

KAPIL RAJ FINANCE LIMITED

CIN : L65929DL1985PLC022788

October 4, 2018

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400 001
Scrip code: 539679

Metropolitan Stock Exchange of India,
4th Floor, Vibgyor Tower,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 098
Symbol: KAPILRAJ

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2017-18

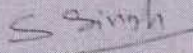
Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2017-18 approved and adopted by the members as per provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, at the 32nd Annual General Meeting of the Company held on Friday, September 28, 2018 at 11.30 a.m. at Registered Office situated at D-50 E, 3rd Floor, Kh. No. 299 Chhattarpur Enclave, New Delhi - 110074.

The above is also uploaded on the Company's website www.kapilrajfinanceitd.com and the portal of the stock exchange, where the securities of the Company are listed.

Thanking You,

Yours Faithfully,

For Kapil Raj Finance Limited
KAPIL RAJ FINANCE LIMITED


Shyam Singh
DIN: 07798831
MANAGING DIRECTOR
Chairman & Managing Director



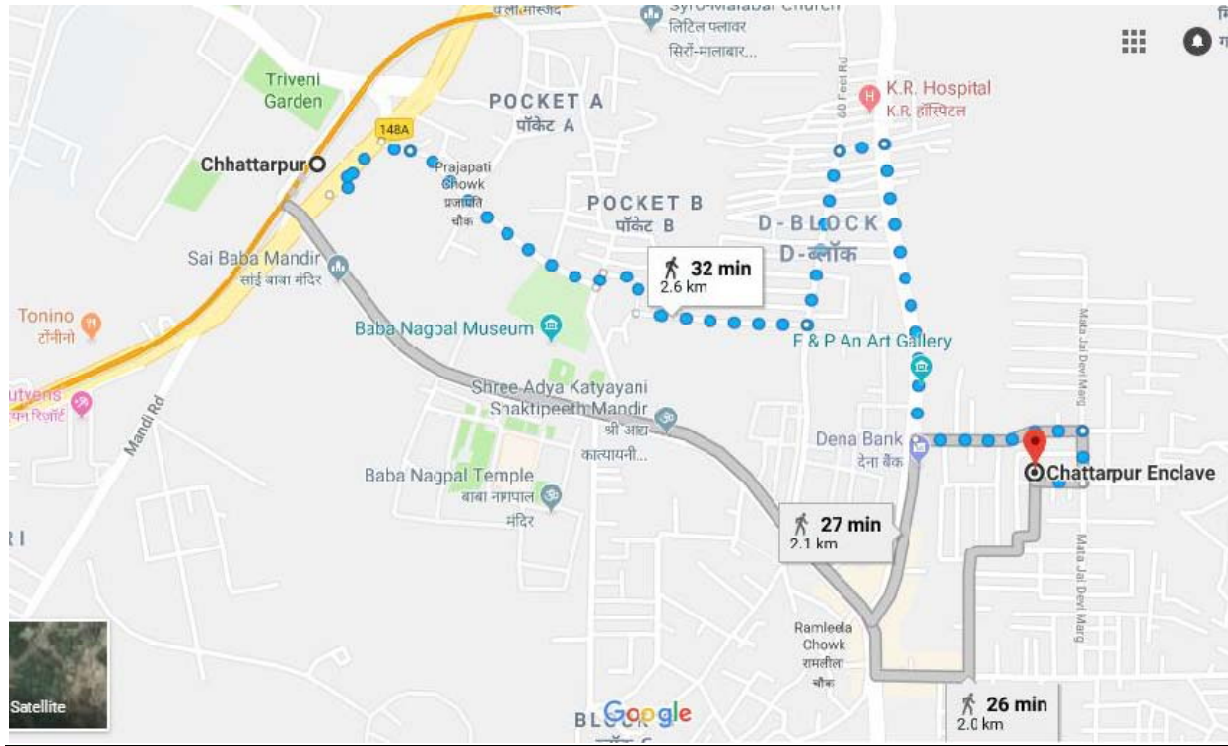


KAPIL RAJ FINANCE LIMITED

ANNUAL REPORT 2017-18

Corporate Identity Number (CIN): L65929DL1985PLC022788

Route Map For The Venue Of AGM



SR. No.	CONTENTS	Page No.
1.	Corporate Information	01
2.	Notice	02
3.	Directors' Report	09
4.	Corporate Governance & Management & Discussion Analysis	21
5.	Independent Auditor's Report	24
6.	Financial Statements (Balance Sheet, Profit & Loss Account with Schedules)	31
7.	Attendance Slip and Proxy Slip	51

KAPIL RAJ FINANCE LIMITED

ANNUAL REPORT – 2017-18

Board of Directors

Shyam Singh	:	Managing Director
Hirankumar Mukherjee	:	Independent Director (w.e.f May 19, 2018)
Umesh P. Parekh	:	Independent Director
Pradip Panachand Shah	:	Whole time Director (w.e.f May 19, 2018)

Statutory Auditor

M/s. Vinodchandra R Shah & Co.
Chartered Accountants,
Mumbai

Secretarial Auditor

Mr. Amit R. Dadheech & Associates,
Practicing Company Secretary, Mumbai

Internal Auditor

M/s. Prakash Patil, FRN: 131784W
(Chartered Accountants), Mumbai

Banker of the Company

HDFC Bank Ltd.

Registered Office

D-50 E, 3rd Floor, Kh. No. 299,
Chhattarpur Enclave,
New Delhi – 110074
(w.e.f May 30, 2018)

Admin Office

204, Platinum Mall, Jawahar
Road
Ghatkopar (E), Mumbai -
400077

CIN No-L65929DL1985PLC022788

Email Id: kapilrajfin@gmail.com

Web: www.kapilrajfinanceltd.com

Registrar & Share Transfer Agent

M/s. Purva Share Registry (India) Pvt. Ltd.,
Unit No. 9, Shiv Shakti Industrial Estate,
J .R. Boricha Marg, Opp. Kasturba Hospital Lane,
Lower Parel (E). Mumbai 400 011
Website: www.purvashare.com

NOTICE

NOTICE is hereby given that 32nd Annual General Meeting of the members of Kapil Raj Finance Ltd. will be held on Friday, September 28th, 2018 at 11:30 AM at D-50 E, 3rd Floor, Kh. No. 299 Chhattarpur Enclave, New Delhi - 110074 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company, including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss account for the year ended on that date, together with the report of the Board of Director's and Auditor's report thereon.
2. To re-appoint a Director, Mr. Shyam Singh (DIN: 07798831) who retires by rotation and being eligible, offers himself for re-appointment.
3. Ratification of Appointment of Statutory Auditor of the Company:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time the Company hereby ratifies the appointment of M/s. Vinodchandra R Shah & Co. Chartered Accountants, FRN 115394W as Statutory Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 35th AGM of the Company and to fix their remuneration to be decided by the Audit Committee of the Board of Directors and reimbursement of travelling and out of pocket expenses incurred by the Auditors for the purpose of audit."

SPECIAL BUSINESS:

4. **Confirming the Appointment of Mr. Shyam Singh (DIN: 07798831) as Managing Director of the Company.**

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

"RESOLVED THAT, in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members be and is hereby accorded for the appointment of Mr. Shyam Singh (DIN: 07798831) as a Managing Director of the Company, for a period of 5 (Five) years w.e.f. January 31, 2018 on the terms and conditions including terms of remuneration as may be discussed between Mr. Shyam Singh (DIN: 07798831) and Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) with a liberty to the Board to alter and vary the terms and conditions of the said appointment and/or remuneration so as the total remuneration payable to him shall not exceed the limits specified in Schedule V of the Companies Act, 2013 including any Statutory modification or re-enactment thereof, for the time being in force and as agreed by and between the Board and Mr. Shyam Singh (DIN: 07798831)."

"RESOLVED FURTHER THAT, notwithstanding anything contained to the contrary in the Companies Act, 2013, wherein in any financial year the Company has no profits or inadequate profit, Mr. Shyam Singh (DIN: 07798831) will be paid minimum remuneration within the ceiling limit prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof."

"RESOLVED FURTHER THAT, in the event of any statutory amendment or modification by the Central Government to Schedule V of the Companies Act, 2013, the Board be and is hereby authorized to vary and alter the terms Mr. Shyam Singh (DIN: 07798831) within such prescribed limit or ceiling as agreed by and between the Board and Mr. Shyam Singh (DIN: 07798831) without any further reference to the Company in General Meeting."

5. Appointment of Mr. Hiran Kumar Mukherjee (DIN: 08115395) as Independent Director of the Company:

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

“RESOLVED THAT Mr. Hirankumar Mukherjee (DIN: 08115395), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 19th May, 2018, in terms of Section 161 of the Companies Act, 2013 and whose terms of the office expires at this Annual General Meeting be and is hereby appointed as an Independent director of the Company in terms of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, to hold office for period of 5 (Five) years commencing from 19th May, 2018, not liable to retire by rotation.

