650
	Rent, Rates and Taxes	2,745	3,545
	Share Registrar Fees	385	470
	Sundry Balances written off	41	3,013
	Provision for Standard Assets	1,154	2,024
	Impairment of Financial Instruments	-	4,537
	Others	3,880	487
		500,986	721,466
	* Audit Fees		
	Statutory Audit Fees	400	400
		400	400
26	Other Comprehensive Income		
	Net gain/(loss) on financial instruments at fair value through other comprehensive income		
	- Investments	8,614	729
	Total net gain/(loss) on fair value changes	8,614	729
	Fair value changes		
	-Realised	-	-
	-Unrealised	8,614	729
	Total net gain/(loss) on fair value changes	8,614	729

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

Note : 24 Earnings per share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings per share' by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	(₹ in '00, except EPS)	
	For the year ended March 31	
	2022	2021
Net profit attributable to equity shareholders	82,245	44,077
Weighted Average Number of equity shares outstanding during the year	30,001	30,001
Earnings per share (basic) (₹)	2.74	1.47
Earnings per share (diluted) (₹)	2.74	1.47
Face Value per Share (Rs.)	10	10

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

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

Note : 25 Income Tax Expense

(₹ in '00)

Particulars	As at March 31	
	2022	2021
A. Components of Income Tax Expense		
Tax Expense recognised in the Statement of Profit and Loss		
Current Tax		
Current Tax on the profits for the year	25,600	15,866
Adjustments for current tax of prior periods	(387)	1,352
Total (a)	25,213	17,218
Deferred Tax		
Origination and Reversal of Temporary Differences	1,318	642
Impact of change in tax rate	-	-
Total (b)	1,318	642
Total (a+b)	26,531	17,860
B. Reconciliation of Tax Expense and the Accounting profit multiplied by India's Tax rate		
Profit/(loss) for the period	100,163	61,208
Tax Expense at the Indian Tax rate of 25.168% (PY: 25.168%)	25,209	15,405
Tax effects of amounts which are not deductible (taxable) in computing taxable income	391	461
Adjustments of current tax of prior periods	(387)	1,352
Tax losses for which no Deferred income tax was recognised	1,318	642
Tax on Income exempt from income tax	-	-
Income Tax Expense as per profit & loss	26,531	17,860

The applicable Indian corporate statutory tax rate for the year ended March 31, 2022 and March 31, 2021 is 25.168% and 25.168% respectively.

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

Note : 27 Fair value measurements

Financial instruments by category:

(₹ in '00)

Particulars	31-Mar-22				Fair Value hierarchy			
	Carrying Value		Amortised		Level 1	Level 2	Level 3	Total
	FVTPL	FVTOCI	Cost	Total				
Financial Assets								
(i) Cash and Cash Equivalents	-	-	14,949	14,949	-	-	-	-
(ii) Loans	-	-	2,585,733	2,585,733	-	-	-	-
(iii) Other Financial Assets	-	-	3,500	3,500	-	-	-	-
TOTAL	-	-	2,604,182	2,604,182	-	-	-	-
Financial Liabilities								
(i) Trade Payables	-	-	1,980	1,980	-	-	-	-
(ii) Other Payables	-	-	178,174	178,174	-	-	-	-
(iii) Borrowings (Other than Debt Securities)	-	-	1,977,753	1,977,753	-	-	-	-
TOTAL	-	-	2,157,907	2,157,907	-	-	-	-
Particulars	31-Mar-21				Fair Value hierarchy			
	Carrying Value		Amortised		Level 1	Level 2	Level 3	Total
	FVTPL	FVTOCI	Cost	Total				
Financial Assets								
(i) Cash and Cash Equivalents	-	-	26,822	26,822	-	-	-	-
(ii) Loans	-	-	2,297,279	2,297,279	-	-	-	-
(iii) Other Financial Assets	-	-	3,500	3,500	-	-	-	-
TOTAL	-	-	2,327,601	2,327,601	-	-	-	-
Financial Liabilities								
(i) Trade Payables	-	-	2,016	2,016	-	-	-	-
(ii) Other Payables	-	-	58,946	58,946	-	-	-	-
(iii) Borrowings (Other than Debt Securities)	-	-	1,645,457	1,645,457	-	-	-	-
TOTAL	-	-	1,706,418	1,706,418	-	-	-	-

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

The carrying amounts of Cash and Cash equivalents, Trade Receivables, Loans, Other Financial Assets, Trade and Other Payables and Borrowings (Other than Debt Securities) are considered to be approximately equal to the fair value.

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 transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and,

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian accounting standard. An explanation of each level is as follows :

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 using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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 securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
 - 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 level 2 fair values in the fair value hierarchy due to the use of unobservable inputs.

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

Note : 28 Capital

(i) 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.

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

Note : 29 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 trade receivables and 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 establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The Company's maximum exposure to credit risk as at 31st March, 2022 & 2021 is the carrying value of each class of financial assets.

i) Trade and other receivables

Credit risk on trade receivables 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.1494902.72 at March 31, 2022, (March 31, 2021: Rs 2682162.72). 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. 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).

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

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.

Ken Financial Services Ltd

Notes to financial statements for the year ended March 31, 2022

30 Segment Reporting

The Company is engaged mainly in business of financing 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 Disclosure of transactions with related parties as required by Ind AS 24

i Companies in which promoters have significant influence

NIL

ii Key Management Personnel

Akash Swami	Director till November 13, 2021
Sumit Gupta	Director & CFO
Shakti Singh Rathore	Director w.e.f. November 13, 2021
Khushboo Vasudev	Company Secretary

Particulars	(₹ in '00)			
	Akash Swami	Sumit Gupta	Shakti Singh Rathore	Khushboo Vasudev
Remuneration	2,800	900	2,500	1,920
	(4,200)	(3,600)	(Nil)	(2,160)

33 Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

34 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
For Satya Prakash Natani & Co.
Chartered Accountants
 Firm registration number: 115438W

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

Sd/-
Satya Prakash Natani
Partner
 Membership number: 048091

Sd/-
Shakti Singh Rathore
Director
 DIN: 09208373

Sd/-
Sumit Gupta
WTD & Chief Financial Officer
 DIN: 06938413

Mumbai
 May 30, 2022

Sd/-
Khushboo Vasudev
Company Secretary