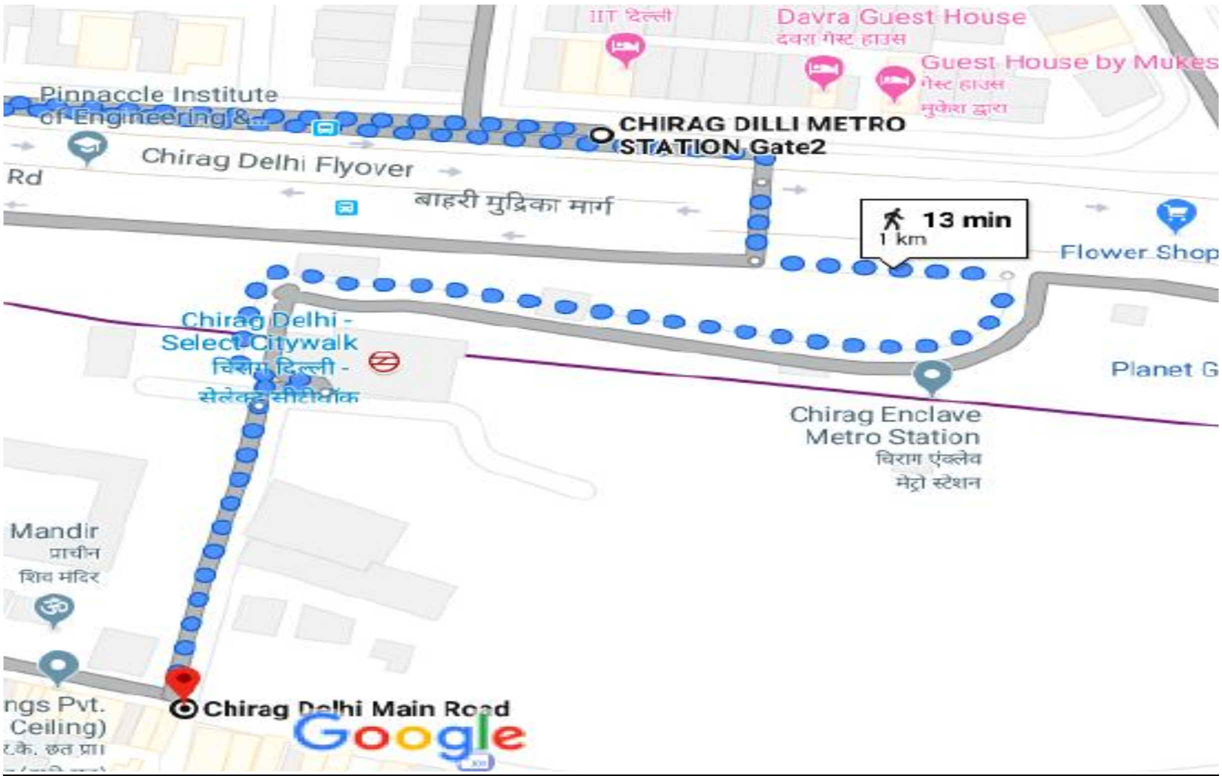
34TH

ANNUAL REPORT

OF

KAPIL RAJ FINANCE LIMITED

ROUTE MAP FOR ANNUAL GENERAL MEETING FOR FINANCIAL YEAR 2019-20



CORPORATE INFORMATION

Board of Directors

Shyam Singh	:	Managing Director *(Resigned on April 23, 2019)*
Pradip Shah	:	Whole Time Director
Bina Thakkar	:	Non Executive Director *(Appointed on April 20, 2019)*
Rohan Chandrakant		Non Executive Director *(Appointed on May 13, 2019)*
Miheer Doshi	:	Chief Financial Officer *(Appointed on April 30, 2019)* Whole Time Director *(Appointed on August 14, 2019)*
Srishty Mehta		Company Secretary *(Appointed on November 14, 2019)*
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 34th Annual General Meeting of the members of Kapil Raj Finance Ltd. will be held on Thursday, December 31st, 2020 at 09:00 A.M. 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, 2020, 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.

Date: December 07, 2020
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**

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.**
2. 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.
3. 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.
4. 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.
5. 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 2019-20 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 2019-20 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 Friday, December 25, 2020 to Thursday, December 31, 2020 (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 December 28, 2020, 9.00 a.m. and ends on December 30, 2020, 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 December 24, 2020 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) • 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. • 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 **December 24, 2020**.

(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. **December 24, 2020** 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.