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

6. Confirming the Appointment of Mr. Pradip Panachand Shah (DIN 08126828) as Executive Director of the Company.

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

“RESOLVED THAT Mr. Pradip Panachand Shah (DIN 08126828) who was appointed as an Additional Director by the Board of Directors of the Company on May 19, 2018 and as per the provision of Section 161(1) of the Companies Act, 2013 whose terms of the office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as an Executive Director of the Company.

“RESOLVED FURTHER THAT in terms of Section 197, 198 and 203 if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, the consent of the members of the Company be and is hereby granted to appoint Mr. Pradip Shah (DIN 08126828) as Whole Time Director of the Company on such terms as may decided by the Board and Mr. Pradip Shah (DIN 08126828) for a period of 3 (three) consecutive year w.e.f. May 19, 2018, subject to retirement by rotation, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration 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. Pradip Shah, 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(s) thereof”

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

Date: September 04, 2018
Place: Delhi

Regd. D-50 E, 3rd Floor, Kh. No. 299
Chhattarpur Enclave,
New Delhi - 110074

For KAPIL RAJ FINANCE LIMITED

SD/-
Shyam Singh
(Chairman & Managing Director)
DIN: 07798831

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Under the Companies Act, 2013, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs.500000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority letter, as applicable.
3. There being no special business or any special resolution explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013, is not appended to this notice.
4. Members who attend the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting hall.
5. Members are requested to bring their copy of the Notice at the time of attending the Annual General Meeting.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company's Registrar and Transfer Agent, M/s. Purva Share Registry (India) Private Limited, details of such folio together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Member/s. after making requisite changes thereon
8. Non-resident Indian Shareholders are requested to inform the Company immediately:
 - a. Change in residential status on return to India for permanent settlement.
 - b. Particulars of bank account maintained in India with complete name, branch, branch code, account type, account number and address of bank, if not furnished earlier.
 - c. Copy of Reserve Bank of India permission.
9.
 - a. Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent of the Company.
 - b. Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID number, to their respective Depository Participants.
 - c. Members may avail dematerialization facility by opening Demat Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialized. The ISIN No. of the Company is INE332Q01015.
 - d. Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to the Company at its registered office at least 7 days before the date of the meeting, so that the required information can be made available at the meeting.
 - e. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
 - f. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN 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 & Share Transfer Agent i.e. Purva Share Registry (India) Private Limited

- g. Members may also note that the Notice of the Extra-Ordinary General Meeting will also be available on the Company's website www.kapilrajfinanceltd.com for their download. 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: kapilrajfin@gmail.com

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 25, 2018, 9.00 a.m. and ends on September 27, 2018, 5.00 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 September 21, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>For demat shareholders: Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department.</p> <p>For physical shareholders, please use the first two letters of your name and the 8 digits of the sequence number in the PAN field.</p> <ul style="list-style-type: none"> In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

Considering the requirement of the Company, The Board of Directors of the Company has decided to appoint Mr. Shyam Singh as Managing Director for a period of Five Years from January 31, 2018 to January 30, 2023, subject to the approval of the shareholder and Central Government, if required.

Mr. Shyam Singh has done his Bachelor of Commerce.

He posses a total experience of about 10 years.

Your Board is of the opinion that considering the experience of Mr. Shyam Singh, his appointment as Managing Director will be beneficial to the Company. The Company with the mutual discussion between Mr. Shyam Singh and the board of Directors has decided to pay NIL remuneration to Mr. Shyam Singh with the further condition that any time in between the tenure of the Director the board of directors of the Company has the liberty to change any of the terms and conditions relating to appointment including the terms relating to the remuneration of Mr. Shyam Singh depending on his performance and which shall not contrary to any of the Act and Rules.

The Board recommends the Resolution set out at Item No. 4 in this Notice for approval of the Members as Special Resolution.

Except, Mr. Shyam Singh, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Resolution.

Item No. 5

As per the provisions of Section 149 of the Act which has come into force with effect from April 1, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

The Nomination & Remuneration Committee has recommended the appointment of Mr. Hiran Kumar Mukherjee (Din: 08115395) as Independent Director of the Company.

The Director has given a declaration to the Board that he meets the criteria of Independent Director as provided under section 149(6) of the Act. In the opinion of the Board, director has fulfilled the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management. Notices as required under Section 160 of the companies act, 2013 have been received from some members proposing candidature of the said Independent Director. Upon the confirmation of appointment of these individuals as independent Director by the members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the company to the said Independent Director.

The Board recommends the Resolution set out at Item No. 5 in this Notice for approval of the Members as Ordinary Resolution.

Except, Mr. Hiran Kumar Mukherjee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Resolution.

Item No.6

Mr. Pradip Shah was appointed as Whole Time Director – Compliance w.e.f. May 19, 2018. He is been rendering valuable services to the Company and has been looking after the compliances of applicable laws and regulations.

The Board of Directors have appointed Mr. Pradip Shah for a period of 3 (Three) year w.e.f. May 19, 2018. Now, this resolution is put before the shareholders of the Company for ratification of appointment of Mr. Pradip Shah as Whole Time Director of the Company.

The Company with the mutual discussion between Mr. Pradip Shah and the board of Directors has decided to pay NIL remuneration to Mr. Pradip Shah with the further condition that any time in between the tenure of the Director the board of directors of the Company has the liberty to change any of the terms and conditions relating to appointment including the terms relating to the remuneration of Mr. Pradip Shah depending on his performance and which shall not contrary to any of the Act and Rules.

The Board recommends the Resolution set out at in this Notice for approval of the Members as Special Resolution.

None of the Directors of Key Management Personnel of the Company or their relatives is concerned or interested in the proposed Resolution

Date: September 04, 2018
Place: Delhi

Regd. D-50 E, 3rd Floor, Kh. No. 299
Chhattarpur Enclave,
New Delhi - 110074

For KAPIL RAJ FINANCE LIMITED

SD/-
Shyam Singh
(Chairman & Managing Director)
DIN: 07798831

Brief Resume of Directors/persons seeking appointment/ re-appointment/confirmation at this Annual General Meeting in pursuance of regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

Name of the Director	Mr. Shyam Singh	Mr. Hirankumar Mukherjee	Mr. Pradip Panachand Shah
DIN	07798831	08115395	08126828
Date of Birth	July 10, 1962	May 10, 1965	May 15, 1962
Date of Appointment	January 31, 2018	May 19, 2018	May 19, 2018
Qualification	Mr. Shyam Singh has done his Bachelor of Commerce.	Mr. Hirankumar Mukherjee has done his Bachelor in Commerce.	Mr. Pradip Panachand Shah has done his Bachelor in Commerce and CS finalist.
Expertise in specific functional area	Business experience of 10 years in interactive solutions (A software Company).	Business experience of 8 years in Marketing Solar Panels/ Proprietor.	Financial Advisor in Secondary Market and Primary Market having experience of more than 30 years.
List of Public Companies in which outside Directorship held (including Foreign Companies)	Nil	Nil	Nil
Chairman/Member of the Committee of Board of Public Companies	Nil	Nil	Nil
No. of Shares Owned: a. Own b. For other persons on a beneficial basis	Nil	Nil	Nil

DIRECTORS' REPORT

To,
The Members
Kapil Raj Finance Limited

Your Directors have pleasure in presenting their 32nd Annual Report and the Audited financial statement for the financial year ended March 31, 2018.

OPERATION AND FINANCIAL RESULTS:

The summary of operation and financial results of the company for the year with comparative figures for last year is as under:

Particulars	2017-2018 (Rs.)	2016-2017 (Rs.)
Net Revenue from Operations	13,463,735	17,449,969.70
Other Income	52,37,511	2,931,626
Profit before Exceptional and Extra ordinary items and tax	3,452,599	2,855,881.85
Extra Ordinary Items	-	-
Profit after Exceptional and Extra ordinary items and tax	3,452,599	2,855,881.85
Profit before tax	3,452,599	2,855,881.85
Profit after tax	2,433,589.89	1,593,569.80
Amount Transferred to Reserves	6,343,679.02	3,910,089

REVIEW OF OPERATIONS AND FUTURE PROSPECTS:

The Company has during the financial year under review has generated 13,463,735 revenue from operations. And the revenue from other income activity of Rs. 52,37,511 (previous year 2,931,626), resulting in net profit of Rs. 2,433,589.89/- (previous year Rs. 1,593,569.80/-)

TRANSFER TO RESERVES:

The credit balance of Profit and Loss account is transferred to reserves in Balance sheet.

DIVIDEND:

Your Directors decided to plough back the profit and therefore it was decided, dividend is not declared.

