



Ken Financial Services Limited

**17TH Annual Report
2010 - 2011**

BOARD OF DIRECTORS

MR. PRAMOD SHARMA
Executive Director

MR. RUSHIKESH NARLAWAL
Non-Executive Director

MR. MANOJ MORE
Independent Director

MR. SHASHIKANT MODI
Independent Director

MR. SUNIL SHIVIKUMAR SAINI
Independent Director

MR. MANISH GOYAL
Independent Director

Auditors

Motilal & Associates

Chartered Accountants

Registered Office

302, Standard House,
83, M.K. Road, Marine Lines,
Mumbai - 400 002
Telefax : 022-2205 5456

Bankers

HDFC Bank
Axis Bank

Transfer Agent

M/s Purva Sharegistry (India) Private Limited
No.9, Shiv Shakti Industrial Estate, Ground Floor,
J.R. Boricha Marg, Opp. Kasturba Hospital,
Lower Parel, Mumbai - 400 011
Tel No. : 22 2301 6761 / 2301 8261
Fax No. : 022 2301 2517
Contact Person: Mr. Rajesh Shah

17th ANNUAL REPORT

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DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 17th Annual Report and the Audited Statements of Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS:

Particular	Year ended 31 st March, 2011 Rupees	Year ended 31 st March, 2010 Rupees
Total Income From Operation	99,08,569	1,70,80,577
Less: Expenses	87,71,303	1,46,79,712
Profit / (Loss) before Depreciation	11,37,266	24,00,865
Less: Depreciation	2,74,309	2,81,790
Profit / (Loss) before Tax	8,62,957	21,19,075
Less: Provision for Taxation	3,71,100	3,25,000
Provision for Deferred Tax	56,478	4,656
Provision for Taxation (Earlier Year)	0	28483
Profit / (Loss) after Tax	4,35,379	17,60,936

DIVIDEND :

To deploy the resources in the more meaningful manner, your directors abstain from declaring any dividend for the year.

MANAGEMENT DISCUSSION AND ANALYSIS:**Company's Financial Review**

During the year under review, the income from operation of the Company is Rs. 99.09 Lakh as compared to Rs. 170.81 Lakh earned during the previous year and has earned profit after tax of Rs. 4.35 Lakh as compared to 17.61 Lakh earned during the previous year. Due to fluctuating market condition the Company's profit earning declined in comparison to previous year.

Industry Structure and Development

The global economic conditions remained subdued during the previous year. There was volatile movement of prices in the commodity market. However, increased liquidity in the developed economies is impacting sentiments and boosting consumption as well as investment. The situation is improving and we are hoping for good investment environment in the country. The company is trying to keep up with the pace of growth of the Indian market. The company is building various earning platform for the forthcoming year to come out with flying colour.

- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, require disclosure of the particulars regarding conservation of Energy and Technology absorption. The Company on a continuous basis undertakes program of conserving energy. The Company has also continued its efforts towards improving the efficiency of its operations.

PARTICULARS OF EMPLOYEES:

As there were no employees drawing remuneration more than the limit prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the employees) Rules 1975, as amended from time to time, statement under section 217(2A) is not annexed.

CORPORATE GOVERNANCE:

In terms of clause 49 of the Listing Agreement with the Stock Exchanges a report on the corporate Governance is appended as annexure to this report.

AUDITORS:

M/s Motilal & Associates, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and being eligible is appointed for the next year.

COMPLIANCE CERTIFICATE

A Certificate from the Auditors of the Company regarding Compliance of conditions of corporate *governance as stipulated* under clause 49 of the listing agreement is attached to this report.

DEMATERIALISATION

The Shares of the Company are traded compulsorily in demat form and are available for trading under both the Depository systems in India i.e. NSDL (National Securities Depository Limited and CDSL (Central Depository Service (India) Limited). Under the Depository system, the International Securities Identification Number (ISIN) allotted to the company's Equity Shares is INE 395E01018

ACKNOWLEDGEMENTS:

The Directors have pleasure to place on record their appreciation for the valuable co-operation and assistance by the Company's Bankers, Associates, Investors and Employees.

Directors and employees.

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CAUTIONARY STATEMENT

The statements in this report including Management's Discussion and Analysis report reflects Company's projections estimates, expectations or predictions and contain forward looking statements that involve risks and uncertainty. The Company and the Management shall not be held liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. Readers are cautioned not to place undue reliance on these forward looking statements that speak only of the expectations as on that date.

