

KAPIL RAJ FINANCE LIMITED

CIN:- L65929DL1985PLC022788

ANNUAL REPORT FOR THE

FY 2018-19

Route Map For The Venue Of AGM



INDEX:

<u>SR. No.</u>	<u>CONTENTS</u>	<u>Page No.</u>
1.	Corporate Information	1
2.	Notice	2
3.	Directors' Report	10
4.	Corporate Governance & Management & Discussion Analysis	28 & 29
5.	Independent Auditor's Report - Standalone	31
6.	Financial Statements - Standalone (Balance Sheet, Profit & Loss Account with Schedules)	38
7.	Independent Auditor's Report - Consolidated	55
8.	Financial Statements- Consolidated (Balance Sheet, Profit & Loss Account with Schedules)	61
9.	Proxy Slip and Attendance Slip	82 & 83

Board of Directors

Shyam Singh	:	Managing Director <i>(Resigned on April 23, 2019)</i>
Pradip Shah	:	Whole Time Director
Bina Thakkar	:	Non Executive Director <i>(Appointed on April 20, 2019)</i>
Rohan Chandrakant	:	Non Executive Director <i>(Appointed on 13, 2019)</i>
Miheer Doshi	:	Chief Financial Officer <i>(Appointed on April 30, 2019)</i> Whole Time Director <i>(Appointed on August 14, 2019)</i>
Hirankumar Mukherjee	:	Independent Director <i>(Resigned on April 23, 2019)</i>
Umesh P. Parekh	:	Non Executive Director

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

23-B, First Floor, Chirag Delhi,
Opposite Satrang Bhawan,,
New Delhi - 110017
(w.e.f April 23, 2019)

Admin Office

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

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

CIN No-L65929DL1985PLC022788

Email Id: kapilrajfin@gmail.com

Web: www.kapilrajfinanceltd.com

NOTICE

NOTICE is hereby given that 33rd Annual General Meeting of the members of Kapil Raj Finance Ltd. will be held on Saturday, September 30th, 2019 at 12:30 PM at 23-B, 1st Floor, Chirag Delhi, Opposite Satsang Bhawan, New Delhi-110017 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, 2019, 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. Pradip Shah (DIN: 08126828) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Rohan Chandrakant (DIN: 08443468) as a Non Executive Independent Director.**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Rohan Chandrakant (DIN: 08443468) be and is hereby appointed as Non Executive Independent Director with effect from May 13, 2019 on the Board in term of Section 161 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Director) Rules, 2014 and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (five) years, with effect from May 15, 2019."

4. **Appointment of Ms. Beena Thakkar (DIN.08432753) as a Non Executive Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Ms. Beena Thakkar (DIN.08432753) be and is hereby appointed as Non Executive Independent Director with effect from May 13, 2019 on the Board in term of section 161 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Director) Rules, 2014 and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (five) years, with effect from April 24, 2019."

5. **Appointment of Mr. Meehir Doshi (DIN.08536239) as Whole Time Director**

To consider and if thought fit, to pass, with or without modification(s) as may be deemed fit, 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), the consent of the members of the Company be and is hereby granted for appointment of Mr. Meehir Doshi (DIN: 08536239) as an Whole Time Director of the Company, for a period of 3 (Three) years w.e.f. August 14, 2019, on such terms and conditions including terms of remuneration as may be discussed between Mr. Meehir Doshi 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. Meehir Doshi."

"RESOLVED FURTHER THAT notwithstanding anything contained in the Companies Act, 2013, wherein any financial year the Company has no profits or inadequate profit, Mr. Meehir Doshi (DIN: 08536239) 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 the Board of Directors or its Committee thereof be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

Date: September 04, 2019

Place: Delhi

For KAPIL RAJ FINANCE LIMITED

Regd. 23-B, First Floor, Chirag Delhi,
Opposite Satrang Bhawan,
New Delhi-110017

SD/-
Pradip Shah
(Whole Time Director)
DIN: 08126828

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- The instrument appointing the Proxy, in order to be effective, must be deposited at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting. A proxy shall not have the right to speak at the meeting. The proxy holder shall prove his/her identity at the time of attending the meeting.
- With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified then SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on December 3, 2015 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization on or before April 01, 2019.
- SEBI vide its circular no. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who hold securities of the company in physical form, to furnish to the company / its registrar and transfer agent, the details of their valid Permanent Account Number (PAN) and bank account. To support the SEBI's initiative, the Members are requested to furnish the details of PAN and bank account to the Company or RTA. Members are requested to send copy of PAN card of all the holders; and (b) original cancelled cheque leaf with names of shareholders or bank passbook showing names of Members, duly attested by an authorized bank official. Members holding shares in

dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc. to their Depository Participant only and not to the Company's Registrar and Transfer Agents, Purva Share Registry (India) Private Limited. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and Purva Share Registry (India) Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Purva Share Registry (India) Private Limited.

6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Purva Share Registry (India) Private Limited, for assistance in this regard.
7. Pursuant to the provisions of Sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting alongwith the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents, unless the members have requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.
8. Members may also note that the Notice of the Meeting and the Annual Report 2018-19 will also be available on the Company's website kapilrajfin@gmail.com for their download.
9. The Register of Members, Register of Beneficial Owners and Share Transfer Books of the Company will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive) for the purpose of compliance with the annual closure of Books as per Section 91 of the Companies Act, 2013.

Members are requested to:

- a) bring their attendance slip duly filled, signed and deliver the same at the entrance of the meeting hall.
 - b) send their questions to the Company, at the Corporate Office at least 10 days before the Annual General Meeting for obtaining any information as regards accounts and operations of the Company so that the same could be compiled in time and made available at the meeting.
10. 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.
 11. 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.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 27, 2019, 9.00 a.m. and ends on September 29, 2019, 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 23, 2019 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 members who have cast their vote by 'remote e-voting' prior to the date of AGM may also attend the AGM.
- (iv) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period. Then:
 - (v) Click on Shareholders.
 - (vi) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) 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.
- (ix) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0s 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)	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. <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).

- (x) After entering these details appropriately, click on 'SUBMIT' tab.
- (xi) 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant Kapil Raj Finance Limited on which you choose to vote.
- (xiv) 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.
- (xv) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on 'Click here to print' option on the Voting page.
- (xix) 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 and enter the details as prompted by the system.
- (xx) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdsindia.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 scrutiniser to verify the same.
- (xxi) 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.
- (xxii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **September 23, 2019**.
- (xxiii) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holds shares as of the cut-off date i.e. **September 23, 2019** may obtain the login ID and password by sending a request at evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
- (xxiv) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (xxv) Mr. Amit R. Dadheech, Practicing Company Secretary (Membership No. 22889) has been appointed as the Scrutinizer to scrutinize voting and remote e-voting process in a fair and transparent manner.
- (xxvi) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e -voting facility.
- (xxvii) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e -voting in the presence of at least two witnesses not in the employment of the Company and shall make , not later than three days of the conclusion of AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (xxviii) The Results declared along with the report of the Scrutinizer shall be placed on the Company's website www.essdee.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchange(s).
- (xxix) All relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office and Corporate Office of the Company during normal business hours (9.00 am to 5.00pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

In order to broad base the strength of the Board of Director and to comply with the provision of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, it is proposed to appoint Mr. Rohan Chandrakant (DIN: 08443468) as Non-Executive Independent Director of the Company w.e.f. May 13, 2019. The Board of directors has received a notice from the shareholders of the Company pursuant to section 160 of the Companies Act, signifying their intention to propose Mr. Rohan Chandrakant as a candidate for the office of Director.

The brief profile of Mr. Rohan Chandrakant is annexed to this notice.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1 lakh signifying their intention to propose the candidature of Mr. Rohan Chandrakant for the office of Independent Director of the Company. In this regards, the Company has also received a declaration from Mr. Rohan Chandrakant under section 149(7) stating that he fulfills the criteria as set out in section 149(6) of the Companies Act, 2013.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Rohan Chandrakant as an Independent Directors is now being placed before the Members for their approval.

A brief detail of the Independent Director whose appointment is proposed is provided as an Annexure to the Notice.

He is not related to any of the Directors or Key Managerial Personnel (including relatives of the Directors and Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Mr. Rohan Chandrakant is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members

Item No. 4:

In order to broad base the strength of the Board of Director and to comply with the provision of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, it is proposed to appoint Ms. Beena Thakkar (DIN: 08432753) as Non-Executive Independent Director of the Company w.e.f. April 24, 2019. The Board of directors has received a notice from the shareholders of the Company pursuant to section 160 of the Companies Act, signifying their intention to propose Ms. Beena Thakkar as a candidate for the office of Director.

The brief profile of Ms. Beena Thakkar is annexed to this notice.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1 lakh signifying their intention to propose the candidature of Ms. Beena Thakkar for the office of Independent Director of the Company. In this regards, the Company has also received a declaration from Ms. Beena Thakkar under section 149(7) stating that she fulfills the criteria as set out in section 149(6) of the Companies Act, 2013.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Ms. Beena Thakkar as an Independent Directors is now being placed before the Members for their approval.