DIRECTORS:

Pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 one-third of such of the Directors as are liable to retire by rotation shall retire every year and if eligible offer themselves for re-appointment at every Annual General Meeting. Consecutively, Mr. Shyam Singh, Director will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

Following Are the Details of Directors on the Board of the Company

Sr. No.	Name of Directors	DIN	DATE OF APPOINTMENT
1.	Umesh Pravinchandra Parekh	06827077	01/03/2014
2.	Shyam Asharam Singh	07798831	Appointed w.e.f 31/01/2018
3.	Hirankumar Mukherjee	08115395	Appointed w.e.f 19/05/2018
4.	Pradip Panachand Shah	08126828	Appointed w.e.f 19/05/2018
5.	Falguni Rawal	07197547	Resigned w.e.f 19/05/2018
6.	Atul Doshi	06826992	Resigned w.e.f 31/01/2018
7.	Heera Lal Jaiswar	06827029	Resigned w.e.f 19/05/2018

Further, during the year under review following are the Key managerial Personnel in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Sr.No.	Name of Directors	DIN / PAN	DATE APPOINTMENT	OF	DESIGNATION
1.	Shyam Asharam Singh	07798831	Appointed 31/01/2018	w.e.f	Managing Director
2.	Atul Doshi	06826992	Resigned 31/01/2018	w.e.f	Managing Director
3.	Falguni Rawal	07197547	Resigned 19/05/2018	w.e.f	Whole Time Director

the Company is in process to appoint the Company Secretary, Women director & CFO on the Board of the Company.

DECLARATION BY INDEPENDENT DIRECTOR: (SECTION 134 (3)(D))

Declaration by an Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 is enclosed.

An independent director shall hold office for a term up to five consecutive years on the Board of a Company and shall not be eligible for reappointment for next five years on passing of a special resolution by the Company.

PARTICULARS OF REMUNERATION OF DIRECTORS/KMP/EMPLOYEES

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The remuneration policy is in consonance with the existing practice in the Industry.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and as per SEBI (LODR), 2015, during the year under review, the Board carried out the annual evaluation of its own performance. A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance was distributed to each member of the Board and inputs were received. The performance evaluation of the Independent Directors who will be appointed at the ensuing Annual General Meeting was carried out by the entire Board. The performance evaluation of Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process

SHARE CAPITAL:

During the year under review, the Company is having Authorized Share Capital as 10,000,000 Equity Shares of Rs. 10/- each amounting to Rs. 100,000,000/- Subscribed, Issued and Paid up Capital as 5,140,000 Equity Shares of Rs.10/- amounting to Rs. 51,400,000/-. There is no change in the share capital of the Company during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on the Management Discussion and Analysis is attached as a separate part of this Annual Report.

CORPORATE GOVERNANCE

In accordance with SEBI (LODR) Regulations, 2015 as entered with the Stock Exchange and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes is as follows: At Kapil Raj Finance Limited, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders are playing very important role in our success, and we remain committed to maximizing stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be

ethical only when it rests on the nine core values of Honesty, Integrity, Respect, Fairness, Purposefulness, Trust, Responsibility, Citizenship and Courage. The corporate governance is an important tool for the protection of shareholder and maximization of their long term values. The objective of Corporate Governance is to achieve excellence in business thereby increasing stakeholders' worth in the long term which can be achieved keeping the interest of stakeholders' and comply with all rules, regulations and laws. The principal characteristics of Corporate Governance are Transparency, Independence, Accountability, Responsibility, Fairness, and Social Responsibility along with efficient performance and respecting interests of the stakeholders and the society as a whole.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on corporate governance is been founded on the fundamental ideologies of the group viz., Trust, Value and Service. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. On adopting corporate governance, the Company shall make a constant endeavor to achieve excellence in Corporate Governance on continuing basis by following the principles of transparency, accountability and integrity in functioning, so as to constantly striving to enhance value for all stakeholders and the society in general. As a good corporate citizen, the Company will maintain sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success. We are making continuous efforts to adopt the best practices in corporate governance and we believe that the practices we are putting into place for the company shall go beyond adherence to regulatory framework. The Company's corporate governance philosophy has been further strengthened by adopting a Code of Fair Practice in accordance with the guidelines issued by Reserve Bank of India from time to time.

APPLICABILITY

As per the amendment made in the provisions of the Regulation 27 of SEBI (Listing Obligation And Disclosure Requirement) Regulation, 2015 with equity share capital of less than Rs 10 crores, (ii) companies having net worth not exceeding of Rs 25 crores, and (iii) companies listed on SME and SME-ITP platforms of the stock exchanges has to comply with the provision of SEBI (LODR) Regulation, 2015. Since the Paid Share Capital of the Company is below the Limit specified under the SEBI (LODR) Regulations , 2015, the provision / requirements of Corporate Governance as laid down under the SEBI (LODR) Regulations , 2015 is not applicable to the Company. However, the Company itself follow the standards of Corporate Governance, but the disclosures required to be done under Regulation 27 (2) of SEBI (LODR) Regulations, 2015 is not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement:

- i. That in the presentation of the annual accounts for the year ended March 31, 2018, applicable accounting standards have been followed and that there are no material departures;
- ii. That they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March 31, 2018 and of the profit of the Company for the year ended on that date;
- iii. That they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the annual accounts have been prepared on a going concern basis.
- v. That internal financial controls followed by the Company are adequate and were operating effectively
- vi. That the systems to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Holding/ Subsidiary/ Associate Company during the period under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Sr. no.	Particulars	Remarks
1	Energy conservation measures taken	NIL
2	Additional investments and proposals if any, being implemented for reduction of consumption of energy	NIL
3	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	NIL
4	Total energy consumption and energy consumption per unit of production	NIL

FORM-A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Sr. no.	Particulars	Remarks
A.	Power and fuel consumption	NIL
B.	Consumption per unit of production	NIL

TECHNOLOGY ABSORPTION

FORM-B: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION ETC.,

- I Research and Development : Nil
 II Technology Absorption, Adaptation and Innovation : Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO

- I. Earnings in Foreign Exchange during the year : Nil
 II. Foreign Exchange outgo during the year : Nil

PARTICULARS OF EMPLOYEES

Particulars of employees as required to be disclosed in terms of Section 134 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are made available at the registered office of the Company. The members desirous of obtaining the same may write to Mr. Shyam Singh (DIN: 07798831) Managing Director at the registered office of the Company.

CLARIFICATION FOR OBSERVATIONS AS REPORTED BY STATUTORY AUDITOR IN THEIR AUDIT REPORT

Pursuant to Section 139 of the Act, the Auditor's report for the financial year 2017-18 contains qualifications, remarks, the clarification for the same are as follows:

1. The Company is in process to get itself registered with the RBI as a NBFC.
2. With respect to the qualifications raised by the Auditor for the Principal business activities and Business activity transactions, we wish to state that the management of the Company has taken appropriate steps during previous year annual general meeting of the Company for making necessary application with the relevant Authorities.

DEPOSITS

During the period under review, your Company has not accepted or invited any deposits from public.

SIGNIFICANT / MATERIAL ORDERS PASSED IMPACTING ON GOING CONCERN STATUS AND COMPANY'S OPERATIONS

There have been no significant and material orders passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has made transactions which are within the limit of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The Board met 6(Six) times during the financial year. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. The maximum interval between any two meetings did not exceed 120 days as prescribed under the Companies Act, 2013. None of the directors is a member in more than ten committees or acts as a Chairman in more than five committees across all companies in which he is a director.

The Composition of the Board and the number of directorships, memberships and chairmanship of committees as on March 31, 2018, are given below:

Name of the Directors	DIN	Designation / category	*No. of Directorship in Boards of other Co.	Committee Membership in all Companies	Chairmanship in committees where they are members
Mr. Umesh Pravinchandra Parekh	06827077	Non-Executive Director	1	NIL	NIL
Mr. Heeralal Rambaratram Jaiswar	06827029	Non-Executive Director	0	NIL	NIL
Mr. Atul Chimanlal Doshi (resigned on January 31, 2018)	06826992	Chairman & Managing Director	1	NIL	NIL
Ms. Falguni Chintan Raval	07197547	Executive Director	NIL	NIL	NIL
Mr. Shyam Singh (appointed w.e.f January 31, 2018)	07798831	Chairman & Managing Director	2	NIL	NIL

BOARD MEETINGS AND ATTENDANCE

The dates on which the said meetings were held are 6 times on

30/05/2017	11/08/2017	24/08/2017	14/11/2017	31/01/2018	14/02/2018
------------	------------	------------	------------	------------	------------

Name of director	No. of meetings held	No. of meetings Attended	Last AGM Attended
Mr. Umesh Pravinchandra Parekh	6	6	Yes
Mr. Heeralal Rambaratram Jaiswar	6	6	Yes
Mr. Atul Chimanlal Doshi (Resigned on January 31, 2018)	6	5	Yes
Ms. Falguni Chintan Raval*	6	6	Yes
Mr. Shyam Singh (Appointed w.e.f January 31, 2018)	6	2	No

EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return for the year ended March 31, 2018 as provided under sub-section (3) of Section 92 and prescribed under Rule 12 of Companies (Management & Administration) Rules, 2014 in the prescribed form **MGT-9** is provided on the website of the Company i.e at www.kapilrajfinanceltd.com.

