

## **KEN FINANCIAL SERVICES LIMITED**

### **REPORT ON CORPORATE GOVERNANCE**

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

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

#### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

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

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

#### **2. BOARD OF DIRECTORS**

##### **(i) Composition and Category of Directors as on 31<sup>st</sup> March 2021.**

<b>Name of Directors</b>	<b>Category</b>
Mr. Manoj Kumar More	*Non-Executive
Mr. Akash Sukhdev Swami	Executive
Mr. Sumit Surendra Gupta	Executive
Mrs. Gangaben Raman Pagi	*Non-Executive
Mr. Ramanuj Babulal Sodani #	*Non-Executive
Ms. Neha Kailash Bhageria #	*Non-Executive

\* Also Independent

# From 30<sup>th</sup> June, 2021

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

**(ii) Meetings and Attendance of Directors during the financial year 2020-2021.**

During the financial year 2020-21, the Board of Directors met 5 times. The meetings were held on 15-07-2020, 01-09-2020, 14-09-2020, 10-11-2020 and on 13-02-2021.

Attendance of Directors in meetings held during the financial year 2020-2021.

Name of Directors	No. of Board Meeting attended in F. Y. 2020-21	Attendance at Last AGM (28-09-2020)
Mr. Manoj Kumar More	5	Yes
Mrs. Gangaben Raman Pagi	5	No
Mr. Sunil Shivkumar Saini*	3	No
Mr. Akash Sukhdev Swami	5	No
Mr. Sumit Surendra Gupta	5	No

\* Upto 14-10-2020

**(iii) Directorships and Committees position held in other Companies as on 31<sup>st</sup> March 2021**

Name of the Director	No. of outside Directorship held	No. of committee# positions		Directorship in other listed entities
		As Chairman	As Member	Name and Category
Mr. Sunil Shivkumar Saini*	0	None	None	Nil
Mr. Akash Sukhdev Swami	0	None	None	Nil
Mr. Sumit Surendra Gupta	0	None	None	Nil
Mrs. Gangaben Raman Pagi	0	None	None	Nil
Mr. Manoj Kumar More	4	1	0	DJS Stock and Shares Limited – Director

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

\* Upto 14-10-2020

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

Table given below shows the relationship between the Directors:

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

\* Upto 14-10-2020

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

The Shareholding of the Non- Executive Directors in the Company as on 31.03.2021:

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

**(v) Familiarization programmes for Independent Directors:**

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

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

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

**(vi) Skills, Expertise and Competencies of the Board**

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

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

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

**(ii) Composition of the Committee:**

The Audit Committee is comprised of three non-executive Independent Directors. During the financial year ended 31.03.2021, four Audit Committee Meetings were held on 15-07-2020, 14-09-2020, 10-11-2020 and 13-02-2021. The composition of Audit Committee and attendance of each Director at their meetings are as follows:-

Name	Designation	Category	No. of meetings attended during 2020-21
Mr. Manoj Kumar More	Chairman	Non-Executive Independent	4
Mr. Sunil Shivkumar Saini <sup>1</sup>	Member	Non-Executive Independent	2
Mrs. Gangaben Raman Pagi <sup>3</sup>	Member	Non-Executive Independent	4
Mr. Akash Sukhdev Swami <sup>2&amp;3</sup>	Member	Executive	2
Ms. Neha Kailash Bhageria <sup>4</sup>	Member	Non-Executive Independent	NA
Mr. Ramanuj Babulal Sodani <sup>4</sup>	Member	Non-Executive Independent	NA

<sup>1</sup>Upto 14<sup>th</sup> October, 2020

<sup>2</sup>From 14<sup>th</sup> October 2020

<sup>3</sup>Upto 30<sup>th</sup> June, 2021

<sup>4</sup>From 30<sup>th</sup> 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 28<sup>th</sup> September, 2020 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 15<sup>th</sup> July, 2020 where the Annual Financial Statements for the year ended 31<sup>st</sup> March, 2020 were reviewed and examined by the members of the Audit Committee before recommending the same to the Board of Directors for their perusal and adoption.

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

Financial Reporting	Date of approval
Quarter/Year ended 31 <sup>st</sup> March, 2020	15 <sup>th</sup> July, 2020
Quarter ended 30 <sup>th</sup> June, 2020	13 <sup>th</sup> September, 2019
Quarter/Half Year ended 30 <sup>th</sup> Sept. 2020	10 <sup>th</sup> November, 2020
Quarter ended 31 <sup>st</sup> December, 2020	13 <sup>th</sup> February, 2021

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

#### 4. NOMINATION AND REMUNERATION COMMITTEE

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

**(i) Terms of Reference**

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

**(ii) Remuneration Policy:**

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

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

**(iii) Composition, Name of Members and Chairman**

The Nomination and Remuneration Committee is comprised of Non-executive independent Directors. During the financial year ended 31.03.2021, Two Committee Meetings were held on 15-07-2020 and 13-02-2021.