A brief detail of the Independent Director whose appointment is proposed is provided as an Annexure to the Notice.

She is not related to any of the Directors or Key Managerial Personnel (including relatives of the Directors and Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Ms. Beena Thakkar is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members

Item No.5

Mr. Meehir Doshi was appointed as a Whole Time Director w.e.f. August 14, 2019. 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. Meehir Doshi for a period of 5 (Five) year w.e.f. August 14, 2019. Now, this resolution is put before the shareholders of the Company for ratification of appointment of Mr. Meehir Doshi as Whole Time Director of the Company.

The Company with the mutual discussion between Mr. Meehir Doshi and the board of Directors has decided not to pay any remuneration to Mr. Meehir Doshi 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. Meehir Doshi depending on his performance and which shall not be contrary to any of the Act and Rules.

The Board recommends the Resolution set out at set out at Item No. 5 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, 2019

Place: Delhi

Regd. 23-B, First Floor, Chirag Delhi,
Opposite Satrang Bhawan,
New Delhi - 110017

For KAPIL RAJ FINANCE LIMITED

SD/-
Pradip Shah
(Whole Time Director)
DIN: 08126828

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. Rohan Chandrakant	Ms. Bina Thakkar	Mr. Pradip Shah	Mr. Meehir Doshi
DIN	08443468	08432753	08126828	08536239
Date of Birth	May 8, 1987	August 6, 1988	May 15, 1962	April 7, 1990
Date of Appointment	May 13, 2019	April 24, 2019	May 19, 2018	August 14, 2019
Qualification	Mr. Rohan Chandrakant has done his Bachelor of Commerce.	Ms. Bina Thakkar has done his Bachelor in Commerce.	Mr. Pradip Panachand Shah has done his Bachelor in Commerce and Semi Qualified Company Secretary	Mr. Meehir Doshi has done his Bachelors of Commerce (Accounts & Finance).
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	Nil
Chairman/Member of the Committee of Board of Public Companies	Nil	Nil	Nil	Nil
No. of Shares Owned: a. Own b. For other persons on a beneficial basis	Nil	Nil	Nil	Nil

DIRECTORS' REPORT

To,
The Members
Kapil Raj Finance Limited

Your Directors have pleasure in presenting their 33rd Annual Report and the Audited financial statement for the financial year ended March 31, 2019.

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	Consolidated		Standalone	
	2018-2019 (Rs.)	2017-2018 (Rs.)	2018-2019 (Rs.)	2017-2018 (Rs.)
Net Revenue from Operations	-	-	-	13,463,735
Other Income	10,649,260	-	10,649,260	5,237,511
Profit before Exceptional and Extra ordinary items and tax	575,513	-	575,513	3,452,599
Extra Ordinary Items	-	-	-	-
Profit after Exceptional and Extra ordinary items and tax	575,513	-	575,513	3,452,599
Profit before tax	575,513	-	575,513	3,452,599
Profit after tax	459,516	-	481,588	2,433,590
Amount Transferred to Reserves	-	-	-	6,343,679.02

REVIEW OF OPERATIONS AND FUTURE PROSPECTS:

Your Company has done negligible production activity during the financial year ended 31 March, 2019, owing to which there are no Income from Operations during the year under review. Further, the Overall Standalone Income has decreased to Rs. 10,649,260 for the financial year ended 31 March, 2019 as compared to last year's Standalone total income of Rs. 1,87,01,246. The overall profit incurred by your Company in the current financial year has decreased to Rs 481,588 as compared to the profit of Rs. 2,433,590 in the previous financial year.

Since this being the first year of consolidation, comparison for previous year can not be provided.

TRANSFER TO RESERVES:

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

DIVIDEND:

Your Directors has decided to plough back the profit and therefore it was decided to not declare any dividend.

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. Pradip Shah, 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	Appointed w.e.f 01/03/2014
2.	Pradip Shah	08126828	Appointed w.e.f 19/05/2018
3.	Bina Thakkar	08432753	Appointed w.e.f 24/04/2019

4.	Rohan Padave Chandrakant	08443468	Appointed w.e.f 13/05/2019
5.	Meehir Doshi	08536239	Appointed w.e.f 14/08/2019

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 OF APPOINTMENT	DESIGNATION
1.	Pradip Shah	07798831	Appointed w.e.f 19/05/2018	Whole Time Director
2.	Meehir Doshi	08536239	Appointed w.e.f 14/08/2019	Whole Time Director
3.	Meehir Doshi	08536239	Appointment w.e.f 30/04/2019	Chief Financial Officer

the Company is in process to appoint the Company Secretary, on the Board of the Company.

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

The 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 comprises of 10,000,000 Equity Shares of Rs. 10/- each amounting to Rs. 100,000,000/-. Further, the Subscribed, Issued and Paid up Capital comprises of 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.

CHANGE IN REGISTERED OFFICE OF THE COMPANY

During the year under review, the Company has changed its registered office within the limits of local limits of jurisdiction from D-50 E, 3rd Floor, Kh. No. 299 Chhattarpur Enclave, New Delhi - 110074 to 23-B, 1st Floor, Chirag Delhi, Opposite Satsang Bhawan, New Delhi - 110017 w.e.f April 23, 2019.

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 follows 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, 2019, 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, 2019 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.

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

Pursuant to Section 139 of the Act, the observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

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, 2019, 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
Falguni Raval	07197547	Executive Director	Nil	NIL	NIL
Heeralal R. Jaiswar	06827029	Independent Director	Nil	NIL	NIL
Hiran kumar Mukherjee	08115395	Independent Director	Nil	NIL	NIL
Shyam Singh	07798831	Executive Director	2	NIL	NIL
Bina Thakkar (Appointed w.e.f April 20, 2019)	08432753	Independent Director	Nil	NIL	NIL
Rohan Chandrakant (Appointed w.e.f May 13, 2019)	08443468	Independent Director	Nil	NIL	NIL
Meehir Doshi (Appointed w.e.f August 14, 2019)	08536239	Whole Time Director	Nil	NIL	NIL
Pradip Shah	08126828	Whole Time Director	Nil	NIL	NIL
Umesh Parikh	06827077	Non-Executive Director	1	NIL	NIL

NOTE:-

DETAILS OF RESIGNATION

1. Ms. Falguni Rawal, Executive Director has resigned from the Board on May 19, 2018.
2. Mr. Heeralal Jaiwar, Independent Director has resigned from the Board on May 19, 2018.
3. Mr. Hiran Kumar Mukherjee Independent Director has resigned from the Board on April 23, 2019.
4. Mr. Shyam Singh, Managing Director has resigned on April 23, 2019.

DETAILS OF APPOINTMENT

1. Ms. Bina Thakkar was appointed as an Additional Director (Independent) on April 24, 2019.
2. Mr. Rohan Chandrakant was appointed as an Additional Director (Independent) May 13, 2019.
3. Mr. Meehir Doshi was appointed as an Whole Time Director of the Company on August 14, 2019.

BOARD MEETINGS AND ATTENDANCE

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

19/05/2018	30/05/2018	14/08/2018	04/09/2018	14/11/2018	13/02/2019
------------	------------	------------	------------	------------	------------

Name of director	No. of meetings held	No. of meetings Attended	Last AGM Attended
Ms. Falguni Rawal	6	1	No
Mr. Heeralal Rambaratram Jaiswar	6	1	No
Mr. Shyam Singh	6	6	Yes
Mr. Hirankumar Mukherjee	6	6	No
Mr. Umesh Pravinchandra Parekh	6	6	No
Mr. Pradip Shah	6	6	No

SECRETARIAL AUDITORS AND THEIR REPORT

Mr. Amit R. Dadheech, Company Secretaries, was appointed as Secretarial Auditors of the Company for the financial year 2018-19. 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 2018-19 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.

EXTRACT OF ANNUAL RETURN (MGT-9)

An extract of the Annual Return for the year ended March 31, 2019 as provided under sub-section (3) of Section 92 and prescribed under Rule 12 of Companies (Management & Administration) Rules, 2014 is attached as **Annexure- B** and forms part of this report.

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 mentioned in the financial statements of the Company.

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.

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, 2019

Place: Delhi

Regd. 23-B, First Floor, Chirag Delhi, Opposite
Satsang Bhawan, New Delhi-110017.

For KAPIL RAJ FINANCE LIMITED

**SD/-
Pradip Shah
(Whole Time Director)
DIN: 08126828**

ANNEXURE A

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Kapil Raj Finance Limited
23-B, First Floor, Chirag Delhi,
Opposite Satrang Bhawan,
New Delhi-110017

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, 2019 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, 2019 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)**
- i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015

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 has not appointed the Chief Financial Officer (CFO) during the period under review.
2. The Company has not appointed the Whole Time Company Secretary during the period under review.