*As per Notification dated May 7, 2018 issued by Ministry of Corporate Affairs disclosure with respect to Section 92(3) Extract of Annual Report.

SECRETARIAL AUDITORS AND THEIR REPORT

Mr. Amit R. Dadheech, Company Secretaries, was appointed as Secretarial Auditors of the Company for the financial year 2017-18 Pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as '**Annexure A**' and forms part of this report.

There are qualifications, observations and other remarks of the Secretarial Auditors in the Report issued by them for the financial year 2017-18 which are self explanatory in nature and does not call for any explanation from the Board of Directors. However, the management of the company is taking all the necessary actions to make good the non-compliance pointed by the secretarial auditor.

RELATED PARTIES TRANSACTIONS

All the transactions with related parties are in the ordinary course of business and on arm's length basis. The details of the transactions entered into between the Company and the related parties are given in AOC-2 attached as Annexure 'B'.

BOARD COMMITTEES

The Company has the following Committees of the Board:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.kapilrajfinanceltd.com under investors/policy documents/Vigil Mechanism Policy link.

INTERNAL FINANCIAL CONTROL

The Company believes that internal control necessarily follows the principle of prudent business governance that freedom of management should be exercised within a framework of appropriate checks and balances. The Company remains committed to ensuring an effective internal control environment that inter alia provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The Company's independent and Internal Audit processes, both at the Business and Corporate levels, provide assurance on the adequacy and effectiveness of internal controls, compliance with operating systems, internal policies and regulatory requirements.

The Financial Statements of the Company are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Board. These, in turn are supported by a set of divisional Delegation Manual & Standard Operating Procedures (SOPs) that have been established for individual units/ areas of operations.

The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless the Company recognizes that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

RISK & MITIGATION

The Company has identified various risks faced by the Company from different areas. As per the provision of the Companies Act, 2013 and listing agreements, the, the Board had adopted a risks management policy whereby a proper framework is set up. Appropriate structures are present so that risks are inherently monitored and controlled. A combination of policies and procedures attempts to counter risks as and when they evolve.

COST AUDITORS

As the Company is operating in the service industry, cost audit is not applicable to the Company and hence no reporting is required.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for prevention of sexual harassment of its women employees.

The following is the summary of sexual harassment complaints received and disposed off during the current financial year.

Number of Complaints received	:	NIL
Number of Complaints disposed of	:	NIL

INDUSTRIAL RELATIONS:

The company maintained healthy, cordial and harmonious industrial relations at all levels, the enthusiasm and unstinting efforts of employees have enabled the company to remain at the leadership position in the industry it has taken various steps to improve productivity across organization.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. Atul Chimanlal Doshi * Resigned w.e.f 01/31/2018	Chairman & Managing Director
Mr. Shyam Singh #Appointed w.e.f 01/31/2018	Chairman & Managing Director
Ms. Falguni Raval	Whole Time Director

ACKNOWLEDGEMENT

Your Directors wish to acknowledge all their stakeholders and are grateful for the excellent support received from the shareholders, Bankers, Financial Institutions, Government authorities, esteemed corporate clients, customers and other business associates. Your Directors recognize and appreciate the hard work and efforts put in by all the employees of the Company and their contribution to the growth of the Company in a very challenging environment.

Date: September 04, 2018
Place: Delhi

Regd. D-50 E, 3rd Floor, Kh. No. 299
Chhattarpur Enclave,
New Delhi - 110074

For KAPIL RAJ FINANCE LIMITED

SD/-
Shyam Singh
(Chairman & Managing Director)
DIN: 07798831

ANNEXURE A TO DIRECTORS REPORT
Form No. MR-3

Secretarial Audit Report [Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014] Secretarial Audit Report For the Financial Year Ended 31st March, 2018

To,
The Members,
Kapil Raj Finance Limited
D-50 E, 3rd Floor,
Kh. No. 299 Chhattarpur Enclave,
New Delhi – 110074.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kapil Raj Finance Limited (CIN: L65929DL1985PLC022788) (hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Kapil Raj Finance Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Kapil Raj Finance Limited for the financial year ended on 31st March, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (During the period under review, the Company has not entered into any transaction requiring compliances with the Foreign Exchange Management Act, 1999 and rules made thereunder)
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - b) During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (During the period under review, the Company has not entered into any transaction

requiring compliances with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008)

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009)
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998)

OTHER APPLICABLE LAWS:

With respect to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable to the Company

1. Income Tax Act, 1961 and Indirect Tax Laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried unanimously however the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- 1. The Company is yet to appoint the Chief Financial Officer (CFO) during the period under review.
- 2. The Company is yet to appoint the Company Secretary during the period under review.
- 3. The overall revenue earned by the Company during the financial year was from financial activities. As per the provision of Section 45I of Reserve Bank of India Act, 1934 and Reserve Bank of India Press Release 1998-99/1269 dated April 08, 1999, a company would be identified as a Non – Banking Financial Company if its financial assets are more than 50 percent of its total assets

(netted off by intangible assets) and income from financial assets are more than 50 percent of the gross income. The Company has filed the application with the RBI for getting registered as NBFC and it is pending with RBI.

4. The Business Activity transactions dealing in Trading, Derivatives and Speculation Transactions related to Equities, Future and Options segment, Foreign Exchange and Commodities are not accounted as per the generally accepted principles.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

For Amit R. Dadheech & Associates

SD/-

Amit R. Dadheech

M. No.: 22889; C.P. No.: 8952

September 4, 2018

Place: Mumbai

Annexure A

To,
The Members,
Kapil Raj Finance Limited
D-50 E, 3rd Floor,
Kh. No. 299 Chhattarpur Enclave,
New Delhi – 110074.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Amit R. Dadheech & Associates

SD/-

Amit R. Dadheech

M. No.: 22889; C.P. No.: 8952

September 4, 2018

Place: Mumbai

ANNEXURE B TO DIRECTORS REPORT

Form no. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Details of contracts or arrangements or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship:	Mr. Atul Doshi (Managing Director)
(b) Nature of contracts/arrangements/ transactions:	Payment of Managerial Remuneration to the Managing Director
(c) Duration of the contracts / arrangements/ transactions:	One year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	As per appointment letter executed by the company and the director.
(e) Justification for entering into such contracts or arrangements or transactions	As per industrial standards and as per the approval of the shareholders the Company is paying remuneration to the Managing Director
(f) Date(s) of approval by the Board:	May 30, 2017
(g) Amount paid as advances, if any: (Rs. In lacs)	Nil
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	N.A.

CORPORATE GOVERNANCE

ADDITIONAL INFORMATION TO BE PROVIDED AS PER SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015

SEBI vide its notification No. SEBI/LAD-NRO/GN/2015-16/013 dated 2nd September, 2015 notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'SEBI Listing Regulations, 2015'), which were made applicable with effect from 1st December, 2015 and repealed the erstwhile Listing Regulations with the stock exchanges.

This Report, therefore, states compliance as per the requirements of the Companies Act, 2013, SEBI Listing Regulations, 2015 as applicable to the Company.

Given below are the Company's corporate governance policies and practices for financial year 2017-18. As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws, including SEBI Listing Regulations, 2015.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that good corporate governance is fundamental to the enhancement of the value of the Company and its long term growth. Based on the core principles of fairness, transparency and accountability, the Company strives to maintain a high standard of corporate governance through the establishment of a comprehensive and efficient framework of policies, procedures and systems and the promotion of a responsible corporate culture.

AS PER SEBI (LODR) REGULATIONS, 2015, OF SCHEDULE V: ANNUAL REPORT, FOLLOWING ADDITIONAL DISCLOSURE (PARA A AND F) OF SCHEDULE V IS AS FOLLOWS:

PARA A: DISCLOSURE AS PER SEBI (LODR), REGULATIONS, 2015 IN RESPECT TO RELATED PARTY TRANSACTIONS

SR. NO.	IN THE ACCOUNTS OF	DISCLOSURES OF AMOUNTS AT THE YEAR END AND THE MAXIMUM AMOUNT OF LOANS/ ADVANCES/ INVESTMENTS OUTSTANDING DURING THE YEAR.	REMARKS
1.	Holding Company	<input type="checkbox"/> Loans and advances in the nature of loans to subsidiaries by name and amount. <input type="checkbox"/> Loans and advances in the nature of loans to associates by name and amount. <input type="checkbox"/> Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	N.A.
2.	Subsidiary	Loans and advances in the nature of loans to holding company by name and amount. <input type="checkbox"/> Loans and advances in the nature of loans to associates by name and amount. <input type="checkbox"/> Loans and advances in the nature of loans to Firms / companies in which directors are interested by name and amount.	N.A.
3.	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	N.A.