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 2020-21
Mr. Sunil Shivkumar Saini <sup>1</sup>	Chairman	Non-Executive Independent	1
Mr. Manoj Kumar More	Member	Non-Executive Independent	2
Mrs. Gangaben Raman Pagi <sup>3</sup>	Member	Non-Executive Independent	2
Mr. Akash Sukhdev Swami <sup>2&amp;3</sup>	Member	Executive	1
Ms. Neha Kailash Bhageria <sup>4</sup>	Member	Non-Executive Independent	NA
Mr. Ramanuj Babulal Sodani <sup>4</sup>	Chairman	Non-Executive Independent	NA

<sup>1</sup>Upto 14<sup>th</sup> October, 2020

<sup>2</sup>From 14<sup>th</sup> October 2020

<sup>3</sup>Upto 30<sup>th</sup> June, 2021

<sup>4</sup>From 30<sup>th</sup> 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 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 2020-21.
- b) Criteria of making payments to non-executive directors: None of the Non - Executive Directors is being paid any remuneration.
- c) Details of remuneration/sitting fees paid to Directors during the year ended 31<sup>st</sup> March, 2021 and shares held by them on that date are as follows:

<b>Name of the Directors</b>	<b>Remuneration</b>	<b>Share held</b>
Mr. Akash Sukhdev Swami	Rs. 4,20,000/-	None
Mr. Sumit Surendra Gupta	Rs. 3,60,000/-	None

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

- (i) The Company has a 'Stakeholders Relationship Committee' to approve transfer and transmission of securities, issue of duplicate certificates, review of share dematerialization and rematerialization, monitoring the performance of company's Registrar and Transfer Agent and deals with other Shareholder related issues.
- (ii) The Committee shall consider and resolve the grievances of the share holders of the company including complaints related to transfer of shares, non receipt of annual report and non receipt of declared dividends.

- (iii) The Committee is chaired by Mr. Manoj Kumar More. The Committee met twice during the year 2020-21 on 15-07-2020 and 13-02-2021. 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 2020-21
Mr. Manoj Kumar More	Chairman	Non-Executive Independent	2
Mr. Sunil Shivkumar Saini <sup>1</sup>	Member	Non-Executive Independent	1
Mr. Sumit Surendra Gupta	Member	Executive	2
Mr. Akash Sukhdev Swami <sup>2&amp;3</sup>	Member	Executive	1
Ms. Neha Kailash Bhageria <sup>4</sup>	Member	Non-Executive Independent	NA
Mr. Ramanuj Babulal Sodani <sup>4</sup>	Chairman	Non-Executive Independent	NA

<sup>1</sup>Upto 14<sup>th</sup> October, 2020

<sup>2</sup>From 14<sup>th</sup> October 2020

<sup>3</sup>Upto 30<sup>th</sup> June, 2021

<sup>4</sup>From 30<sup>th</sup> June, 2021

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.

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

## 7. GENERAL BODY MEETINGS:

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

AGM	Date of the meeting	Venue	Time
24 <sup>th</sup>	29-09-2018	101, Shah Arcade, A Wing, Shah Arcade SRA CHS LTD., Rani Sati Marg, Near W.E. Highway, Malad (East), Mumbai – 400 097.	3:00 p.m.
25 <sup>th</sup>	30-09-2019	F-3, First Floor, Shah Arcade 1, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East), Mumbai – 400 097.	2:30 p.m.
26 <sup>th</sup>	28-09-2020	F-3, First Floor, Shah Arcade 1, Shah Arcade SRA CHSL, Rani Sati Marg, Malad (East), Mumbai – 400 097.	4:00 p.m.

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

AGM Date	Special Resolutions passed
29-09-2018	No Special Resolution was 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 <sup>st</sup> 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 <sup>st</sup> April, 2019 for a further term of five consecutive years.
28-09-2020	No Special Resolution was passed

**(iii)** Postal Ballot: During the year 2020-21, 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 <sup>st</sup> April to 31 <sup>st</sup> March
(ii)	Dividend Payment Date	: N.A.
(iii)	Listing on Stock Exchanges	: The Shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai – 400 001.
(iv)	Listing Fees	: The Company is yet to pay the listing fees to BSE Limited for the financial year 2020-21.