3. The overall revenue earned by the Company during the financial year ended March 31, 2019 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 Non Banking Finance Company (NBFC) and the same is pending for approval.

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

Place: Delhi

Annexure A

To,
The Members,
Kapil Raj Finance Limited
23-B, First Floor, Chirag Delhi,
Opposite Satrang Bhawan,
New Delhi-110017.

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, 2019

Place: Delhi

ANNEXURE B

MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2019 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	: L65929DL1985PLC022788
ii)	Registration Date	:13.12.1985
iii)	Name of the Company	: Kapil Raj Finance Limited
iv)	Category / Sub-Category of the Company	: Public Listed Company
v)	Address of the Registered office and contact details	: 23-B, First Floor, Chirag Delhi, Opposite Satrang Bhawan, New Delhi New Delhi DL 110017
vi)	Whether listed company	: Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	: Purva Share Registry Private Limited Add: Unit No. 9, Shiv Shakti Industrial Estate, J .R. Boricha Marg Opp. Kasturba Hospital Lane Lower Parel (E) Mumbai 400 011 Email: busicomp@vsnl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company has stated below,

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Small Scale Business loan granting	64990	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
N.A	N.A	N.A	N.A	N.A	N.A

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of total Equity)

I. Category-wise Share Holding

Category Of Shareholders	No Of Shares held at the beginning of year			No Of Shares held at the end of year					% Change
	31/03/2018			30/03/2019					
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals/ HUF	0	0	0	0	0	0	0	0	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0

(d) Bodies Corp.	200000	0	200000	3.89	200000	0	200000	3.89	0.00
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other....									
* DIRECTORS	0	0	0	0	0	0	0	0	0
* DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
* PERSON ACTING IN CONCERN	0	0	0	0	0	0	0	0	0
Sub Total (A)(1):	200000	0	200000	3.89	200000	0	200000	3.89	0.00
(2) Foreign									
(a) NRI Individuals	0	0	0	0	0	0	0	0	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	200000	0	200000	3.89	200000	0	200000	3.89	0.00
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks FI	0	0	0	0	0	0	0	0	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govet(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)									
* U.T.I.	0	0	0	0	0	0	0	0	0
* FINANCIAL INSTITUTIONS	0	0	0	0	0	0	0	0	0
* I.D.B.I.	0	0	0	0	0	0	0	0	0
* I.C.I.C.I.	0	0	0	0	0	0	0	0	0
* GOVERNMENT COMPANIES	0	0	0	0	0	0	0	0	0
* STATE FINANCIAL CORPORATIO N	0	0	0	0	0	0	0	0	0
* QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
* ANY OTHER	0	0	0	0	0	0	0	0	0

* OTC DEALERS (BODIES CORPORATE)	0	0	0	0	0	0	0	0	0
* PRIVATE SECTOR BANKS	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
(a) Bodies Corp.									
(i) Indian	85379	0	85379	1.66	44980	0	44980	0.88	-0.79
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	842591	30694	873285	16.99	948797	30694	979491	19.06	2.07
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3346317	45906	3392223	66.00	3384296	45906	3430202	66.74	0.74
(c) Others (specify)									
* UNCLAIMED OR SUSPENSE OR ESCROW ACCOUNT	0	0	0	0	0	0	0	0	0
* IEPF	0	0	0	0	0	0	0	0	0
* LLP	195000	0	195000	3.79	195000	0	195000	3.79	0.00
* FOREIGN NATIONALS	0	0	0	0	0	0	0	0	0
* QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
* ALTERNATE INVESTMENT FUND	0	0	0	0	0	0	0	0	0
* N.R.I.	82300	0	82300	1.60	86300	0	86300	1.68	0.08
* FOREIGN CORPORATE BODIES	0	0	0	0	0	0	0	0	0
* TRUST	0	0	0	0	0	0	0	0	0
* HINDU UNDIVIDED FAMILY	145863	16000	161863	3.15	145174	16000	161174	3.14	-0.01
* EMPLOYEE	0	0	0	0	0	0	0	0	0
* CLEARING MEMBERS	149950	0	149950	2.92	42853	0	42853	0.83	-2.08
* DEPOSITORY RECEIPTS	0	0	0	0	0	0	0	0	0
* OTHER DIRECTORS & RELATIVES	0	0	0	0	0	0	0	0	0
* MARKET	0	0	0	0	0	0	0	0	0

MAKERS									
Sub-total (B)(2):	4847400	92600	4940000	96.11	4847400	92600	4940000	96.11	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	4847400	92600	4940000	96.11	4847400	92600	4940000	96.11	0.00
C. TOTSHR held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
GrandTotal(A + B + C)	5047400	92600	5140000	100	5047400	92600	5140000	100	0

II. Shareholding of Promoters

SL No.	ShareHolder's Name	ShareHolding at the beginning of the year			ShareHolding at the end of the year			% change in share holding during the year
		31/03/2018			30/03/2019			
		No of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1	BELAZIO REAL ESTATE PRIVATE LIMITED	200000	3.89	0.00	200000	3.89	0.00	0.00

III. Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the Promoters' Shareholding during the financial year

IV. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SL No.	ShareHolder's Name	ShareHolding at the beginning of the year		Cumulative ShareHolding at the end of the year		Type
		31/03/2018		30/03/2019		
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year	
1	Bindu Dinesh Shah	318500	6.20			
	30-03-2019			318500	6.20	
2	Dinesh Manilal Shah	289503	5.63			
	30-03-2019			289503	5.63	
3	PINKLINE FINANCIAL CONSULTANTS LLP	195000	3.79			
	30-03-2019			195000	3.79	
4	HARI BHACHUBHAI MUJAT	165000	3.21			
	30-03-2019			165000	3.21	
5	KRUNAL JAYESH	141776	2.76			

	KUWADIA					
	30-03-2019			141776	2.76	
6	KHIMJI DHARMSHI PATEL	135000	2.63			
	30-03-2019			135000	2.63	
7	ANURADHA DHOOT	129743	2.52			
	30-03-2019			129743	2.52	
8	KISHORE BHACHUBHAI MUJAT	110000	2.14			
	30-03-2019			110000	2.14	
9	PRATIK BHACHUBHAI MUJAT	110000	2.14			
	30-03-2019			110000	2.14	
10	DEEPAK PARSHARAM SALVI	105659	2.06			
	13-04-2018	-105659	-2.06	0	0.00	Sell
	27-04-2018	187603	3.65	187603	3.65	Buy
	11-05-2018	-26473	-0.52	161130	3.13	Sell
	18-05-2018	-3211	-0.06	157919	3.07	Sell
	16-11-2018	-12136	-0.24	145783	2.84	Sell
	23-11-2018	-1	-0.00	145782	2.84	Sell
	30-11-2018	-1401	-0.03	144381	2.81	Sell
	14-12-2018	-1750	-0.03	142631	2.77	Sell
	21-12-2018	-1326	-0.03	141305	2.75	Sell
	28-12-2018	-210	-0.00	141095	2.75	Sell
	30-03-2019			141095	2.75	
11	SANJEEV BURMAN JHAVERI	0	0.00			
	24-08-2018	84000	1.63	84000	1.63	Buy
	31-08-2018	74000	1.44	158000	3.07	Buy
	30-03-2019			158000	3.07	

V. Shareholding of Directors and Key Managerial Personnel:

SL No.	ShareHolder's Name	ShareHolding at the beginning of the year		Cumulative ShareHolding at the end of the year		Type
		31/03/2018		30/03/2019		
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year	
1	SHYAM ASHARAM SINGH (Managing Director)	0	0.00			
	24-08-2018	30763	0.60	30763	0.60	Buy
	30-03-2019			30763	0.60	
2	PRADIP PANACHAND SHAH (Whole Time Director)	0	0.00			
	30-03-2019			0	0.00	
3	UMESH PRAVINCHANDRA PAREKH (Non Executive Director)	0	0.00			
	30-03-2019			0	0.00	

4	HIRANKUMAR KRISHNA MUKHERJEE (Non Executive Director)	0	0.00			
	30-03-2019			0	0.00	
5	CHANDRIKA JOSHI (Company Secretary)	0	0.00			
	30-03-2019			0	0.00	

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	4,00,000	0	4,00,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0		00	
Total (i+ii+iii)	0	0	00	0
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	0	0	0	0
Net Change	0		00	
Indebtedness at the end of the financial year	0	0	00	0
i) Principal Amount	0	4,00,000	0	4,00,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	00	0
Total (i+ii+iii)	0	4,00,000	00	4,00,000

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Pradip Shah	Meehir Atul Doshi	---	---	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	0	0	0	0	0
2.	Stock Option	NA	NA	NA	NA	NA

3.	Sweat Equity	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify...	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
	Total (A)	0	0	0	0	0
	Ceiling as per the Act	The salary paid to the Directors is within the prescribed limits of the Companies Act, 2013 read with relevant rules made therein under				

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Bina Sachin Thakkar	Rohan Padave Chandrakant	Umesh Pravinchandra Parekh	
	Independent Directors	0	0	0	0
	Fee for attending board/ committee meetings	0	00	0	0
	Commission	0	0	00	0
	Others, please specify	0	0	00	0
	Total (1)	0	0	00	0
	Other Non-Executive Directors				
	Fee for attending board committee meetings	0	0	00	0
	Commission	0	0	0	0
	Others, please specify	0	00	0	0
	Total (2)	0	00	00	0
	Total (B)=(1+2)	0	0	00	0
	Total Managerial Remuneration	0	00	0	0
	Overall Ceiling as per the Act	0	00	0	0

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO (Mr. Meehir Doshi)	Total
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0	0	0	00
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	00	0
4.	Commission - as % of profit - others, specify...	0	0	00	0
5.	Others, please specify	0	0	00	0
	Total	0	0	0	0

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

Date: September 4, 2019

Place: Delhi

Regd. 23-B, First Floor, Chirag Delhi,
Opposite Satrang Bhawan,
New Delhi – 110017.