B. MANAGEMENT DISCUSSION AND ANALYSIS (Annexure to Director Report)

Forward – Looking Statements:

This Report contains forward – Looking Statements. Any, statement that address expectations or projections about the future, including but not limited to statements about the Company's strategy and growth, product development, market position, expenditures and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future growth. The Company cannot guarantee that these assumptions are accurate and will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on basis of any subsequent developments, information or events.

Overview:

During the financial year under review the revenue from operations has increased from Rs. 50.38 Lacs to Rs. 174.49 Lacs

Outlook:

The Company is mainly engaged in the business of financing and investment in bodies corporate in order to yield greater revenue for its stakeholders. The Company is planning to expand and diversify the operational activities in the coming years ahead in order to tap higher revenues.

Risk and Concerns:

Due to stiff competitions in the finance field where the company's activities are centered in, the overall margins are always under pressure, but maintainable with the constant effort and good services rendered by the company.

Internal Control Systems and their Adequacy:

An Audit Committee of the Board of Directors of the Company has been constituted as per provisions of the Companies Act, 2013 and SEBI (LODR), 2015.

The Internal Audit Function is looked after internally by the finance and accounts department, and reviewed by the audit committee and the management at the regular intervals.

The Internal Auditors Reports dealing with Internal Control Systems are considered by the Audit Committee and appropriate actions are taken, whichever necessary.

Analysis of Financial Conditions and Results of Operations:

The Financial Statements have been prepared in accordance with the requirements of the Act, Indian Generally Accepted Principles (Indian GAAP) and the Accounting Standards as prescribed by the Institute of Chartered Accountants of India.

The Management believes that it has been objective and prudent in making estimates and judgments relating to the Financial Statements and confirms that these Financial Statements are a true and fair representation of the Company's Operations for the period under review.

Development on Human Resource Front:

Our human resources are critical to our success and carrying forward our mission. With their sustained, determined and able work efforts we were able to cruise smoothly through the hard time of the economic volatility and rapidly changing market conditions.

The requirement of the markets given the economic scenario has made this even more challenging. Attracting newer talent with the drive, training and upgrading existing skill sets and getting all to move in an unified direction will definitely be task in the company.

Plans to execute the mandate on this count are already underway and we should see it impacting the results from the third quarter of the next financial year.

By creating conducive environment for career growth, company is trying to achieve the maximum utilization of employee's skills in the most possible way.

There is need and the company is focused on retaining and bringing in talent keeping in mind the ambitious plans despite the market and industry scenario.

The company also believes in recognizing and rewarding employees to boost their morale and enable to achieve their maximum potential. The need to have a change in the management style of the company is one of the key focus areas this year.

Industrial Relations:

Industrial Relations throughout the year continued to remain very cordial and satisfactory.

F. DISCLOSURE AS PER SEBI (LODR), REGULATIONS, 2015 IN RESPECT DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

The listed entity need to disclose the following details and as long as there are shares in the demat suspense account or unclaimed suspense account:

SR.NO.	PARTICULARS	REMARKS
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	NIL
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	NIL
3.	Number of shareholders to whom shares were transferred from suspense account during the year	NIL
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	NIL
5.	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	NIL

Date: September 04, 2018
Place: Delhi

For KAPIL RAJ FINANCE LIMITED

Regd. D-50 E, 3rd Floor, Kh. No. 299
Chhattarpur Enclave,
New Delhi - 110074

SD/-
Shyam Singh
(Chairman & Managing Director)
DIN: 07798831

INDEPENDENT AUDITORS' REPORT

To,
THE MEMBERS OF
KAPIL RAJ FINANCE LIMITED,

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **KAPIL RAJ FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st, March 2018, the Statement of Profit and Loss for the year the ended, Cash Flow Statement for the year end on that date and as summary of significant accounting policies and other explanatory information.

MANAGEMENTS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and the Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as

evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained insufficient and appropriate to provide a basis for our audit opinion on the financial statements.

BASIS FOR QUALIFIED OPINION

The company has not registered and enrolled itself as per the provisions of the Maharashtra State Tax on Profession, Trades, Calling and Employment Act, 1975 which attracts Tax Liability under the Act, along with interest and penalty under the provisions due there on. The extent of liability is not determinable in absence of availability of information in this regards.

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis of Qualified Opinion paragraph above, and subject matter described under “Emphasis of Matter” the financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles accepted in India of the state of affairs of the Company as at March 31, 2018, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

EMPHASIS OF MATTER

Attention is invited to the following:

1. The company carries on Finance activities and hence by the guidelines issued by the Reserve Bank of India, the company complies to be a Non-Banking Financial Company (NBFC). This requires the company to get itself registered with the Reserve Bank of India as a NBFC, the company is in the process of getting itself registered for the same.
2. The Business Activity transactions dealing in Trading, Derivatives and Speculation Transactions related to Equities, Future and Options segment, Foreign Exchange and Commodities are not accounted as per the generally accepted principles.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1 As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the Annexure a statement on the matter specified in the paragraphs 3 and 4 of the said Order.
- 2 As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company, except for the matter referred in the “Emphasis of Matter”, so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity, dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, except for the matter referred in the “Emphasis of Matter”.
- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 264(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Vinodchandra R Shah & Co.

Chartered Accountants

FRN 115394W

Sd/-

Gaurav J Parekh

Partner

M. No. 140694

Mumbai, Dated: 30Th May, 2018

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in Our Report of even date to the members of **KAPIL RAJ FINANCE LIMITED** on the accounts of the company for the year ended March 31, 2018. On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

i. In respect of its Fixed Assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) No disposal of a substantial part of fixed assets of the Company has taken place during the year.
- ii. There were no inventories at the end of the financial year.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations provided to us, provisions of section 185 and 186 of the Act and in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied by the Company.
- v. The company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 of the Act and the Rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act for the business carried out by the Company. Accordingly, paragraph 3 (vi) of the order is not applicable.
- vii. According to the information and explanations given to us the Company has not delayed in depositing undisputed statutory dues including Income Tax and other statutory dues with the appropriate authorities except the following:
- a) The company has not registered and enrolled itself as per the provisions of the Maharashtra State Tax on Profession, Trades, Calling and Employment Act, 1975 which attracts Tax Liability under the Act. The extent of liability is not determinable in absence of availability of information in this regards.
 - b) According to the information and explanations given to us, there are no statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. There were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act,

2013 and rule made there under.

- ix. In our opinion and according to the information and explanations provided by the management, the Company has utilized the monies raised by way of debt instruments and term loans for the purposes for which they were raised.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. The Managerial Remuneration has been provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- xv. According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- xvi. In our opinion, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the Company is in the process of getting itself registered.

For Vinodchandra R Shah & Co.

Chartered Accountants

FRN 115394W

Sd/-

Gaurav J Parekh

Partner

M. No. 140694

Mumbai, Dated: 30Th May, 2018

“ANNEXURE B” TO THE AUDITOR’S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of KAPIL RAJ FINANCE LIMITED (“The Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vinodchandra R Shah & Co.

Chartered Accountants

FRN 115394W

Sd/-

Gaurav J Parekh

Partner

M. No. 140694

Mumbai, Dated: 30Th May, 2018

KAPIL RAJ FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

	Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
A	ASSETS			
1	Non current assets			
	(a) Property, Plant and Equipment	1	26,111	51,925
	(b) Investment Property	2	4,552,240	7,263,940
	(c) Financial Assets:			
	(i) Loans	3	66,519,433	26,453,750
	Total Non Current Assets		71,097,784	33,769,615
2	Current assets			
	(a) Inventories	4	-	10,000
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables	5	-	77,255,872
	(ii) Cash and cash equivalents	6	154,250	374,333
	(c) Other current assets	7	35,500	3,380,749
	Total Current Assets		189,750	81,020,954
	TOTAL - ASSETS		71,287,534	114,790,569
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share capital	8	51,400,000	51,400,000
	(b) Other Equity	9	6,343,679	3,910,089
	Total Equity		57,743,679	55,310,089
2	LIABILITIES			
	Non current liabilities			
	(a) Deferred tax liabilities (Net)	10	592	3,646
	Total Non Current Liabilities		592	3,646
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	400,000	52,772,500
	(ii) Trade payables	12	12,533,491	4,402,584
	(b) Other current liabilities	13	609,772	2,301,750
	(c) Provisions		-	-
	Total Current Liabilities		13,543,263	59,476,834
	Total Liabilities		13,543,855	59,480,480
	Total Equity and Liabilities		71,287,534	114,790,569

For Vinodchandra R Shah & Co.

