

REPORT ON CORPORATE GOVERNANCE

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

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

- (i) Composition of Board, Directorships and Committees position held in other Companies as at 31st March 2018.

Director	Executive / Non-Executive/ Independent	No. of outside Directorship Held	Outside Committees#	
			As Chairman	As member
Mr. Manoj More	*Non-Executive	7	2	2
Mr. Sunil Saini	*Non-Executive	0	None	None
Mr. Akash Swami	Executive	0	None	None
Mr. Mukesh Saini	Executive	0	None	None
Mr. Sumit Gupta	Executive	0	None	None
Mrs. Gangaben Pagi	*Non-Executive	1	None	None

* Also Independent

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

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) Board Meetings:

In the financial year 2017-18, the Board of Directors met 5 times. The meetings were held on 30-05-2017, 21-08-2017, 05-09-2017, 14-12-2017 and on 14-02-2018.

Attendance of Directors in meetings held during the financial year 2017-2018.

Name of Directors	No. of Board Meeting attended in F. Y. 2017-2018	Attendance AGM
Mr. Manoj More	5	Yes
Mrs. Gangaben Pagi	5	Yes
Mr. Sunil Saini	5	Yes
Mr. Akash Swami	5	Yes
Mr. Mukesh Saini	3	Yes
Mr. Sumit Gupta	5	Yes

None of the Directors are nominee of any Institutions.

The Board of Directors meets atleast once in a quarter to review the quarterly financial results and operation of the company. In addition to the above, the Board also meets as and when necessary to address specific issue relating to the business.

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

Table given below shows the relationship between the Directors:

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

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

The Shareholding of the Non- Executive Directors in the Company as on 31.03.2018:

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

(v) Familiarization programmes for Independent Directors:

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

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

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & enumerated in section 177 of the Companies Act, 2013 and covers all the aspects stipulated by the SEBI Guidelines.

(ii) Composition of the Committee:

The Audit Committee is comprised of three non-executive Independent Directors. During the financial year ended 31.03.2018, four Audit Committee Meetings were held on 30-05-2017, 21-08-2017, 14-12-2017 and 14-02-2018.

Name	Designation	Category	No. of Meetings attended during the year 2017-18
Mr. Manoj More	Chairman	Non-Executive Independent Director	4
Mr. Sunil Saini	Member	Non-Executive Independent Director	4
Mrs. Gangaben Pagi	Member	Non-Executive Independent Director	4

All the Members of Audit Committee have sound knowledge of finance, accounts and business management. The Chairman of the Committee, Mr. Manoj More, is a Chartered Accountant and has extensive accounting and finance related management expertise.

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

- (a) The Statutory Auditors viz. M/s. Motilal & Associates
- (iv) The Chairman of the Audit Committee attended the Annual General Meeting held on 30th September, 2017 and provided clarifications to the members of the Company on the matters relating to Accounts and finance.
- (v) An Audit Committee meeting was held on 30th May, 2017 where the Annual Financial Statements for the year ended 31st March, 2017 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 by Audit Committee
Quarter/Year ended 31st March, 2017	30th May, 2017
Quarter ended 30th June, 2017	21st August, 2017
Quarter/Half Year ended 30th Sept. 2017	14th December, 2017
Quarter ended 31st December, 2017	14th February, 2018

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

4. NOMINATION AND REMUNERATION COMMITTEE

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

(i) Terms of Reference

- (a) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration of the Directors, Key Managerial Personnel and other employees.
- (b) The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

(ii) Remuneration Policy:

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

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

(iii) Composition:

The Nomination and Remuneration Committee is comprised of Non-executive independent Directors. During the financial year ended 31.03.2018, Three Committee Meetings were held on 30-05-2017, 05-09-2017 and 14-02-2018.

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

Name	Designation	Category	No. of Meetings attended during the year 2017-18
Mr. Sunil Saini	Chairman	Non-Executive Independent Director	3
Mr. Manoj More	Member	Non-Executive Independent Director	3
Mrs. Gangaben Pagi	Member	Non-Executive Independent Director	3

(iv) Performance Evaluation Criteria for Independent Directors:

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

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

5. REMUNERATION OF DIRECTORS:

- a) Pecuniary relationship or transactions of the non-executive directors: The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2017-18.
- b) Criteria of making payments to non-executive directors: None of the Non - Executive Directors is being paid any remuneration.
- c) Details of remuneration/sitting fees paid to Directors during the year ended 31st March, 2018 and shares held by them on that date are as follows:

Name	Remuneration	Share held
Mr. Akash Swami	3,90,000	None
Mr. Sumit Gupta	3,90,000	None

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

- (i) the Company has a 'Stakeholders Relationship Committee' to approve transfer and transmission of securities, issue of duplicate certificates, review of share dematerialization and rematerialization, monitoring the performance of company's Registrar and Transfer Agent and deals with other Shareholder related issues.
- (ii) The Committee shall consider and resolve the grievances of the share holders of the company including complaints related to transfer of shares, non receipt of annual report and non receipt of declared dividends.
- (iii) The Committee is chaired by Mr. Manoj More. The Committee met twice during the year 2017-18 on 30-05-2017 and 14-12-2017. The Committee comprises of Two Non-executive and Independent Directors and One Executive Director, Details of composition are as under:

Name	Designation	Category	No. of Meetings attended during the year 2017-18
Mr. Manoj More	Chairman	Non-Executive Independent Director	2
Mr. Sunil Saini	Member	Non-Executive Independent Director	2
Mr. Sumit Gupta	Member	Executive	2

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

- (iii) 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:

Financial Year	Date of the meetings	Venue	Time
21st	30-09-2015	Sai Darshan, Plot No. 97, Daulat Nagar Road No. 8, Borivali (E), Mumbai – 400066.	4.30 p.m.
22st	30-09-2016	302, 3rd Floor, Standard House, 83, M K Road, Mumbai – 400 002.	3.00 p.m.
23rd	30-09-2017	101 Shah Arcade, Awing, Shah Arcade SRA CHS LTD., Rani Sati Marg, Near W.E. Highway, Malad (East), Mumbai – 400 097.	3:00 p.m.