(v)	<b>Stock Code</b> BSE ISIN	: : :	530547 INE395E01018
(vi)	Depository Connectivity	:	National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL)
(vii)	Stock Market Data No data is available since no trade has taken place during the financial year 2020-21.		
(viii)	Performance of the share price of the Company in comparison to the BSE Sensex:		The trading in the shares of the Company on BSE is suspended w.e.f. 21.12.2015.
(ix)	<b>Registrar &amp; Transfer Agents:</b> The Company has appointed M/s. Purva Sharegistry (India) Private Limited as a common agency for share registry work (both physical & electronic) for all matters connected with transfers and transmission of shares and also dematerialization of shares and other related functions. <b>M/s. Purva Sharegistry (India) Private Limited</b> Unit no. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011.		
(x)	<b>Share Transfer System:</b> With a view to expedite the process of share transfers, the Board of Directors has delegated the power of share transfer to Stakeholders Relationship Committee of the Board. The shares for transfer received in physical mode by the Company, are transferred expeditiously and thereafter, option letter is sent to the transferee(s) for dematerialization, Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories, i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited within 7 days..		

**(xi) DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2021**

**(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	506	87.85	2142899	71.43
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	45	7.81	195257	6.51
<b>Total</b>	<b>576</b>	<b>100.00</b>	<b>3000100</b>	<b>100.00</b>

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

<b>Nominal Value of Equity Shares held</b>	<b>No. of shareholders</b>	<b>% of total shareholders</b>	<b>No. of shares</b>	<b>% of shareholding</b>
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	10.78	2379582	79.32
<b>Total</b>	<b>576</b>	<b>100.00</b>	<b>3000100</b>	<b>100.00</b>

(xii)	Dematerialization of Shareholding and liquidity	99.40% Company Equity Share's dematerialized as on 31-03-2021
(xiii)	Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity	Not applicable
(xiv)	Plant Locations	The Company is not engaged in any manufacturing activities hence do not have any plant.
(xv)	Address for Correspondence	The shareholders may address their communications/ suggestions/ queries/ grievances to our share transfer agent: <b>Purva Sharegistry (India) Pvt. Ltd.</b> Unit no. 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Bhoricha Marg, Lower Parel, Mumbai – 400 011.
(xvi)	Credit Rating	Nil

**10. DISCLOSURES:**

Disclosure on materially significant related party transactions i.e. transactions of the Company of Material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large	There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management or relatives etc. during the year, that may have potential conflict with the interests of the Company at large.
Details of Non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or Securities and Exchange Board of India or any Statutory Authority or any matter related to Capital Market during last three years.	Due to certain non-compliance regarding filing reports, the trading in the shares of the Company on BSE Portal is suspended w.e.f. 21.12.2015. The Company has initiated the process for revocation of suspension in trading of shares of the Company.

Details of establishment of vigil mechanism / whistle blower policy	The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy.
Details of compliance with mandatory requirements and adoption of non-mandatory requirements	The Company has complied with all mandatory requirements of Regulation 27 of 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	<a href="http://www.ken-fin.com/cms/3/Investor-Relation">http://www.ken-fin.com/cms/3/Investor-Relation</a>
Commodity Price risk or foreign exchange risk and hedging activities	The Company did not engage in commodity & hedging activities during the year.
Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)	The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)
Certificate regarding no-disqualification of Directors	A certificate from Ms. Abhilasha Chaudhary, Practicing Company Secretary, Mumbai has been obtained stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed to this Report on Corporate Governance.
Fees paid to Statutory Auditors	Total fees of Rs. 40,000/- (Rupees Forty Thousand only) for the year 2020-21, 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 2020-21, 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 31<sup>st</sup> March, 2021. 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.

**Place: Mumbai**

**Dated: 2<sup>nd</sup> September, 2021**

**Sd/-**

**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 Gupta, Chief Financial Officer of the Company to the best of my knowledge and belief, certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2021 and that to the best of my knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year ended 31<sup>st</sup> March, 2021 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I have reviewed the internal controls and procedures, and to the best of my knowledge and information, I affirm that the Company has adequate internal controls and procedures.
- (d) I have indicated to the auditors and the Audit Committee that:
- (i) There has not been any significant changes in internal control over financial reporting during the financial year ended 31<sup>st</sup> March, 2021;
  - (ii) There has not been significant changes in the accounting policies during the financial year ended 31<sup>st</sup> March, 2021;
  - (iii) I have not become aware of any significant fraud or involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**Place: Mumbai**  
**Dated: 2<sup>nd</sup> September, 2021**