EXPLANATORY STATEMENT:

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. Pradip Shah**
DIN	08126828
Date of Birth	May 15, 1962
Date of Appointment	May 19, 2018
Qualification	Mr. Pradip Panachand Shah has done his Bachelor in Commerce and Semi Qualified Company Secretary
Expertise in specific functional area	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
Chairman/Member of the Committee of Board of Public Companies	Nil
No. of Shares Owned: a. Own b. For other persons on a beneficial basis	Nil

DIRECTORS' REPORT

To,
The Members
Kapil Raj Finance Limited

Your Directors have pleasure in presenting their 34th Annual Report and the Audited financial statement for the financial year ended March 31, 2020.

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	
	2019-20 (Rs.)	**2018-2019 (Rs.)**	**2019-20 (Rs.)**	**2018-2019 (Rs.)**
Net Revenue from Operations	33,35,621	-	33,35,621	
Other Income	33,16,135	10,649,260	33,16,135	10,649,260
Profit before Exceptional and Extra ordinary items and tax	5,95,758	575,513	5,95,758	575,513
Extra Ordinary Items		-	-	-
Profit after Exceptional and Extra ordinary items and tax	5,95,758	575,513	5,95,758	575,513
Profit before tax	5,95,758	575,513	5,95,758	575,513
Profit after tax	**4,33,936**	**459,516**	4,40,736	4,81,588
Amount Transferred to Reserves	-	-	-	-

REVIEW OF OPERATIONS AND FUTURE PROSPECTS:
The Overall Standalone Income has decreased to Rs. 66,51,756 for the financial year ended 31 March, 2020 as compared to last year's Standalone total income of Rs. 1,06,49,260. The overall profit incurred by your Company in the current financial year has decreased to Rs 440,736 as compared to the profit of Rs. 4,81,588 in the previous financial year.
Further, the Overall Consolidated Income has decreased to Rs. 66,51,756 for the financial year ended 31 March, 2020 as compared to last year's Consolidated total income of Rs. 1,06,49,260. The overall profit incurred by your Company in the current financial year has decreased to Rs 4,33,936 as compared to the profit of Rs. 4,59,516 in the previous financial year.

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	Appointed w.e.f 30/04/2019	Chief Financial Officer
4.	Srishty Mehta	BNSPM6443H	Appointed w.e.f 14/11/2019	Company Secretary

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

The Company has its registered office at 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, 2020, 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, 2020 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 calls for any further comment.

DEPOSITS

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

SIGNFICANT / 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, 2020, 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
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. NIL

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

There were 8 Board Meeting held during the yeat and the same were held on

23/04/2019	30/04/2019	13/05/2019	30/05/2019	14/08/2019	04/09/2019
14/11/2019	05/02/2020				

Name of director	No. of meetings held	No. of meetings Attended	Last AGM Attended
Umesh Pravinchandra Parekh	6	6	Yes
Pradip Shah	5	5	No
Bina Thakkar	7	6	Yes
Rohan Padave Chandrakant	6	6	No
Meehir Doshi	4	4	No

SECRETARIAL AUDITORS AND THEIR REPORT

Mr. Amit R. Dadheech, Company Secretaries, was appointed as Secretarial Auditors of the Company for the financial year 2019-20. 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 2019-20 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, 2020 as provided under sub-section (3) of Section 92 and prescribed under Rule 12 of Companies (Management & Administration) Rules, 2014 is provided on the website of the Company i.e. www.kapilrajfiananceltd.com

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: December 07, 2020
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, 2020
[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, 2020 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, 2020 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 had not appointed the Chief Financial Officer (CFO) in compliance with Section 203 of the Companies Act, 2013 till April 30, 2019. However, the Board of Directors of the Company at their meeting held on April 30, 2019 have appointed, Mr. Meehir Doshi as the Chief Financial Officer of the Company.
2. The Company had not appointed the Company Secretary (CS) in compliance with Section 203 of the Companies Act, 2013 till November 14, 2019. However, the Board of Directors of the Company at their meeting held on November 14, 2019 have appointed, Ms. Srishty Mehta as the Company Secretary of the Company.
3. The overall revenue earned by the Company during the financial year ended March 31, 2020 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.
4. There were certain instance wherein the Company have delayed in filing the returns / disclosures with Registrar of Companies, Delhi and the Company has paid additional fees for the same.