Chartered Accountants
Firm Reg. No. 115394W
sd/-

Gaurav J Parekh

Partner
M.No.: 140694
Place: Mumbai
Date: 30.05.2018

For and behalf of Board of Directors of

Kapil Raj Finance Ltd

sd/-

Shyam Singh

Director
DIN: 07798831
Place: Mumbai
Date: 30.05.2018

sd/-

Umesh Parekh

Director
DIN: 06827077
Place: Mumbai
Date: 30.05.2018

KAPIL RAJ FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	NOTES	For the Year ended March 31, 2018	For the Year ended March 31, 2017
INCOME			
Revenue from Operations	14	13,463,735	17,449,970
Other Income	15	5,237,511	2,931,626
TOTAL INCOME		18,701,246	20,381,596
EXPENSES			
Employee Benefit Expenses	16	7,699,834	1,796,722
Finance Costs	17	324,999	8,722,119
Depreciation and Amortization Expenses	1	25,814	50,055
Other Expenses	18	7,198,000	6,956,818
TOTAL EXPENSES		15,248,647	17,525,714
Profit before Exceptional items and tax		3,452,599	2,855,882
Exceptional items		-	-
Profit/(Loss) Before Tax		3,452,599	2,855,882
Tax Expenses			
Current Tax		1,022,063	1,259,552
Deferred Tax		(3,054)	2,760
		1,019,009	1,262,312
Profit for the Year		2,433,590	1,593,570
Other Comprehensive Income		-	-
Total Comprehensive Income		2,433,590	1,593,570
Earning per Equity Share			
Basic		0.47	0.31
Diluted	19	0.47	0.31
Significant Accounting Policies			

The Notes referred to above are from an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Vinodchandra R Shah & Co.

Chartered Accountants
Firm Reg. No. 115394W
sd/-

Gaurav J Parekh

Partner
M.No.: 140694
Place: Mumbai
Date: 30.05.2018

For and behalf of Board of Directors of

Kapil Raj Finance Ltd

sd/-

Shyam Singh

Director
DIN: 07798831
Place: Mumbai
Date: 30.05.2018

sd/-

Umesh Parekh

Director
DIN: 06827077
Place: Mumbai
Date: 30.05.2018

KAPIL RAJ FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Indirect Method Cash Flow Statement	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Cash Flows From Operating Activities		
Net Profit Before Tax	3,452,599	2,855,882
Adjustments For Non Cash Item		
Depreciation	25,814	50,055
Operating Profit/(Loss) Before Working Capital Changes:	3,478,413	2,905,936
Changes in Working Capital:		
<u>Adjustments for (Increase)/ Decrease in Operating Assets</u>		
Trade Receivables	77,255,872	(53,257,919)
Inventory	10,000	(10,000)
Other Current Assets	3,345,249	51,954,251
<u>Adjustments for Increase/(Decrease) in Operating Liabilities:</u>		
Other Current Liabilities	(1,893,742)	6,535,453
Short Term Provisions	-	(392,873)
Trade Payable	8,130,907	28,370
Cash generated from Operating Activity	86,848,286	4,857,282
Income Tax Paid (Net)	820,299	1,259,552
Net Cash Flow From /(used in) Operating Activities (A)	89,506,400	6,503,666
Cash Flow From Investing Activities		
Increase in Loans and Advances	(40,065,683)	(9,853,750)
Purchase of Fixed Asset	-	(56,601)
(Increase)/Decrease in Investments in Fixed Deposits	-	31,044,588
(Increase)/Decrease in Investments	2,711,700	-
Net cash from/(used in) Investing Activities (B)	(37,353,983)	21,134,237
Cash Flow from Financing Activities:		
Repayment of borrowings	(52,372,500)	(44,360,700)
Net cash from/(used in) Financing Activities (C)	(52,372,500)	(44,360,700)
Net (Decrease)/Increase in Cash and Cash Equivalents(A+B+C)	(220,083)	(16,722,796)
Cash and Bank Balances at the beginning of the year	374,333	17,097,129
Cash and Bank Balances at the end of the year	154,250	374,333
Closing Cash and Bank Balance shown in Balance sheet	154,250	374,333
Bank Balance	143,788	182,582
Cash Balance	10,462	191,751

This is the Cash Flow Statement referred to in our report of even date

For Vinodchandra R Shah & Co.

Chartered Accountants
Firm Reg. No. 115394W
sd/-

Gaurav J Parekh

Partner
M.No.: 140694
Place: Mumbai
Date: 30.05.2018

**For and behalf of Board of Directors of
Kapil Raj Finance Ltd**

sd/-
Shyam Singh

Director
DIN: 07798831
Place: Mumbai
Date: 30.05.2018

sd/-

Umesh Parekh

Director
DIN: 06827077
Place: Mumbai
Date: 30.05.2018

KAPIL RAJ FINANCE LIMITED

Notes to the Financial Statement for the year ended March 31, 2018 (Contd.)

1 : Property, Plant and Equipment

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at	Additions	As at	As at	For the	As at	As at	As at	As at
	1.04.2017	(Deletion)	31.03.2018	1.04.2017	Year	31.03.2018	31.03.2018	31.03.2017	01.04.2016
Computers	117,602	-	117,602	65,677	25,814	91,491	26,111	51,925	45,379
Total	117,602	-	117,602	65,677	25,814	91,491	26,111	51,925	45,379
<i>Previous Year</i>	<i>61,001</i>	<i>56,601</i>	<i>117,602</i>	<i>15,622</i>	<i>50,055</i>	<i>65,677</i>	<i>51,925</i>	<i>-</i>	<i>-</i>

KAPIL RAJ FINANCE LIMITED
Notes to the Financial Statement for the year ended March 31, 2018(Contd.)

	As at March 31, 2018	As at March 31, 2017
2: INVESTMENT PROPERTY		
Investment Property at -		
ADM Space	-	2,711,700
VV Ahmedabad Serene Lifestyle	4,552,240	4,552,240
Total	4,552,240	7,263,940

	As at March 31, 2018	As at March 31, 2017
3: LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good unless stated otherwise (Receivable in Cash or Kind or for the value to be received)		
Advance Tax (Net of Provision for Income taxes)	202,715	353,750
Loans & advances - Others	66,316,718	26,100,000
Total	66,519,433	26,453,750

	As at March 31, 2018	As at March 31, 2017
4: Inventories		
Shares (held for trading)	-	10,000
Total	-	10,000

	As at March 31, 2018	As at March 31, 2017
5: Trade Receivable (Unsecured & Considered Goods)		
Trade Receivables	-	77,255,872
Total	-	77,255,872

	As at March 31, 2018	As at March 31, 2017
6: CASH AND BANK BALANCES		
Cash on hand	10,462	191,751
<u>Balance with Bank</u>		
in Current Account	143,788	182,582
in Deposits accounts having original maturity of more than one year	-	-
Total of Cash and Bank Balances	154,250	374,333

	As at March 31, 2018	As at March 31, 2017
7: OTHER CURRENT ASSETS		
Unsecured, Considered Good unless stated otherwise		
Prepaid Professional Fees	-	10,000
Less: Provision for doubtful debt	-	(10,000)
	-	-
Interest Accrued on Deposit	-	845,749
Other Deposits	35,500	2,535,000
Total of other Current Assets	35,500	3,380,749

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8: SHARE CAPITAL			
<u>Authorised Capital</u> 1,00,00,000 (1,00,00,000) Equity shares of Rs.10 each	100,000,000	100,000,000	100,000,000
<u>Issued Subscribed and Paid up Capital</u> 51,40,000 (51,40,000) Equity shares of Rs.10 each fully paid up for cash at par	51,400,000	51,400,000	51,400,000
Total of Issued Subscribed and Paid-up Share Capital	51,400,000	51,400,000	51,400,000

A. Reconciliation Of Shares Outstanding at Beginning and at the end of reporting period

Equity Shares of Rs. 10 Each fully paid	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of Share		No of Share		No of Share	
At the beginning of the Year	5,140,000	51,400,000	5,140,000	51,400,000	5,140,000	51,400,000
Issued during the Year	-	-	-	-	-	-
Outstanding at the end of the Year	5,140,000	51,400,000	5,140,000	51,400,000	5,140,000	51,400,000

B. Details of shareholders holding more than 5% equity shares of the Company

Equity Shares Of Rs. 10 Each fully paid	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of Share	% Holding	No of Share	% Holding	No of Share	% Holding
1.Bindu Dinesh Shah	318,500	6.20%	500,000	9.73%	500,000	9.73%
2.Dinesh Manilal Shah	289,503	5.63%	500,000	9.73%	500,000	9.73%
3.Pinkline finance Consultants LLP	-	-	300,000	5.84%	300,000	5.84%