**Sd/-**  
**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)**

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), BSE as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTORS	DIN	Date of Appointment	Status of the Directors
1	RAMANUJ BABULAL SODANI	00004109	30/06/2021	Active
2	MANOJ KUMAR MORE	00040190	02/12/2004	Active
3	GANGABEN RAMAN PAGI	05136544	30/06/2015	Active
4	AKASH SUKHDEV SWAMI	06938405	20/06/2014	Active
5	SUMIT SURENDRA GUPTA	06938413	20/06/2014	Active
6	NEHA KAILASH BHAGERIA	09217784	30/06/2021	Active

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

**For Nitesh Chaudhary & Associates**  
**Practicing Company Secretary**

sd/-

**Nitesh Chaudhary**  
**Proprietor**  
**FCS NO. 10010**  
**CP No.: 16275**  
**UDIN: F010010C000844910**  
**Place: Mumbai**  
**Date: 27/08/2021**

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

### **Overall Review**

Given the impact of the pandemic, FY2021 was expected to be an extremely demanding year. The consensus was that GDP growth in FY2021 would not only be negative but also would constitute the greatest fall in growth since 1979-80.

In fact, the degrowth in GDP was much larger than expected. For April-June 2020, real GDP contracted by a massive 24.4%. India had never recorded a quarter of negative growth since it began issuing such data publicly in 1996. No other large economy shrank so much during the pandemic. In the second quarter, July-September 2020, GDP again contracted by 7.3%. The consensus was that growth in the second half of the fiscal year would be far less than what was needed to erase the effect of the deep recession in the first half.

Thankfully, we began to witness early signs on resumption of economic activity in the second half of the year with several high frequency indicators suggesting that the economy was back on to positive growth. The third quarter (October-December 2020) recorded a GDP growth of 0.4%. And, as mentioned earlier, the second advance estimates of national income for FY2021 released by the CSO indicates a negative GDP growth of 8% for FY2021. Though this was bad enough, the contraction will be far less than earlier thought of — and we should see the fourth quarter (January-March 2021) showing relatively robust growth.

### **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 continuously leveraging their superior understanding of regional dynamics, well-developed collection system and personalised services to expedite financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, these are well-suited for bridging the financing gap. Systemically important NBFCs have demonstrated agility, innovation and frugality to provide formal financial services to millions of Indians.

Over the last decade, NBFCs have witnessed phenomenal growth. From being around 12% of the balance sheet size of banks in 2010, these are now more than a quarter of the size of banks.

NBFCs are the largest net borrowers of funds from the financial system with gross payables of ₹9.37 lakh crore as of 30<sup>th</sup> September, 2020. HFCs are the second largest borrowers of funds from the financial system with gross payables of around ₹6.20 lakh crore as at 30<sup>th</sup> September, 2020.

Given their large interconnection with the financial system and the importance of the NBFC in credit intermediation, the RBI has been enhancing the regulatory oversight of large NBFCs. Keeping in mind potential systemic risks that NBFCs might pose to the financial system, the RBI in its 'Discussion Paper on Revised Regulatory Framework for NBFCs: A Scale-Based Approach' (12 January 2021) seeks to balance regulatory arbitrage in favour of NBFCs and the recent growth trajectory of NBFCs by adopting a new approach towards regulating NBFCs.



### **Opportunities and Threats**

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

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

Your Company has only one reporting segment. The revenue for the year was Rs. 892.03 lakhs.

### **Outlook**

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

### **Risk and Concern**

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

### **Internal Control System**

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

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

During the year under review, the Company has earned Total Revenue of Rs. 899.75 lakhs in comparison to Rs. 1768.00 lakhs during the previous year. The Company has incurred net profit of Rs. 44.08 lakhs in comparison to Rs. 135.06 lakhs during the previous year.

### **Safety, Health and Environment**

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

### **Human Resources**

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

**Key Financial Ratios:**

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

<b>Particulars</b>	<b>F.Y. 2020-21</b>	<b>F.Y. 2019-20</b>
Debt equity Ratio <sup>1</sup>	2.90 Times	2.17 Times
Net Profit Margin (%) <sup>2</sup>	4.83%	7.73%
Return on Networth (%) <sup>3</sup>	7.66%	26.13%

1. Debt Equity ratio has increased as a result of increase in debt of the Company.
2. Net Profit Margin has reduced due to decrease in revenue during the year.
3. Return on net worth has reduced due to decrease in revenue during the year

**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.