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

Date: 05 December, 2020
Place: Delhi
UDIN: A022889B001415423

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
December 05, 2020
Place: Delhi

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 2019-20. 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 DISCLOUSRE (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	Loans and advances in the nature of loans to subsidiaries by name and amount. Loans and advances in the nature of loans to associates by name and amount. 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. Loans and advances in the nature of loans to associates by name and amount. 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: December 07, 2020
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

INDEPENDENT AUDITORS REPORT

Opinion

We have audited the standalone financial statements of Kapil Raj Finance Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, 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, 2020, 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 thy 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

We draw your attention to Note 27 of the Standalone financial Statements, which describes that based on current indicators of future economic conditions, the company expects to recover carrying amount of all its assets and revenue recognized and hence no material ent it required in the Financial Statements. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these Financial Statements and the company will continue to monitor any material changes to future economic condition. Our opinion is not modified in respect of these matters.

Further, the company carries on Financial 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.

Other Matters

Due to COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by management through digital means.

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

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.

As required by Section 143(3) of the Act, we report that:

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.

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

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

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.

On the basis of the written representations received from the Directors as on 31st March, 2020 taken on rec.ord by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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”.

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:

The Company has disclosed the impact of pending litigations on its financial position in its financial statements

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

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

Uday V Shah Partner

M. No. 035626

Mumbai

Dated: 30.06.2020

UDIN: 20035626AAAAGI6295

“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, 2020. 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:

In respect of its Fixed Assets:

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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.

No disposal of a substantial part of fixed assets of the Company has taken place during the year.

There were no inventories at the end of the financial year.

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.

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.

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.

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.

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.

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 thereunder

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.

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.

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.

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.

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

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 shar,es 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.

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.

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
Uday V Shah Partner
M. No. 035626
Mumbai, Dated: 30.06.2020
UDIN: 20035'626AAAAGI6295

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, 2020 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 statéments, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to basis for our audit opinion on the Company's internal financial controls system 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, 2020 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

Uday V Shah Partner

M. No. 035626

Mumbai, Dated: 30.06.2020

UDIN: 20035626AAAAGI6295

KAPIL RAJ FINANCE LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

	Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
A	**ASSETS**			
1	**Non current assets**			
	(a) Property, Plant and Equipment	3	6,589	13,130
	(b) Financial Assets:			
	(i) Loans	4	46,001,919	50,913,870
	(j) Deferred tax assets (net)	10	414	326
	Total Non Current Assets		**46,008,922**	**50,927,326**
2	**Current assets**			
	(a) Financial Assets			
	(i) Investments	5	14,700,000	14,700,000
	(ii) Cash and cash equivalents	6	713,141	540,671
	(b) Other current assets	7	3,303,793	576,452
	Total Current Assets TOTAL		**18,716,934**	**15,817,123**
	- ASSETS		**64,725,856**	**66,744,449**
B	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share capital	8	51,400,000	51,400,000
	(b) Other Equity	9	7,297,617	6,856,881
	Total Equity		**58,697,617**	**58,256,881**
2	**LIABILITIES**			
	Non current liabilities			
	(a) Deferred tax liabilities (Net)	10	-	-
	Total Non Current Liabilities		-	-
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	400,000	400,000
	(ii) Trade payables	12	5,143,853	7,854,614
	(b) Other current liabilities	13	329,275	169,725
	(c) Current tax liabilities (net)	14	155,111	63,229
	Total Current Liabilites		**6,028,239**	**8,487,568**
	Total Liabilites		**6,028,239**	**8,487,568**
	Total Equity and Liabilities		**64,725,856**	**66,744,449**
			-	-

For Vinodchandra R Shah & Co.
Chartered Accountants
Firm Reg. No. 115394W

Uday V. Shah

Partner
M.No.: 035626

MEEHIR DOSHI
DIN:- 08536239

UMESH PRAVINCHANDRA PAREKH
DIN:-06827077

Place: Mumbai
Date: 30/06/2020

UDIN:-20035526MAAGI6295

Shristy Mehta
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	NOTES	For the Year ended March 31, 2019 `	For the Year ended March 31, 2019 `
INCOME			
Revenue from Operations Other	15	3,335,621	-
Income	16	3,316,135	10,649,260
TOTAL INCOME		**6,651,756**	**10,649,260**
EXPENSES			
Employee Benefit Expenses	17	4,709,203	8,367,235
Depreciation and Amortization Expenses Other Expenses	18	6,541	12,981
	19	1,340,254	1,693,531
TOTAL EXPENSES		**6,055,998**	**10,073,747**
Profit before Exceptional items and tax		595,758	575,513
Exceptional items **Profit/(Loss)**		-	-
Before Tax Tax Expenses		**595,758**	**575,513**
Current Tax Deferred			
Tax			
	21	155,110	63,228
	21	(89)	(917)
Profit for the Year		**155,022**	**62,311**
Other Comprehensive Income Total		**440,736**	**513,202**
Comprehensive Income		-	-
		440,736	**513,202**
Earning per Equity Share			
Basic Diluted			
Significant Accounting Policies	20	0.09	0.10
		0.09	0.10