FOR AND ON BEHALF OF THE BOARD

Sd/-
DIRECTOR

Place: Mumbai
Date : 31-05-2011

REPORT ON CORPORATE GOVERNANCE**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 has complied with all regulation stipulated by the Clause 49 of the Listing Agreement. The Company's policies and practices cover most of the elements of the corporate governance voluntary guidelines, 2009 issued by the Ministry of Corporate Affairs.

2. BOARD OF DIRECTORS**(i) Composition of Board, Directorships and Committees position held in other Companies as at 31st March 2011.****a) Composition**

Company's policy is to maintain optimum combination of executive and non executive Directors. The Board of Directors of the company is comprised of Six directors of whom one is executive director and four are non executive independent directors and one Non-Executive Director .

Directors	Executive / Non-Executive/ Independent	No. of outside Directorship Held	Outside Committees#	
			As Chairman	As member
Mr. Pramod Kumar Sharma	Executive Director	1	None	1
Mr. Rushikesh Narlawar	Non-Executive Director	1	None	1
Mr. Manoj More	Independent Director	8	None	1
Mr. Shashikant Modi	Independent Director	0	None	None
Mr. Sunil Shivkumar Saini	Independent Director	1	None	None
Mr. Manish Kumar Goyal	Independent Director	1	None	None

Only three Committees viz. Audit Committee, Shareholders' Grievance Committee and Remuneration committee are considered for this purpose.

b) Board Procedure

The agenda is prepared in consultations with the Chairman of the board of Directors and the Chairman of the other Committees. The Agenda for the meeting of the Board and its committees, together with the appropriate supporting documents, are circulated well in advance of the meetings.

Matter discussed at board meeting generally related to company's investments and its performance, evaluation and advisability or otherwise their continuity, quarterly results of the company, review of reports of the audit committee and compliance with their recommendations, suggestions, new investments proposals, non compliance of any regulatory, statutory or listing requirements.

c) Attendances of Directors at meetings

Attendance of Directors in meetings held during the financial year 2010-2011.

S. N.	Nature & date of meetings	Name of Directors						
		Pramod Kumar Sharma	Rushikesh Narlawar	Manoj More	Shashikant Modi	Sunil Shivkumar Saini	Manish Goyal	Sharad Gupta
1	Board on 14.05.2010	N.A.	N.A.	Present	Absent	Present	Present	Present
2	Board on 31.05.2010	N.A.	N.A.	Present	Present	Present	Present	Present
3	Board on 25.07.2010	N.A.	N.A.	Present	Present	Absent	Present	Present
4	Board on 30.07.2010	N.A.	Present	Present	Present	Present	Absent	Present
5	Board on 25.08.2010	N.A.	Present	Present	Present	Present	Present	Present
6	Board on 26.08.2010	Present	Present	Absent	Present	Present	Present	Present
7	Members on 30.09.2010	Present	Present	Present	Present	Present	Present	N.A.
8	Board on 30.10.2010	Present	Present	Present	Present	Present	Present	N.A.
9	Board on 28.01.2011	Present	Absent	Present	Present	Present	Present	N.A.
10	Board on 31.01.2011	Present	Present	Present	Present	Present	Present	N.A.

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.

3. AUDIT COMMITTEE

(i) Composition Name of Members and Chairman

The Audit Committee is comprised of one executive and one independent director. During the financial year ended 31.03.2011, four Committee Meetings were held on 25th May, 2010, 28th July, 2010, 27th October, 2010 & 28th January, 2011. The composition of the Audit Committee and the attendance of each Director at their meetings are as follows:-

S.N.	Members	Meetings attended
1	Mr. Pramod Kumar Sharma	Yes
2	Mr. Manoj More	Yes

(ii) Terms of Reference

The Audit Committee has been mandated with the terms of reference as specified in Clause 49 of the Listing agreement with the Stock Exchange, Mumbai & enumerated in section 292A of the Companies Act, 1956 In Brief the powers and responsibilities are

- Recommending the appointment / removal of Statutory Auditors, fixations of Auditors remunerations and also approval of payments for any other services
- Reviewing with management the financial statements before submission of the same to the Board
- Overseeing of Company's financial reporting process and disclosure of its financial information's to ensure that the financial statement is correct, sufficient and credible.