

ANNUAL REPORT

2013-2014

**KEN FINANCIAL SERVICES
LIMITED**

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	1. Pramod Kumar Sharma 2. Manoj More 3. Sunil Shivkumar Saini 4. Dinesh Dhokar 5. Ronak Salecha
REGISTERED OFFICE	:	Plot No. 97, Gr Floor, Sai Darshan, Road No 8, Daulat Nagar, Borivali (East) Mumbai, Maharashtra-400066
BANKERS	:	Axis Bank Limited Bhayander, Thane – 401101.
AUDITORS	:	M/s Motilal & Associates
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	:	The Bombay Stock Exchange Limited

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of **KEN FINANCIAL SERVICES LIMITED** will be held on Tuesday, 30th September, 2014 at 3:30 p.m. at Registered Office of the Company at Sai Darshan, Plot No. 97, Daulat Nagar, Road No. 8, Borivali (East), Mumbai – 400 066 to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss Account for the year ended on that date together with the report of Directors' and Auditors' thereon.
2. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** in accordance with applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), the retiring auditors, M/s. Motilal & Associates, Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors.”

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Manoj Kumar More (DIN 00040190), Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years up to March 31, 2019.”

4. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Sunil Saini (DIN 00673578), Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years upto March 31, 2019.”

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Dinesh Dhokar (DIN 03476436), Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years upto March 31, 2019.”

6. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Ronak Salecha (DIN 03625993), Director of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years upto March 31, 2019.”

7. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Mr. Akash Swami (DIN 06938405), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on June 20, 2014 and whose term of office expires at this Annual General Meeting and who has offered himself for appointment as a Director and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Akash Swami as a candidate for the office of Director of the Company, 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 subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) consent of the Company be and is hereby accorded to the appointment of Mr. Akash Swami as Whole-time Director of the Company for a period of 3 years w.e.f. June 20, 2014, on a monthly remuneration payable at a graded scale of Rs. 27,500 – 5,000 – 37,500 with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include (any committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Akash Swami, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

8. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Mr. Mukesh Saini (DIN 06938409), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on June 20, 2014 and whose term of office expires at this Annual

General Meeting and who has offered himself for appointment as a Director and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Mukesh Saini as a candidate for the office of Director of the Company, 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 subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) consent of the Company be and is hereby accorded to the appointment of Mr. Mukesh Saini as Whole-time Director of the Company for a period of 3 years w.e.f. June 20, 2014, on a monthly remuneration payable at a graded scale of Rs. 14,000 – 2,500 – 19,000 with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include (any committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Mukesh Saini, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

9. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Mr. Sumit Gupta (DIN 06938413), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on June 20, 2014 and whose term of office expires at this Annual General Meeting and who has offered himself for appointment as a Director and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Sumit Gupta as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) consent of the Company be and is hereby accorded to the appointment of Mr. Sumit Gupta as Whole-time Director of the Company for a period of 3 years w.e.f. June 20, 2014, on a monthly remuneration payable at a graded scale of Rs. 20,000 - 5,000 – 30,000 with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include (any committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Sumit Gupta, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution.”

REGISTERED OFFICE:

Plot No.97, Sai Darshan, Ground Floor,
Road No.8, Daulat Nagar,
Borivali (East),
Mumbai – 400 066.

Date: 03-09-2014

FOR AND ON BEHALF OF THE BOARD

**Sd/-
(SUMIT GUPTA)
DIN 06938413
CHAIRMAN**

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the Company.
2. Proxies in order to be effective must be delivered at the registered office of the Company not later than forty eight hours before the meeting.
3. Mr. Manoj Kumar More (DIN 00040190), Mr. Sunil Saini (DIN 00673578), Mr. Dinesh Dhokar (DIN 03476436) and Mr. Ronak Salecha (DIN 03625993), Non executive Directors of the Company were Independent Directors as per Clause 49 of the Listing Agreement with Stock Exchanges. As per Explanation to Section 152(6)(e) of the Companies Act 2013, total number of Directors for the purpose of determining directors liable to retire by rotation shall not include independent directors, whether appointed under the Companies Act, 2013 or any other law for the time being in force.
4. All Directors proposed to be re-appointed / appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges are provided in the annexure to the notice.
5. Explanatory Statement under section 102 of the Companies Act, 2013 is annexed hereto.
6. The Register of Members and the Share Transfer Books of the Company will be closed from 27-09-2014 to 30-09-2014 (both days inclusive).
7. Member desirous of obtaining information with respect of the accounts of the Company are requested to send queries in writing to the Company at its registered office so as to reach at least seven days before the date of Meeting.
8. 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).
9. 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 Shareregistry (India) Private Ltd.

10. 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 (corresponding to Section 109A of the Companies Act, 1956). 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 Shareregistry (India) Private Ltd. at the Registered Office of the Company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
11. As per the Companies Act, 2013 and rules made thereunder all documents to be sent to shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. henceforth will be sent to the shareholders in electronic form, to the e-mail address provided by them and made available to us by the Depositories. The physical copies of the annual report will also be available at our Registered Office for inspection during office hours. Members are also requested to register/update their email addresses, with the depository participant (in case of shares held in dematerialized form) or with Company/M/s. Purva Shareregistry (India) Private Ltd., Registrar and Share Transfer Agent of the Company (in case of Shares held in physical form).
12. Electronic copy of the annual report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the annual report for 2014 is being sent in the permitted mode.
13. For convenience of the members and for proper conduct of the meeting, entry to the place of the meeting will be regulated by way of attendance slip, which is annexed to this Notice. Members are requested to bring their Attendance Slip, sign the same at the place provided and hand it over at the entrance of the venue.
14. Electronic copy of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: kenfsl@rediffmail.com

16. Voting through electronic means

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com

- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Detail s#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant company <KEN FINANCIAL SERVICES LTD.> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on < September 24, 2014 (10.00 a.m.)> and ends on < September 26, 2014 (6.00 p.m.)>. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <August 28, 2014>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) M/s. N. Bagaria & Associates, Practicing Company Secretaries, Mumbai, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE:

Explanatory Statement under section 102 of the Companies Act, 2013 and details pursuant to clause 49 of the Listing Agreement.

ITEM NO. 3:

Mr. Manoj Kumar More, aged about 43 years is a fellow member of the Institute of Chartered Accountants of India having more than 20 years of experience in finance, accounts, auditing, commercial and corporate matters. He joined the Board as non-executing independent director. Mr. Manoj Kumar More holds directorship in 9 Companies as follows.

Name of the Company	Designation
Acquitor Financial Services Private Limited	Director
Hilton Metal Forging Limited	Director
Sumangal Shares & Securities Private Limited	Director
Sumangal Commodities Private Limited	Director
DJS Stock and Shares Limited	Director
Khattu Land and Property Traders Private Limited	Additional Director
Harivardhan Steel and Alloys Private Limited	Additional Director
Ridhi's Hi-Fashion Private Limited	Additional Director
Noble Tradelink Private Limited	Additional Director

Mr. Manoj Kumar More has been an Independent Director pursuant to clause 49 of the listing agreement on the Board of the Company since 2004. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. Mr. Manoj Kumar More has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act.

The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. Manoj Kumar More fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Mr. Manoj Kumar More is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Manoj Kumar More as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Manoj Kumar More as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Mr. Manoj Kumar More shall not be liable to retire by