(ii) Special Resolution passed in previous three AGMs:

AGM Date	Special Resolutions passed
30-09-2015	No Special Resolution was passed
30-09-2016	No Special Resolution was passed
30-09-2017	No Special Resolution was passed

- (iii) Postal Ballot: During the year 2017-18, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Which newspaper normally published in	The Free Press Journal (English Newspaper) Lokshakti (Marathi newspaper)
Any website where displayed	www.ken-fin.com
Whether it also displays official news release	No
Whether presentations made to institutional investors or to analyst	No request as such was received

9. GENERAL SHAREHOLDERS INFORMATION

(i) Next AGM:		
Date	Time	Venue
29-09-2018	03.00 p.m.	101, Shah Arcade, A Wing, Shah Arcade SRA CHS Ltd., Rani Sati Marg, Near W.E. Highway, Malad (East), Mumbai – 400 097.
(ii) Financial Year		1st April to 31st March
(iii) Dividend Payment Date		: N.A.
(iv) Listing on Stock Exchanges:		The Shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai – 400 001.
(v) Listing Fees		The Company has yet to pay the listing fees to the BSE Limited for the financial year 2017-18.
(vi) Stock Code BSE ISIN		530547 INE395E01018
(vii) Depository Connectivity		National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL)
(viii) Stock Market Data:		
No data is available since no trade has taken place during the financial year 2017-18.		
(ix) Performance of the share price of the Company in comparison to the BSE Sensex:		The trading in the shares of the Company on BSE is suspended w.e.f. 21.12.2015.
(x) 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.		
(xi) 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..		

(xiii) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

(a) According to Category holdings

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of shares
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	503	86.43	2084747	69.49
Corporate Bodies	26	4.47	587651	19.59
NRI/OCB	1	0.17	57	0.00
Clearing Members	6	1.03	125551	4.18
Hindu Undivided Family	45	7.73	160194	5.34
Total	582	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	332	57.04	67043	2.23
5001 to 10000	56	9.62	47925	1.57
10001 to 20000	46	7.90	71948	2.40
20001 to 30000	21	3.61	53699	1.89
30001 to 40000	18	3.09	64421	2.15
40001 to 50000	21	3.61	101537	3.22
50001 to 100000	27	4.64	206804	6.69
Above - 100001	61	10.48	2386723	79.85
Total	582	100.00	3000100	100.00

(xiv) Dematerialization of Shareholding and liquidity	99.40% Company Equity Share's dematerialized as on 31-03-2018
(xv) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity	Not Applicable
(xvi) Commodity Price risk or foreign exchange risk and hedging activities.	The Company did not engage in Commodity & hedging activities during the year.
(xvii) Plant Locations	The Company is not engaged in any manufacturing activities hence do not have any plant.
(xviii) Address for Correspondence	The shareholders may address their communications/ suggestions/ queries/ grievances to our share transfer agent: Purva Sharegistry (India) Pvt. Ltd. Unit no. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai-400 011.

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 SEBI or any Statutory Authority or any matter related to Capital Market during last three years.	Due to non-compliance regarding filing reports, the trading in the shares of the Company on BSE 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 The Details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant section of this report.
Material Subsidiary	The Company has no material Subsidiary
Web link for policy on dealing with related party transactions	http://www.ken-fin.com/CMS/3/Investor%20Relation

11. COMPLIANCE OF THE REQUIREMENTS OF CORPORATE GOVERNANCE REPORT:

During the year 2017-18, 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

12. DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

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

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

13. 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the year 2017-18, wherever applicable.

14. 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, 2018. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

DECLARATION – CODE OF CONDUCT

I, Sumit Gupta, Director and Chief Executive 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

For and Behalf of the Board

Place: Mumbai
Dated: 30th May, 2018

Sumit Gupta
DIN: 06938413
Director

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

We have reviewed the compliance of conditions of Corporate Governance by Ken Financial Services Limited for the year ended 31st March, 2018 as stipulated in para E of Schedule V the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange:

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

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

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

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

**Place: Mumbai
Date:30th May 2018**

**Motilal Jain
Proprietor
Membership No. 036811**

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A):

Forward Looking Statement

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law.

India – Recent Developments

FY 2017-18 marked a significant economic measure by the government: The Goods and Services Tax (GST) was implemented from July, 2017 as the nation moved to 'one nation-one tax'. The reform measure has helped India move into the Top 100 Club in World Bank's 'Global Ease of Doing Business' rankings.

The Indian economy continued to grow strongly, as the economy recovered in the 2 half post stabilization of the GST regime. Gross Domestic Product growth rate in FY 2017-18 was 6.7%, supported by consumption growth and government spending. With improving investments, there are signs that a recovery is underway. Industrial activity has rebounded with strong industrial production growth, led by a rise in consumption, manufacturing and electricity generation. Strong vehicle sales growth and improvement in road freight transport following stabilization of GST are further positive signs for continuing demand growth. Services indicators also show positive trends with services credit, services exports and imports clocking double digit growth.

Segment-wise/Product-wise Performance

Your Company has only one reporting segment. The revenue for the year was Rs. 33.21 lakh and the profit after tax was Rs. 9.23 lakh.

Outlook

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

Risk and Concern

In recent months inflation has shown an upward trend, which could pose a risk, should it not be tamed quickly? 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.