For and on behalf of the Board of Directors
By Order of the Board Place
For KAPIL RAJ FINANCE LIMITED

Sd/-

Meehir Atul Doshi
Whole Time Director)

DIN: [08536239](#)

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 2018-19. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

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, 2019

Place: Delhi

Regd. 23-B, First Floor, Chirag Delhi,
Opposite Satrang Bhawan,
New Delhi-110017

For KAPIL RAJ FINANCE LIMITED

SD/-
Pradip Shah
(Whole Time Director)
DIN: 08126828

INDEPENDENT AUDITOR'S REPORT

To the Members of KAPIL RAJ FINANCE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Kapil Raj Finance Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, Changes in Equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

Attention is invited to the following:

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 and as per the representation of the management the company is in the process of getting itself registered for the same.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no Key Audit Matters during the year under Audit.

Responsibilities of Management for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) 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 B".
 - (h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, 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, Date:- 30/05/2019

“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, 2019. 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) 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:- 30/05/2019

“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, 2019 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: - 30/05/2019

KAPIL RAJ FINANCE LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

	Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
A	ASSETS			
1	Non current assets			
	(a) Property, Plant and Equipment	1	13,130	26,111
	(b) Investment Property	2	-	4,552,240
	(c) Financial Assets:			
	(i) Loans	3	50,913,870	66,519,433
	Total Non Current Assets		50,927,000	71,097,784
2	Current assets			
	(a) Financial Assets			
	(i) Investments	4	14,700,000	-
	(ii) Cash and cash equivalents	5	540,671	154,250
	(b) Other current assets	6	576,452	35,500
	Total Current Assets		15,817,123	189,750
	TOTAL - ASSETS		66,744,123	71,287,534
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity Share capital	8	51,400,000	51,400,000
	(b) Other Equity	9	6,986,342	6,343,679
	Total Equity		58,386,342	57,743,679
2	LIABILITIES			
	Non current liabilities			
	(a) Deferred tax liabilities (Net)	10	1,001	592
	Total Non Current Liabilities		1,001	592
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	400,000	400,000
	(ii) Trade payables	12	7,854,614	12,533,491
	(b) Other current liabilities	13	169,725	609,772
	(c) Current tax liabilities (net)	14	133,785	-
	Total Current Liabilities		8,558,124	13,543,263
	Total Liabilities		8,559,125	13,543,855
	Total Equity and Liabilities		66,945,467	71,287,534

201,344

For Vinodchandra R Shah & Co.

Chartered Accountants
Firm Reg. No. 115394W

Gaurav J Parekh

Partner
M.No.: 140694

Place: Mumbai
Date: 30-05-2019

PRADIP	UMESH
PANACHAND	PRAVINCHANDRA
SHAH	PAREKH
DIN:-08126828	DIN:-06827077

KAPIL RAJ FINANCE LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

	NOTES	For the Year ended March 31, 2019	For the Year ended March 31, 2018
INCOME			
Revenue from Operations	15	-	13,463,735
Other Income	16	10,649,260	5,237,511
TOTAL INCOME		10,649,260	18,701,246
EXPENSES			
Employee Benefit Expenses	17	8,367,235	7,699,834
Finance Costs	18	-	324,999
Depreciation and Amortization Expenses	19	12,981	25,814
Other Expenses	20	1,492,187	7,198,000
TOTAL EXPENSES		9,872,403	15,248,647
Profit before Exceptional items and tax		776,857	3,452,599
Exceptional items		-	-
Profit/(Loss) Before Tax		776,857	3,452,599
Tax Expenses			
Current Tax	22	133,785	1,022,063
Deferred Tax	22	409	(3,054)
		134,194	1,019,009
Profit for the Year		642,663	2,433,590
Other Comprehensive Income		-	-
Total Comprehensive Income		642,663	2,433,590
Earning per Equity Share			
Basic	21	0.13	0.47
Diluted		0.13	0.47
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

PRADIP
PANACHAND SHAH
DIN:-08126828

UMESH
PRAVINCHANDRA
PAREKH
DIN:-06827077

Gaurav J Parekh
Partner
M.No.: 140694

Place: Mumbai
Date: 30-05-2019

KAPIL RAJ FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	For The Year Ended March 31, 2019	For The Year Ended March 31, 2018
Indirect Method Cash Flow Statement		
<u>Cash Flows From Operating Activities</u>		
Net Profit Before Tax	776,857	3,452,599
Adjustments For Non Cash Item		
Depreciation	12,981	25,814
Operating Profit/(Loss) Before Working Capital Changes:	789,838	3,478,413
<u>Changes in Working Capital:</u>		
<u>Adjustments for (Increase)/ Decrease in Operating Assets</u>		
Trade Receivables	-	77,255,872
Inventory	-	10,000
Other Current Assets	(540,952)	3,345,249
<u>Adjustments for Increase/(Decrease) in Operating Liabilities:</u>		
Other Current Liabilities	(440,047)	(1,893,742)
Short Term Provisions	-	-
Trade Payable	(4,678,877)	8,130,907
Cash generated from Operating Activity	(5,659,876)	86,848,286
Income Tax Paid (Net)	-	820,299
Net Cash Flow From /(used in) Operating Activities (A)	(4,870,038)	89,506,400
<u>Cash Flow From Investing Activities</u>		
Purchase of Investment	(14,700,000)	(40,065,683)
Purchase of Fixed Asset	-	-
(Increase)/Decrease in Investments in Investment property	4,552,240	-
(Increase)/Decrease in Investments	15,605,563	2,711,700
Net cash from/(used in) Investing Activities (B)	5,457,803	(37,353,983)
<u>Cash Flow from Financing Activities:</u>		
Proceeds from borrowings	-	-
Repayment of borrowings	-	(52,372,500)
Net cash from/(used in) Financing Activities (C)	-	(52,372,500)
Net (Decrease)/Increase in Cash and Cash Equivalents(A+B+C)	587,764	(220,083)
Cash and Bank Balances at the beginning of the year	154,250	374,333
Cash and Bank Balances at the end of the year	742,015	154,250
Closing Cash and Bank Balance shown in Balance sheet		
Bank Balance	540,671	154,250
Cash Balance	189,502	143,788
	351,168	10,462

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

UMESH
PRAVINCHANDRA
PANACHAND SHAH PAREKH
DIN:-08126828 DIN:-06827077

Gaurav J Parekh
Partner
M.No.: 140694

Place: Mumbai
Date: 30.05.2019

KAPIL RAJ FINANCE LIMITED

Statement of changes in equity for the year ended March 31, 2019

a. Equity share capital	Amount (₹)
Balance at March 31, 2017	51,400,000
Changes in equity share capital during the year	-
Balance at March 31, 2018	51,400,000
Changes in equity share capital during the year	-
Balance at March 31, 2019	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
Profit for the year	642,663	642,663
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year	642,663	642,663
Balance at March 31, 2019	6,986,342	6,986,342

1. GENERAL INFORMATION

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES

j) Basis of Preparation and Presentation

The separate financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products/activities of the Company and the normal time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current .

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

ii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

iii) Property, Plant and Equipment

Property, Plant and Equipment are to be stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. The cost will comprises purchase price (excluding refundable taxes), borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are to be deducted in arriving at the purchase price. Freehold land not to be depreciated.

Subsequent expenditures related to an item of property, plant and equipment are to be added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

The estimated useful lives, residual values and depreciation method are to be reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

iv) Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their use are to be carried at cost, comprising direct cost, related incidental expenses and attributable interest.

v) Investment property

Investment properties are properties to be held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are to be measured in accordance with Ind AS 16's requirements for cost model.