C. Terms / Right attached to equity shares

The company has only one class of shares having a par value of `10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
9: Other Equity			
Retained Earnings			
Balance at the beginning of the year	3,910,089	2,316,519	212,920
Add: Profit for the year	2,433,590	1,593,570	2,322,338
Less: Prior Period Tax Adjustments	-	-	(218,739)
Total	6,343,679	3,910,089	2,316,519

10. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	-	-
Deferred tax liabilities	(592)	(3,646)
Net	(592)	(3,646)

Movement in Deferred Tax balances

Particulars	As at April 1, 2016	Recognised in profit or loss	As at March 31, 2017	As at April 1, 2017	Recognised in profit or loss	As at March 31, 2018
Deferred Tax Liability						
Property, Plant & Equipment	885	(2,761)	3,646	3,646	3,054	592
Total	885	(2,761)	3,646	3,646	3,054	592

KAPIL RAJ FINANCE LIMITED

Notes to the Financial Statement for the year ended March 31, 2018(Contd.)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
11: SHORT TERM BORROWINGS			
Loans repayable on demand from other than Banks - Unsecured	400,000	52,772,500	97,133,200
Total	400,000	52,772,500	97,133,200

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
12: TRADE PAYABLES			
Trade payables (other than due to Micro & Small Enterprises)	12,533,491	4,402,584	-
Total	12,533,491	4,402,584	-

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
13: OTHER CURRENT LIABILITIES			
Advance from Customers			43,406
<u>Other Payables:</u>			
Statutory remittances	528,772	1,478,516	34,105
Others	81,000	823,234	63,000
Total	609,772	2,301,750	140,511

KAPIL RAJ FINANCE LIMITED
Notes to the Financial Statement for the year ended March 31, 2018 (Contd.)

	For the year ended March 31, 2018	For the year ended March 31, 2017
14: REVENUE FROM OPERATIONS		
Profit / (Loss) from Derivative Transactions	10,384,412	17,198,363
Dividend Received	37,479	251,607
Gain on sale of Equity Shares	3,041,844	-
Total	13,463,735	17,449,970

	For the year ended March 31, 2018	For the year ended March 31, 2017
15: OTHER INCOME		
Interest on deposits with banks	48,688	2,573,455
Interest on long-term loans & advances	4,832,523	302,171
Rental income	168,000	56,000
Profit on sale of property	188,300	-
Total	5,237,511	2,931,626

	For the year ended March 31, 2018	For the year ended March 31, 2017
16: EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	7,485,183	1,622,138
Staff Welfare Expenses	214,651	174,584
Total	7,699,834	1,796,722

	For the year ended March 31, 2018	For the year ended March 31, 2017
17: FINANCE COST		
Interest on short-term borrowings	324,999	8,722,119
Total	324,999	8,722,119

KAPIL RAJ FINANCE LIMITED

Notes to the Financial Statement for the year ended March 31, 2018 (Contd.)

	For the year ended March 31, 2018	For the year ended March 31, 2017
18: Other Expenses		
Professional Fees	5,420,283	4,824,747
Rent Paid	180,000	1,225,760
Legal & Professional Charges	800,000	294,735
Listing Fees	327,750	257,625
ROC Charges	6,000	-
Payment to Auditors: Statutory Audit	88,500	75,000
CDSL / NSDL Custodian Charges	51,752	68,701
Conveyance	72,589	58,023
Communication Charges	51,385	45,875
Printing and Stationery	21,686	35,386
General Expenses	3,527	18,644
Advertisement Expense	51,523	19,345
Fines/Penalties	2,585	16,182
Donation	55,000	-
Provision for doubtful advances	-	10,000
Repairs & Maintenance	60,760	2,856
Profession Tax(company)	2,500	2,500
Bank Charges	2,160	1,439
Total	7,198,000	6,956,818

KAPIL RAJ FINANCE LIMITED

Notes to the Financial Statement for the year ended March 31, 2018 (Contd.)

19: EARNINGS PER SHARE			
Details of Earning per Share as per IND AS-33 are given as under.			
I. BASIC EPS			
Particulars	Unit	As at March 31, 2018	As at March 31, 2017
a. Profit after taxation for the year	₹	2,433,590	1,593,570
b. Weighted average number of Equity Shares used in computing Basic EPS	Nos.	5,140,000	5,140,000
c. Basic EPS (per share of ₹ 10 each)	₹	0.47	0.31
II. DILUTED EPS			
Particulars	Unit	As at March 31, 2017	As at March 31, 2016
a. Profit after taxation for the year	₹	2,433,590	1,593,570
b. Weighted average number of Equity Shares used in computing Diluted EPS	Nos.	5,140,000	5,140,000
c. Diluted EPS (per share of ₹ 10 each)	₹	0.47	0.31

20: OTHER NOTES
<p>i. The company has not recorded transactions dealing in Trading, Derivatives and Speculation Transactions, related to Equities, Future and Option Segment, Foreign Exchange and Commodities, as per the generally accepted accounting principles.</p> <p>The company has not recorded transactions in the nature of Speculation separately and the same has been included with transaction from Derivative segment</p>
<p>ii. Confirmation of balances from certain sundry debtors and sundry creditors are awaited. Adjustment for differences, if any, arising out of confirmation and reconciliation thereof would be made in the current year. The Management is of the opinion that the effect of adjustments, if any, is not likely to be significant.</p>
<p>iii. Segregation between current and non current financial liabilities /assets as at end of current and previous reporting periods have been done on an estimated basis in certain cases due to non availability of precise data.</p>
<p>iv. The information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 are not disclosed, as the information is not available with the company to identify such transaction with such parties, and hence could not be determined.</p>
<p>v. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification/ disclosure.</p>

KAPIL RAJ FINANCE LIMITED**Notes to the Financial Statement for the year ended March 31, 2018 (Contd.)****21. Related Party Disclosures**

As per Ind AS, the disclosures of transactions with the Related Parties are given below:

(i) List of Related Parties where control exists and also other Related Parties with whom transactions have taken place and relationships:

Sr No	Name of Related Party	Relationship
1	Atul C Doshi	Key Managerial Personnel

(ii) Transactions during the year with Related Parties:

Sr No	Nature of Transactions	31.03.2018	31.03.2017
1	Remuneration(Atul C Doshi)	450,000	-

KAPIL RAJ FINANCE LIMITED

Notes to the Financial Statement for the year ended March 31, 2018 (Contd.)

22. Income Tax expense

Amounts recognised in profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax	1,022,063	1,259,552
Deferred tax	(3,054)	2,760
Tax expense for the year	1,019,009	1,262,312

Income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	3,452,599	2,855,882
Applicable tax rate	25.75%	30.90%
Computed tax expense	889,044	882,467
Tax effect of:		
Exempted income	(9,651)	(77,747)
Expenses disallowed	142,669	454,831
Current Tax Provision (A)	1,022,062	1,259,552
Deferred Tax Provision (B)	(3,054)	2,760
Tax Expenses recognised in Statement of Profit and Loss (A+B)	1,019,009	1,262,312
Effective Tax rate	29.51%	44.20%

KAPIL RAJ FINANCE LIMITED

Notes to the Financial Statement for the year ended March 31, 2018 (Contd.)

For Vinodchandra R Shah & Co.
Chartered Accountants
Firm Reg No. 107356W

For and on behalf of the Board of Directors

Gaurav J Parekh
Partner
M.No.: 140694

Atul Doshi
Director
DIN: 06826992

Place: Mumbai
Date: 30.05.2018

Place: Mumbai
Date: 30.05.2018

KAPIL RAJ FINANCE LIMITED

Statement of changes in equity for the year ended March 31, 2018

a. Equity share capital	Amount (₹)
Balance at March 31, 2016	51,400,000
Changes in equity share capital during the year	-
Balance at March 31, 2017	51,400,000
Changes in equity share capital during the year	-
Balance at March 31, 2018	51,400,000

b. Other Equity

Particulars	Reserves and surplus	
	Retained earnings	Total
Balance at March 31, 2016	2,316,519	2,316,519
Profit for the year	1,593,570	1,593,570
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year	1,593,570	1,593,570
Balance at March 31, 2017	3,910,089	3,910,089
Profit for the year	2,433,590	2,433,590
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year	2,433,590	2,433,590
Balance at March 31, 2018	6,343,678	6,343,678

KAPIL RAJ FINANCE LIMITED
Notes to the Financial Statement for the year ended March 31, 2018
1. SIGNIFICANT ACCOUNTING POLICIES:
A. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:
<p>i. The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.</p> <p>ii. Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".</p> <p>iii. These financial statements are the Company's first Ind AS financial statements. Financial Statements are based on historical cost and are prepared on accrual basis.</p> <p>iv. Amounts in financial statements are presented in Indian Rupees rounded off to two decimal places in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimals places.</p>
B. Property, Plant & Equipment
<p>Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments.</p> <p>Depreciation is provided on Written Down Value ("W.D.V") method, on basis of useful lives prescribed in Schedule II to the Companies Act, 2013.</p> <p>Depreciation on additions to Property, plant and equipment is provided on a pro-rata basis from the date of acquisition or installation and in the case of new project, from the date of commencement of commercial production. Depreciation on assets sold, discarded, demolished or scrapped is provided up to the date on which the said asset is sold, discarded, demolished or scrapped.</p>
C. Investment Property
<p>Properties held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.</p> <p>Depreciation is not charged on the Investment Property.</p> <p>An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.</p>
D. Financial Instruments
i) Financial Assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement**a) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life

ii) Financial Liabilities**A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

E. Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

F. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

G. Impairment of Non-financial assets -property, plant and equipment

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate

H. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

I. Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

J. Foreign currencies transactions and translation

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

K. Revenue Recognition

Profit and Loss arising from Trading, Derivatives and Speculation Transactions by dealing in Equities, Future and Options segment, Foreign Exchange Contracts and Commodities are recorded at the end of each quarter as per the Global Report received from the respective Broker.