An investment property is to be 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 the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is to be included in profit or loss in the period in which the property is derecognised.

v) Intangible Assets

Intangible assets, being computer software, are to be stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost will comprise acquisition and implementation cost of software for internal use (including software coding, installation, testing and certain data conversion).

Amortisation is to be recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are to be reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis

Gains or losses arising from the retirement or disposal of an intangible asset are to be determined as the difference between the disposal proceeds and the carrying amount of the asset and are to be recognised as income or expense in the Statement of Profit and Loss.

vi) Intangible assets under development

Expenditure on development eligible for capitalisation is to be carried as intangible assets under development where such assets are not yet ready for their intended use.

vii) Impairment of Assets

The Company has to assess at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company has to estimate the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is to be reduced to its recoverable amount. The reduction is to be treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is to be reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised.

viii) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

ix) Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification:

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables, financial guarantees not designated as at FVTPL and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

x) Earnings per share

Basic Earnings per share are calculated by dividing the net profit / (loss) after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

xi) Provisions and Contingent Liabilities

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

xii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of Services:

- a) Income from services is recognised as and when the services are performed and accrued on time basis.
- b) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

xiii) Foreign Currency Transactions

In preparing the financial statements of the Company entity, transactions in currencies other than the company's functional currency viz. Indian Rupee are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

xiv) Lease accounting

Operating Leases

Leases, where the lessor retains, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as operating lease. Operating lease expense / income are recognized in the statement of profit and loss on a straight-line basis over the lease term.

xv) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

xvi) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

xvii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale, are added to the cost of those assets; until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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 recognised in profit or loss in the period in which they are incurred.

xviii) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker in order to effectively allocate the Company's resources and assess performance.

KAPIL RAJ FINANCE LIMITED
 STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

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
	1.04.2018	(Deletion)	31.03.2019	1.04.2018	Year	31.03.2019	31.03.2019	31.03.2018	01.04.2016
Computers	117,602	-	117,602	91,491	12,981	104,472	13,130	26,111	45,379
Total	117,602	-	117,602	91,491	12,981	104,472	13,130	26,111	45,379
<i>Previous Year</i>	<i>117,602</i>	<i>-</i>	<i>117,602</i>	<i>65,677</i>	<i>25,814</i>	<i>91,491</i>	<i>26,111</i>	<i>-</i>	<i>-</i>

KAPIL RAJ FINANCE LIMITED

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

	As at March 31, 2019	As at March 31, 2018
2: INVESTMENT		
Investment Property at - ADM Space	-	-
Serene Lifestyle	-	4,552,240
Total	-	4,552,240

	As at March 31, 2019	As at March 31, 2018
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)	384,075	202,715
Loans & advances - Others	47,429,795	66,316,718
Capital Advances	1,100,000	
Advances against property	2,000,000	
Total	50,913,870	66,519,433

	As at March 31, 2019	As at March 31, 2018
4: Non Current Investments		
Trade Investments		
Investments in Equity Instruments:- 1470000 equity shares of Rs. 10/- each in Matte Multitrade Limited	14,700,000	-
Total	14,700,000	-

	As at March 31, 2019	As at March 31, 2018
5: CASH AND BANK BALANCES		
Cash on hand	189,503	10,462
<u>Balance with Bank</u>		
in Current Account	351,168	143,788
in Deposits accounts having original maturity of more than one year	-	-
Total of Cash and Bank Balances	540,671	154,250

	As at March 31, 2019	As at March 31, 2018
6: OTHER CURRENT ASSETS		
Unsecured, Considered Good unless stated otherwise		
Balance with Revenue Authorities	541,452	
Interest Accrued on Deposit	-	-
Other Deposits	35,000	35,500
Total of other Current Assets	576,452	35,500

KAPIL RAJ FINANCE LIMITED
STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

	As at March 31, 2019	As at March 31, 2018
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
<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
Total of Issued Subscribed and Paid-up Share Capital	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, 2019		As at March 31, 2018	
	No of Share		No of Share	
At the beginning of the Year	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

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, 2019		As at March 31, 2018	
	No of Share	% Holding	No of Share	% Holding
1. Bindu Dinesh Shah	318,500	6.20%	318,500	6.20%
2. Dinesh Manilal Shah	289,503	5.63%	289,503	5.63%

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, 2019	As at March 31, 2018
9: Other Equity		
Retained Earnings		
Balance at the beginning of the year	6,343,679	3,910,089
Add: Profit for the year	642,663	2,433,590
Less: Prior Period Tax Adjustments	-	-
Total	6,986,342	6,343,679

10. Deferred tax balances

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

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	-	-
Deferred tax liabilities	(1,001)	(592)
Net	(1,001)	(592)

Movement in Deferred Tax balances

Particulars	As at April 1, 2018	Recognised in profit or loss	As at March 31, 2019	As at April 1, 2018
Deferred Tax Liability				
Property, Plant & Equipment	592	(409)	1,001	(409)
Total	592	(409)	1,001	(409)

KAPIL RAJ FINANCE LIMITED
 STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

	As at March 31, 2019	As at March 31, 2018
11: SHORT TERM BORROWINGS		
Loans repayable on demand from other than Banks - Unsecured	400,000	400,000
Total	400,000	400,000

	As at March 31, 2019	As at March 31, 2018
12: TRADE PAYABLES		
Trade payables (other than due to Micro & Small Enterprises)	7,854,614	12,533,491
Total	7,854,614	12,533,491

	As at March 31, 2019	As at March 31, 2018
13: OTHER CURRENT LIABILITIES		
Advance from Customers		
Other Payables:		
Statutory remittances	67,125	528,772
Others	102,600	81,000
Total	169,725	609,772

14. Tax assets and liabilities	As at March 31, 2019	As at March 31, 2018
Particulars		
Tax assets		
Benefit of tax losses to be carried back to recover taxes paid in prior periods		
Tax receivable		
Others [describe]	-	-
Tax liabilities		
Income tax payable	133,785	-
Others [describe]	133,785	-

KAPIL RAJ FINANCE LIMITED

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

	For the year ended March 31, 2019 、	For the year ended March 31, 2018 、
15: REVENUE FROM OPERATIONS		
Profit / (Loss) from Derivative Transactions	-	10,384,412
Dividend Received	-	37,479
Gain on sale of Equity Shares	-	3,041,844
Total	-	13,463,735

	For the year ended March 31, 2019 、	For the year ended March 31, 2018 、
16: OTHER INCOME		
Interest on deposits with banks	-	48,688
Interest on long-term loans & advances	7,912,500	4,832,523
Rental income	14,000	168,000
Profit on sale of property	2,722,760	188,300
Total	10,649,260	5,237,511

	For the year ended March 31, 2019 、	For the year ended March 31, 2018 、
17: EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	8,258,675	7,485,183
Staff Welfare Expenses	108,560	214,651
Total	8,367,235	7,699,834

	For the year ended March 31, 2019 、	For the year ended March 31, 2018 、
18: FINANCE COST		
Interest on short-term borrowings	-	324,999
Total	-	324,999

KAPIL RAJ FINANCE LIMITED

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

	For the year ended March 31, 2019	For the year ended March 31, 2018
19: Depreciation and amortisation expense		
i) Depreciation of property, plant and equipment pertaining to continuing operations	12,981.00	25,814
Depreciation of investment property		
Amortisation of intangible assets		
Total depreciation and amortisation pertaining to continuing operations		
Total	12,981.00	25,814

	For the year ended March 31, 2019	For the year ended March 31, 2018
20: Other Expenses		
Professional Fees	605,830	5,420,283
Rent Paid	360,000	180,000
Legal & Professional Charges	-	800,000
Listing Fees	359,900	327,750
ROC Charges	29,700	6,000
Payment to Auditors: Statutory Audit		88,500
i) For Audit	112,100	
ii) As Reimbursement		
Advertisement Expense	9,500	51,523
Fines/Penalties	6,149	2,585
Donation	-	55,000
Provision for doubtful advances	-	-
Repairs & Maintenance	4,505	60,760
Profession Tax(company)	2,500	2,500
Bank Charges	2,003	2,160
Total	1,492,187	6,997,061

KAPIL RAJ FINANCE LIMITED

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

21: 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, 2019	As at March 31, 2018
a. Profit after taxation for the year	₹	642,663	2,433,590
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)	₹	0.13	0.47
II. DILUTED EPS			
Particulars	Unit	As at March 31, 2019	As at March 31, 2018
a. Profit after taxation for the year	₹	642,663	2,433,590
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)	₹	0.13	0.47

22: INCOME TAX RECOGNISED IN PROFIT OR LOSS

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax		
In respect of the current year	133,785	1,022,063
In respect of prior years		
Others [describe]		
	<u>133,785</u>	<u>1,022,063</u>
Deferred tax		
In respect of the current year	409	(3,054)
In respect of the previous year		
Adjustments to deferred tax attributable to changes in tax rates and Write-downs (reversals of previous write-downs) of deferred tax		
Others [describe]		
	<u>409</u>	<u>(3,054)</u>
Total income tax expense recognised in the current year relating to	<u><u>134,194</u></u>	<u><u>1,019,009</u></u>

23: OTHER NOTES
i. 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.
ii. 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.
iii. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification/ disclosure.

KAPIL RAJ FINANCE LIMITED

Notes to the Financial Statement for the year ended March 31, 2019 (Contd.)

26. Income Tax expense**Amounts recognised in profit and loss**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax	115,588	1,259,552
Deferred tax	409	2,760
Tax expense for the year	115,997	1,262,312

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	575,513	3,452,599
Applicable tax rate	20.00%	25.75%
Computed tax expense	115,103	889,044
Tax effect of:		
Exempted income	-	(9,651)
Expenses disallowed	-	142,669
Current Tax Provision (A)	115,588	1,022,062
Deferred Tax Provision (B)	409	(3,054)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	115,997	1,019,009
Effective Tax rate	20.16%	29.51%

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

Gaurav J Parekh
Partner
M.No.: 140694

Place: Mumbai
Date: 30.05.2019

PRADIP **UMESH**
PANACHAND **PRAVINCHANDR**
SHAH **A PAREKH**
DIN:-08126828 DIN:-06827077

24 Financial instruments

Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of equity of the Company (comprising issued capital, security premium reserve and retained earnings as detailed in notes 9 to 10).

Categories of financial instruments

Particulars	Rs.	
	As at March 31, 2019	As at March 31, 2018
Financial assets		
<u>Measured at Amortised Cost</u>		
a) Cash and bank balances	540,671	154,250
b) Trade receivables	-	-
c) Other financial assets	576,452	35,500
d) Loan and advances	47,429,795	-
Financial liabilities		
<u>Measured at Amortised Cost</u>		
a) Trade payables	7,854,614	12,533,491

Financial risk management objectives

The company monitors and manages the financial risks to the operations of the company. These risks include credit risk and liquidity risk.

Credit risk management

Based on the Company's monitoring of customer credit risk, the company believes that no impairment allowance is necessary in respect of trade receivables that are not past due or past due but not more than one year.

Liquidity risk management

Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due. The company manages liquidity risk by maintaining adequate funds, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2019 and March 31, 2018 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of Financial Liabilities	(In Rs.)				Total
	Upto 1 year	March 31, 2019 1 to 3 years	3 to 5 years	5 years & above	
Trade Payables	22,680	7,831,934	-	-	7,854,614
	<u>22,680</u>	<u>7,831,934</u>	<u>-</u>	<u>-</u>	<u>7,854,614</u>
Maturities of Financial Assets	(In Rs.)				Total
	Upto 1 year	March 31, 2018 1 to 3 years	3 to 5 years	5 years & above	
Trade Receivable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

25. 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	Matte Multitrade Limited	Associate Company	
2	Shyam Singh	Key Managerial Personnel	
3	Pradip Panachand Shah	Key Managerial Personnel	
4	Chandrika Joshi	Key Managerial Personnel	
Sr No	Nature of Transactions	31.03.2019	31.03.2018
1	Remuneration (Heeralal Jaiswar)	283,000	213,000
2	Remuneration (Atul C Doshi)	-	450,000
3	Investment (Matte Multitrade)	14,700,000	-

INDEPENDENT AUDITOR'S REPORT
To the Members of KAPIL RAJ FINANCE LIMITED
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of **Kapil Raj Finance Ltd** ("the Company"), along with its associate (Holding Company and its associate together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2019, and the consolidated statement of Profit and Loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 generally accepted in India, of the state of affairs of the group as at March 31, 2019, and consolidated profit/loss, consolidated Changes in Equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

Attention is invited to the following:

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 and as per the representation of the management, the company is in the process of obtaining registration.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no Key Audit Matters during the year under Audit.

Information Other than the Financial Statements and Auditor's Report Thereon

The Group's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's

Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Group'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 Consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are

also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (e) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (h) 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 Group has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group

For Vinodchandra R Shah & Co.
Chartered Accountants
FRN 115394W
Sd/-
Gaurav J Parekh
Partner
M. No. 140694
Mumbai,

“ANNEXURE A ” 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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Kapil Raj Finance Limited (hereinafter referred to as “Company”) and its associate companies, which are companies incorporated in India, as of 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: -**

KAPIL RAJ FINANCE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

	Particulars	Notes	As at 31st March, 2019
A	ASSETS		
1	Non current assets		
	(a) Property, Plant and Equipment	1	13,130
	(b) Financial Assets:		
	(i) Loans	2	5,09,13,870
	Total Non Current Assets		5,09,27,000
2	Current assets		
	(a) Financial Assets		
	(i) Investments	3	1,47,12,880
	(ii) Cash and cash equivalents	4	5,40,671
	(b) Other current assets	5	5,76,452
	Total Current Assets		1,58,30,003
	TOTAL - ASSETS		6,67,57,003
B	EQUITY AND LIABILITIES		
1	<u>EQUITY</u>		
	(a) Equity Share capital	6	5,14,00,000
	(b) Other Equity	7	68,16,075
	Equity attributable to the owners of the Company		5,82,16,075
	(c) Non Controlling Interests		-
	Total Equity		5,82,16,075
2	<u>LIABILITIES</u>		
	Non current liabilities		
	(a) Deferred tax liabilities (Net)	8	1,001
	Total Non Current Liabilities		1,001
	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	9	4,00,000
	(ii) Trade payables	10	78,54,614
	(b) Other current liabilities	11	1,69,725
	(c) Current tax liabilities (net)	12	1,15,588
	Total Current Liabilities		85,39,927
	Total Liabilities		85,40,928
	Total Equity and Liabilities		6,67,57,003

The accompanying notes are integral part of the consolidated financial statements.

For Vinodchandra R Shah & Co.

Chartered Accountants

Firm Reg. No. 115394W

Gaurav J Parekh

Partner

M.No.: 140694

Place: Mumbai

Date: May 30, 2019

PRAVINCHANDRA

DIN:-06827077

PRADIP

PANACHAND SHAH

DIN:-08126828

KAPIL RAJ FINANCE LIMITED

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

	NOTES	For the Year ended March 31, 2019
INCOME		
Other Income	13	1,06,49,260
TOTAL INCOME		1,06,49,260
EXPENSES		
Employee Benefit Expenses	14	83,67,235
Depreciation and Amortization Expenses	15	12,981
Other Expenses	16	16,93,531
TOTAL EXPENSES		1,00,73,747
Profit before Exceptional items and tax		5,75,513
Exceptional items		-
Profit/(Loss) Before Tax		5,75,513
Tax Expenses		
Current Tax	17	1,15,588
Deferred Tax	17	409
		1,15,997
Profit for the Year		4,59,516
Net Share of Profit in Associates & Joint Venture		12,880
Other Comprehensive Income		-
Total Comprehensive Income		4,72,396
Earning per Equity Share		
Basic	18	0.09
Diluted		0.09
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

UMESH PRAVINCHANDRA PAREKH
DIN:-06827077

Gaurav J Parekh
Partner
M.No.: 140694

PRADIP
PANACHAND SHAH
DIN:-08126828

Place: Mumbai
Date: May 30, 2019

KAPIL RAJ FINANCE LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	For The Year Ended March 31, 2019
Indirect Method Cash Flow Statement	
Cash Flows From Operating Activities	
Net Profit Before Tax	575,513
Adjustments For Non Cash Item	
Depreciation	12,981
Operating Profit/(Loss) Before Working Capital Changes:	588,494
Changes in Working Capital:	
<u>Adjustments for (Increase)/ Decrease in Operating Assets</u>	
Trade Receivables	-
Inventory	-
Other Current Assets	(540,952)
<u>Adjustments for Increase/(Decrease) in Operating Liabilities:</u>	
Other Current Liabilities	(440,047)
Short Term Provisions	-
Trade Payable	(4,678,877)
Cash generated from Operating Activity	(5,659,876)
Income Tax Paid (Net)	-
Net Cash Flow From/(used in) Operating Activities (A)	(5,071,382)
Cash Flow From Investing Activities	
Purchase of Investment	(14,700,000)
Purchase of Fixed Asset	-
(Increase)/Decrease in Investments in Investment property	4,552,240
(Increase)/Decrease in Investments	15,605,563
Net cash from/(used in) Investing Activities (B)	5,457,803
Cash Flow from Financing Activities:	
Proceeds from borrowings	-
Repayment of borrowings	-
Net cash from/(used in) Financing Activities (C)	-
Net (Decrease)/Increase in Cash and Cash Equivalents(A+B+C)	386,420
Cash and Bank Balances at the beginning of the year	154,250
Cash and Bank Balances at the end of the year	540,671
Closing Cash and Bank Balance shown in Balance sheet	
Bank Balance	189,502
Cash Balance	351,168
Bank Balance	351,168
Cash Balance	189,502