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the payment has been established.

L. Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post Employment Benefits

Gratuity shall be provided on the basis of payment and no provision has been made for the same on accrual basis.

M. Earnings Per Share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

The Company did not have and potentially dilutive securities in any of the years' presented.

2. FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment, intangible assets and investment property at its carrying value at the transition date.

KAPIL RAJ FINANCE LIMITED

Notes to the Financial Statement for the year ended March 31, 2018 (Contd.)

21: FIRST TIME IND AS ADOPTION RECONCILIATIONS

(a) Effect of Ind AS adoption on balance sheet as at March 31, 2017 and April 1, 2016

	As at March 31, 2017			As at April 1, 2016		
	Previous GAAP	Effect of Transition to IND AS	As per IND AS	Previous GAAP	Effect of Transition to IND AS	As per IND AS
ASSETS						
Non current assets						
(a) Property, Plant and Equipment	51,925	-	51,925	45,379	-	45,379
(b) Investment Property	7,263,940	-	7,263,940	7,263,940	-	7,263,940
(c) Financial Assets:						
(i) Loans	26,453,750	-	26,453,750	16,600,000	-	16,600,000
Total Non Current Assets	33,769,615	-	33,769,615	23,909,319	-	23,909,319
Current assets						
(a) Inventories	10,000	-	10,000	-	-	-
(b) Financial Assets						
(i) Investments	-	-	-	28,000,000	-	28,000,000
(i) Trade receivables	77,255,872	-	77,255,872	23,997,952	-	23,997,952
(ii) Cash and cash equivalents	374,333	-	374,333	17,097,129	-	17,097,129
(c) Other current assets	3,380,749	-	3,380,749	58,379,588	-	58,379,588
Total Current Assets	81,020,954	-	81,020,954	127,474,669	-	127,474,669
TOTAL - ASSETS	114,790,569	-	114,790,569	151,383,988	-	151,383,988
EQUITY AND LIABILITIES						
EQUITY						
(a) Equity Share capital	51,400,000	-	51,400,000	51,400,000	-	51,400,000
(b) Other Equity	3,910,089	-	3,910,089	2,316,519	-	2,316,519
Total Equity	55,310,089	-	55,310,089	53,716,519	-	53,716,519
LIABILITIES						
Non current liabilities						
(a) Deferred tax liabilities (Net)	3,646	-	3,646	885	-	885
Total Non Current Liabilities	3,646	-	3,646	885	-	885
Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	52,772,500	-	52,772,500	97,133,200	-	97,133,200
(ii) Trade payables	4,402,584	-	4,402,584	-	-	-
(b) Other current liabilities	2,301,750	-	2,301,750	140,511	-	140,511
(c) Provisions	-	-	-	392,873	-	392,873
Total Current Liabilities	59,476,834	-	59,476,834	97,666,584	-	97,666,584
Total Liabilities	59,480,480	-	59,480,480	97,667,469	-	97,667,469
Total Equity and Liabilities	114,790,569	-	114,790,569	151,383,988	-	151,383,988

(b) Statement of reconciliation of profit and other equity between IND AS and Previous GAAP

Particulars	As at March 31, 2017	As at April 1, 2016
Net Profit as per Previous GAAP	1,593,570	2,322,338
Adjustments to give effect of IND AS	-	-
Net Profit before OCI / Other Equity as per IND AS	1,593,570	2,322,338

KAPIL RAJ FINANCE LIMITED

Notes to the Financial Statement for the year ended March 31, 2018 (Contd.)

(C) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Previous GAAP	Effect of Transition to IND AS	As per IND AS
INCOME			
Revenue from Operations	17,449,970	-	17,449,970
Other Income	2,931,626	-	2,931,626
TOTAL INCOME	20,381,596	-	20,381,596
EXPENSES			
Employee Benefit Expenses	1,796,722	-	1,796,722
Finance Costs	8,722,119	-	8,722,119
Depreciation and Amortization Expenses	50,055	-	50,055
Other Expenses	6,956,818	-	6,956,818
TOTAL EXPENSES	17,525,714	-	17,525,714
Profit before Exceptional items and tax	2,855,882	-	2,855,882
Exceptional Items	-	-	-
Profit/(Loss) Before Tax	2,855,882	-	2,855,882
Tax Expenses			
Current Tax	1,022,063	-	1,022,063
Deferred Tax	(3,054)	-	(3,054)
	1,019,009	-	1,019,009
Profit for the Year	1,836,873	-	1,836,873

Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration Rules, 2014-MGT-11

KAPIL RAJ FINANCE LIMITED

CIN: L65929DL1985PLC022788 / email: kapilrajfin@gmail.com / website:

www.kapilrajfinanceltd.com

Registered Office: D-50 E, 3rd Floor, Kh. No. 299 Chhattarpur Enclave, New Delhi – 110074

Proxy Form

Name of the Member(s) :
Registered address :
E-mail Id :
Folio No./Client ID No:
DP ID :

I/We, being the member(s) of _____ Shares of Kapil Raj Finance Limited, hereby appoint

1. Name: _____ E-mail

Id: _____

Address: _____

Signature: _____ or failing
him _____

2. Name: _____ E-mail

Id: _____

Address: _____

Signature: _____ or failing
him _____

3. Name: _____ E-mail

Id: _____

Address: _____

Signature: _____ or failing
him _____

Only Member/Proxyholder can attend the Meeting.

Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Friday, September, 28 2018, at 11.30 a.m. at the D-50 E, 3rd Floor, Kh. No. 299 Chhattarpur Enclave, New Delhi – 110074, and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary business				
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2018			
2	To re-appoint a Director, Mr. Shyam Singh (DIN: 07798831) who retires by rotation and being eligible, offers himself for re-appointment			
3	Ratification for Appointment of Statutory Auditor of Messrs Vinodchandra & co, to hold office from the conclusion of this AGM until the conclusion of the 35 th AGM of the Company			
Special Business				
4	To confirm the appointment of Mr. Shyam Singh (DIN: 07798831) as Managing Director of the Company.			
5	Appointment of Mr. Hiran Kumar Mukherjee (DIN: 08115395) as a Non-Executive Independent Director of the Company			

6	Appointment of Mr. Pradip Shah (DIN: 08126828) as a Whole Time Director of the Company			
---	--	--	--	--

Signed this _____ day of September _____, 2018

Signature of the member

Signature of the proxy holder(s)

Notes :

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting.

2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Affix
revenue
stamp of
not
less than
Rs.1

ATTENDANCE SLIP (To Be Presented At Entrance)

KAPIL RAJ FINANCE LIMITED

CIN: L65929DL1985PLC022788 / email: kapilrajfin@gmail.com / website:

www.kapilrajfinanceltd.com

Registered Office: D-50 E, 3rd Floor, Kh. No. 299 Chhattarpur Enclave, New Delhi – 110074

Proxy Form

Registered Folio No. : _____ DPIDNo. _____ ClientID
No. _____ No. _____ of _____ shares _____ held:

I certify that I am a member / proxy / authorized representative for the member of the Company.
I hereby record my presence at the 32nd Annual General Meeting of the Company D-50 E, 3rd Floor,
Kh. No. 299 Chhattarpur Enclave, New Delhi – 110074, on Friday, September, 28 2018, at 11.30 a.m.

Name of the member / proxy
(in BLOCK letters)

Signature of the member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

-----THIS PAGE IS LEFT BLANK INTENTIONALLY-----

To,

If undelivered please return to:
Kapil Raj Finance Limited
D-50 E, 3rd Floor, Kh. No. 299
Chhattarpur Enclave,
New Delhi – 110074