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

**UMESH PRAVINCHANDRA
PAREKH**
DIN:-06827077

Gaurav J Parekh
Partner

M.No.: 140694

Place: Mumbai
Date: May 30, 2019

**PRADIP
PANACHAND SHAH**
DIN:-08126828

KAPIL RAJ FINANCE LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

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
	1.04.2018	(Deletion)	31.03.2019	1.04.2018	Year	31.03.2019	31.03.2019	31.03.2018
Computers	117,602	-	117,602	91,491	12,981	104,472	13,130	26,111
Total	117,602	-	117,602	91,491	12,981	104,472	13,130	26,111
<i>Previous Year</i>	117,602	-	117,602	65,677	25,814	91,491	26,111	-

KAPIL RAJ FINANCE LIMITED

Statement of changes in equity for the year ended March 31, 2019

a. Equity share capital	Amount (₹)
Changes in equity share capital during the year	-
Balance at March 31, 2019	51,400,000

b. Other Equity

Particulars	Reserves and surplus	
	Retained earnings	Total
Profit for the year	459,516	459,516
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year	459,516	459,516
Balance at March 31, 2019	6,803,195	6,803,195

KAPIL RAJ FINANCE LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,

Note 1:

A. Basis of preparation of consolidated financial statements

This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

Since, this is the first year of consolidation, comparatives for previous year has not been presented.

(a) Compliance with Indian Accounting Standards (Ind AS)

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(b) Historical Cost convention

The Consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the group's functional currency.

(d) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 3 – Useful life of Property, plant and equipment

Note 4 and 5 – Useful life of Intangible assets

Note 33-e – Defined benefit obligation

Note 20 and 33-a – Provisions and Contingent liabilities

Note 6 & 7 – Estimated Fair Values of Unlisted Securities

Note 33-b – Estimation for provision of Warranty Claims

Note 8 – Impairment of Trade Receivables

Note 11 and 32 – Recognition of Deferred taxes

Note 12 and 32 – Income taxes

Note 33-j - Impairment of Goodwill on consolidation

Note 2-1 - Refund liabilities

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year is included in the note below.

Note 20 and 33-a – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Impairment

Assets are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

(e) Measurement of fair values

A number of the group's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the assets or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

Note 36 – financial instruments.

B. PRINCIPLES OF CONSOLIDATION

- (a)** The Consolidated Financial Statements relate to Kapilraj Finance Limited (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute the "Group") which have been prepared in accordance with the Indian Accounting Standard on Consolidated Financial Statements (Ind AS) 110 and Investments in Associates and Joint Ventures (Ind AS) 28 specified under section 133 of the Companies Act, 2013. Further the Consolidated Financial Statements include investments in associates accounted for using equity method in accordance with the Accounting Standard on Accounting for Investments in Associates in Consolidated Financial Statements (Ind AS) 28 specified under section 133 the Companies Act, 2013.
- (b)** The financial statements of the Company and its subsidiaries have been consolidated on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses. Interests in joint ventures are aggregated in the consolidated financial statements by using Equity Method specified in Indian Accounting standard (Ind AS) 28.
- (c)** The excess of cost of investment in the subsidiary over the Group's portion of equity of the subsidiary, at the date on which investment is made, is recognized in the financial statements as Goodwill on Consolidation.
- (d)** The excess of Group's portion of equity of the subsidiary over the cost of the investments by the Group, at the date on which investments is made, is treated as Capital Reserve on Consolidation.
- (e)** The Goodwill / Capital Reserve is determined separately for each subsidiary company and such amounts are not set off between different entities.
- (f)** Non-controlling Interests in the net assets of the subsidiaries consist of :

- (i) The amount of equity attributable to non-controlling interest at the date on which investment is made; and
 - (ii) The non-controlling interest's share of movements in the equity since the date the parent-subsidiary relationship came into existence. The losses applicable to the non-controlling interest in a consolidated subsidiary may exceed the non-controlling interest in the equity of subsidiary. The excess, and any further losses applicable to the non-controlling interest, are adjusted against the controlling interest except to the extent that the non-controlling interest has a binding obligation to, and is able to, make good the losses.
- (g) Figures pertaining to the subsidiaries have been reclassified wherever necessary to bring them in line with the Company's financial statements.

(i) **Associates:**

Interests in Associate entities comprise of the share of the Group's interest in a company in which the Group has acquired joint control over its economic activities by contractual agreement.

Entities are consolidated as associates when the Group, either directly or indirectly, has a long-term holding usually corresponding to at least 20% but not more than 50% of the voting rights and on the basis of which the Group has a joint control or significant influence during the year, unless it can be clearly proven otherwise.

Interests in associate companies are included in the consolidated financial statements of the Group from the point in time at which the joint control or significant influence is transferred to the Group and are no longer included in the consolidated financial statements from the point in time at which the joint control or significant influence ceases. Interests in joint ventures and associate entities are aggregated in the consolidated financial statements by using Equity Method specified in Indian Accounting standard (Ind AS) 28.

The Group's holdings in associate companies are reported in the Consolidated Balance Sheet at an amount corresponding to the Group's share of the jointly controlled entities and associate companies' net assets including goodwill / capital reserve on consolidation and any impairment.

When the Group's share of any accumulated losses exceed the acquisition value of an investment, the book value is set to zero and the reporting of future losses ceases, unless the Group is committed on the basis of guarantees or other obligations to the company in question.

The portion of unrealised profits and losses corresponding to the Group's participation in the associate company is eliminated in conjunction with transactions between the Group and the jointly entities and associate companies; however unrealised losses are not eliminated if the cost of the transferred asset cannot be recovered. The corresponding adjustment is made to the value of investments in the jointly controlled entities and associate companies.

Associate Companies:

Name of the Associate Company	Incorporated In	Percentage of Holding & Voting power either directly or indirectly through subsidiary (%)	
		As at 31st March, 2019	As at 31st March, 2018
Matte Multitrade Limited	India	20.97	Nil

Investment in above associate has been fully provided. Losses (if any), in excess of the investment made by the group have not been provided since the group has not incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the group has guaranteed or to which the group is otherwise committed. Therefore, no amounts have been included in the consolidated financial statements on account of this associate in the current year.

Note 2: SIGNIFICANT ACCOUNTING POLICIES**(a) Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in equity instruments of subsidiary, associates and joint ventures are measured at cost less impairment. All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Investments in equity instruments at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'.

(ii) **Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values.

(c) **Derecognition**

Financial Assets

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised

Financial Liabilities

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

(d) Impairment

(i) Impairment of financial asset

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets and financial guarantee not designated as FVTPL.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses :

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Entity's historical experience and informed credit assessment and including forward- looking information.

(ii) Impairment of non-financial assets

The Entity's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Entity's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets other than goodwill for which impairment loss has been recognised in prior periods, the Entity reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flow, cash and cash equivalents including cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The comparison of cost and net realisable value is made on an item-by-item basis.

(g) Property plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

Depreciation methods, estimated useful lives and residual value

Depreciation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

<u>Type of Assets</u>	<u>Period</u>
Computer equipment	3 years

(h) Revenue Recognition

Interest income from financial asset is recognised when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(i) Taxation

Income tax comprises current and deferred tax. It is recognised in profit & loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income, in which the current and the deferred tax is also recognised directly in equity or in other comprehensive income.

Current Tax

Current tax is measured on the basis of estimated income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax liability are generally recognised for all taxable temporary differences. Deferred tax asset (including in respect of carried forward tax losses and tax credits) are recognised to the extent it is probable that the taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

(j) Earnings Per Share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

(k) Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows (where the effect of the time value of money is material)

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent Liabilities are not recognised in the financial statements but are disclosed in the notes.

Contingent assets are disclosed where inflow of economic benefit is probable.

(l) **Business Combination**

Business Combination of the entities under common control are accounted using the "pooling of Interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. For Business Combination which are not under common control are accounted on fair value basis as per Ind AS 103 on "Business Combination".

Note 2(A): Standards issued but not yet effective

(a) **Ind AS 116 – Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Lease. Ind AS 116 will replace the existing lease standard, Ind AS 17 Leases and related interpretation. The Standard sets out the principle for recognition, measurement, presentations and disclosures of lease for both parties to contract i.e the lessee and the lessor. The Company is currently assessing the impact of application of these amendments on Company's financial statements.

(b) **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

(c) **Amendment to Ind AS 12 – Income taxes :**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

(c) **Amendment to Ind AS 12 – Income taxes :**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

	As at March 31, 2019 `
2: 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)	384,075
Loans & advances - Others	47,429,795
Capital Advances	1,100,000
Advances against property	2,000,000
Total	50,913,870

	As at March 31, 2019 `
3: Non Current Investments	
Trade Investments	
Investments in Equity Instruments:-	
14,70,000 equity shares of Rs. 10/- each in Matte Multitrade Limited	14,700,000
Add: Post Acquisition Profit	12,880
Total	14,712,880

	As at March 31, 2019 `
4: CASH AND BANK BALANCES	
Cash on hand	189,503
<u>Balance with Bank</u>	
in Current Account	351,168
in Deposits accounts having original maturity of more than one year	-
Total of Cash and Bank Balances	540,671

	As at March 31, 2019 `
5: OTHER CURRENT ASSETS	
Unsecured, Considered Good unless stated otherwise	
Balance with Revenue Authorities	541,452
Interest Accrued on Deposit	-
Other Deposits	35,000
Total of other Current Assets	576,452

	As at March 31, 2019	As at March 31, 2018
6: 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
<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
Total of Issued Subscribed and Paid-up Share Capital	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, 2019		As at March 31, 2018	
	No of Share		No of Share	
At the beginning of the Year	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

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, 2019		As at March 31, 2018	
	No of Share	% Holding	No of Share	% Holding
1. Bindu Dinesh Shah	318,500	6.20%	318,500	6.20%
2. Dinesh Manilal Shah	289,503	5.63%	289,503	5.63%

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, 2019	As at March 31, 2018
7: Other Equity		
Retained Earnings		
Balance at the beginning of the year	6,343,679	3,910,089
Add: Profit for the year	472,396	2,433,590
Less: Prior Period Tax Adjustments	-	-
Total	6,816,075	6,343,679

8. Deferred tax balances

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

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	-	-
Deferred tax liabilities	(1,001)	(592)
Net	(1,001)	(592)

Movement in Deferred Tax balances

Particulars	As at April 1, 2018	Recognised in profit or loss	As at March 31, 2019	As at April 1, 2019
Deferred Tax Liability				
Property, Plant & Equipment	3,646	3,054	592	(409)
Total	3,646	3,054	592	(409)

KAPIL RAJ FINANCE LIMITED
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

	As at March 31, 2019 `
9: SHORT TERM BORROWINGS	
Loans repayable on demand from other than Banks - Unsecured	400,000
Total	400,000

	As at March 31, 2019 `
10: TRADE PAYABLES	
Trade payables (other than due to Micro & Small Enterprises)	7,854,614
Total	7,854,614

	As at March 31, 2019 `
11: OTHER CURRENT LIABILITIES	
Advance from Customers	
Other Payables:	
Statutory remittances	67,125
Others	102,600
Total	169,725

12. Tax assets and liabilities	As at March 31, 2019 `
Particulars	
Tax assets	
Benefit of tax losses to be carried back to recover taxes paid in prior periods	
Tax receivable	
Others [describe]	
	-
Tax liabilities	
Income tax payable	115,588
Others [describe]	
	115,588

KAPIL RAJ FINANCE LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
MARCH, 2019 - Continued

	For the year ended March 31, 2019
13: OTHER INCOME	
Interest on long-term loans & advances	7,912,500
Rental income	14,000
Profit on sale of property	2,722,760
Total	10,649,260

	For the year ended March 31, 2019
14: EMPLOYEE BENEFIT EXPENSES	
Salary & Wages	8,258,675
Staff Welfare Expenses	108,560
Total	8,367,235

	For the year ended March 31, 2019
15: Depreciation and amortisation expense	
i) Depreciation of property, plant and equipment pertaining to continuing operations	12,981.00
Total depreciation and amortisation pertaining to continuing operations	12,981.00
Total	12,981.00

	For the year ended March 31, 2019
16: Other Expenses	
Professional Fees	605,830
Rent Paid	360,000
Listing Fees	359,900
ROC Charges	29,700
i) For Audit	112,100
CDSL / NSDL Custodian Charges	53,100
Conveyance	60,925
Communication Charges	67,644
Printing and Stationery	19,675
Advertisement Expense	9,500
Fines/Penalties	6,149
Repairs & Maintenance	4,505
Profession Tax(company)	2,500
Bank Charges	2,003
Total	1,693,531

KAPIL RAJ FINANCE LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 -

Continued

17: INCOME TAX RECOGNISED IN PROFIT OR LOSS Particulars	As at March 31, 2019
Current tax	
In respect of the current year	115,588
In respect of prior years	
Others [describe]	
	115,588
Deferred tax	
In respect of the current year	409
In respect of the previous year	
Adjustments to deferred tax attributable to changes in tax rates and Write-downs (reversals of previous write-downs) of deferred tax	
Others [describe]	
	409
Total income tax expense recognised in the current year relating to	115,997

18: 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, 2019
a. Profit after taxation for the year	`	459,516
b. Weighted average number of Equity Shares used in computing Basic EPS	Nos.	5,140,000
c. Basic EPS (per share of ` 10 each)	`	0.09

II. DILUTED EPS

Particulars	Unit	As at March 31, 2019
a. Profit after taxation for the year	`	459,516
b. Weighted average number of Equity Shares used in computing Diluted EPS	Nos.	5,140,000
c. Diluted EPS (per share of ` 10 each)	`	0.09

19: OTHER NOTES

i. 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.

ii. 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.

iii. Previous year figures have been not been

20 **Financial instruments**

Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the capital structure of the company consists of equity of the Company (comprising issued capital, security premium reserve and retained earnings as detailed in notes 9 to 10).

Categories of financial instruments

	Rs.
	As at March 31, 2019
Particulars	
Financial assets	
<u>Measured at Amortised Cost</u>	
a) Cash and bank balances	540,671
b) Trade receivables	-
c) Other financial assets	576,452
Financial liabilities	
<u>Measured at Amortised Cost</u>	
a) Trade payables	7,854,614

Financial risk management objectives

The company monitors and manages the financial risks to the operations of the company. These risks include credit risk and liquidity risk.

Credit risk management

Based on the Company's monitoring of customer credit risk, the company believes that no impairment allowance is necessary in respect of trade receivables that are not past due or past due but not more than one year.

Liquidity risk management

Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due. The company manages liquidity risk by maintaining adequate funds, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2019 and March 31, 2018 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of Financial Liabilities	March 31, 2019			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	22,680	7,831,934	-	-
	<u>22,680</u>	<u>7,831,934</u>	<u>-</u>	<u>-</u>

(In Rs.)

Maturities of Financial Assets	March 31, 2019			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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	Matte Multitrade Limited	Associate Company
2	Shyam Singh	Key Managerial Personnel
3	Pradip Panachand Shah	Key Managerial Personnel
4	Chandrika Joshi	Key Managerial Personnel
1	Remuneration(Heeralal Jaiswar)	283,000
2	Remuneration(Atul C Doshi)	450,000

KAPIL RAJ FINANCE LIMITED**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 -**

Continued

22. Income Tax expense

Amounts recognised in profit and loss

Particulars	For the year ended March 31, 2019
Current income tax	115,588
Deferred tax	409
Tax expense for the year	115,997

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

	For the year ended March 31, 2019
Profit before tax	575,513
Applicable tax rate	20.00%
Computed tax expense	115,103
Tax effect of:	
Exempted income	-
Expenses disallowed	-
Current Tax Provision (A)	115,588
Deferred Tax Provision (B)	409
Tax Expenses recognised in Statement of Profit and Loss (A+B)	115,997
Effective Tax rate	20.16%

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

Gaurav J Parekh
Partner
M.No.: 140694

Place: Mumbai
Date May 30, 2019

**UMESH
PRAVINCHANDRA
PAREKH**
DIN:-06827077

**PRADIP
PANACHAND SHAH**
DIN:-08126828

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: 23-B, First Floor, Chirag Delhi, Opposite Satrang Bhawan, New Delhi New Delhi DL 110017

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 33rd Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 12:30 PM at 23-B, 1st Floor, Chirag Delhi, Opposite Satsang Bhawan, New Delhi-110017, 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	To consider and adopt the Audited Financial Statement of the Company, including the Audited Balance Sheet as at 31st March, 2019, 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. Pradip Shah (DIN: 08126828) who retires by rotation and being eligible, offers himself for re-appointment.			

Special Business				
3	Appointment of Mr. Rohan Chandrakant (DIN: 08443468) as a Non Executive Independent Director.			
4	Appointment of Ms. Beena Thakkar (DIN.08432753) as a Non Executive Independent Director			
5	Appointment of Mr. Meehir Doshi (DIN.08536239) as Whole Time Director			

Signed this ____ day of September _____, 2019

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: 23-B, First Floor, Chirag Delhi, Opposite Satrang Bhawan, New Delhi New Delhi DL 110017

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 33rd Annual General Meeting of the Company to be held on Monday, September 30, 2019 at 12:30 PM at 23-B, 1st Floor, Chirag Delhi, Opposite Satsang Bhawan, New Delhi-110017.

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.

To,

If undelivered please return to:
Kapil Raj Finance Limited
23-B, First Floor, Chirag Delhi, Opposite Satrang Bhawan,
New Delhi New Delhi DL 110017