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

MEEHIR DOSHI
DIN:- 08536239

UMESH PRAVINCHANDRA PAREKH
DIN:-06827077

Uday V. Shah
Partner
M.No.: 035626

Shristy Mehta
Company Secretary

Place: Mumbai
Date: 30/06/2020

UDIN:-20035526MAAGI6295

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Indirect Method Cash Flow Statement	**For The Year Ended March 31, 2020**	**For The Year Ended March 31, 2019**
Cash Flows From Operating Activities		
Net Profit Before Tax	595,758	575,513
Adjustments For Non Cash Item		
Depreciation	6,541	12,981
Operating Profit/(Loss) Before Working Capital Changes:	**602,299**	**588,494**
Changes in Working Capital:		
Adjustments for (Increase)/ Decrease in Operating Assets		
Other Current Assets	2,242,318	(540,952)
Adjustments for Increase/(Decrease) in Operating Liabilites: Other Current Liabilities	159,550	(440,047)
Trade Payable	(2,710,761)	(4,678,876)
Cash generated from Operating Activity	**(308,892)**	**(5,659,876)**
Income Tax Paid (Net)	(120,937)	-
Net Cash Flow From /(used in) Operating Activities	**172,470**	**(5,071,382)**
(A) Cash Flow From Investing Activities		
Purchase of Investment	-	(14,700,000)
(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)	172,470	386,421
Cash and Bank Balances at the beginning of the year	540,672	154,250
Cash and Bank Balances at the end of the year	**713,141**	**540,672**
Closing Cash and Bank Balance shown in Balance sheet	**713,141**	**540,671**
Bank Balance	477,029	189,502
Cash Balance	236,112	351,168

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

For and on behalf of the Board of Directors

MEEHIR DOSHI
DIN:- 08536239

UMESH PRAVINCHANDRA PAREKH
DIN:-06827077

Uday V. Shah
Partner
M.No.: 035626

Place: Mumbai
Date: 30/06/2020

UDIN:-20035526MAAGI6295

Shristy Mehta
Company Secretary

KAPIL RAJ FINANCE LIMITED
Statement of changes in equity for the year ended March 31, 2020

a. Equity share capital	Amount (`)
Balance at March 31, 2018	51,400,000
Changes in equity share capital during the year	-
Balance at March 31, 2019	**51,400,000**
Changes in equity share capital during the year	-
Balance at March 31, 2020	**51,400,000**

b. Other Equity

Particulars	Reserves and surplus	
	Retained earnings	Total
	`	`
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	513,202	513,202
Other comprehensive income for the year, net of income Tax	-	-
Total comprehensive income for the year	**513,202**	**513,202**
Balance at March 31, 2019	**6,856,880**	**6,856,880**
Profit for the year	440,736	**440,736**
Other comprehensive income for the year, net of income Tax		-
Total comprehensive income for the year	**440,736**	**440,736**
Balance at March 31, 2020	**7,297,616**	**7,297,616**

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.

SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment are to be recognised in the statement of profit and loss.

Depreciation on property, plant and equipment to be provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act 2013.

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.

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.

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.

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.
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.
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.
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.

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.

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.

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.

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

Sale of Services:

Income from services is recognised as and when the services are performed and accrued on time basis.
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.

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.

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.

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.

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.

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.

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.

3 : Property, Plant and Equipment

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 31.03.2019	Additions (Deletion)	As at 31.03.2020	As at 31.03.2019	For the Year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
	`	`	`	`	`	`	`	`
Computers	117,602	-	117,602	104,472	6,541	111,013	6,589	13,130
Total `	**117,602**	**-**	**117,602**	**104,472**	**6,541**	**111,013**	**6,589**	**13,130**
Previous Year	117,602	-	117,602	91,491	12,981	104,472	13,130	26,111

KAPIL RAJ FINANCE LIMITED
STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 - Continued

	As at March 31, 2020	As at March 31, 2019 `
4: LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good unless stated otherwise		
(Receivable in Cash or Kind or for the value to be received)		
	505,012	384,075
Advance Tax (Net of Provision for Income	**44,296,907**	47,429,795
taxes) Loans & advances - Others	**1,200,000**	1,100,000
Capital Advances	**-**	2,000,000
Advances against property		
Total	**46,001,919**	**50,913,870**

	As at March 31, 2020 `	As at March 31, 2019 `
5: Non Current		
Investments Trade		
Investments		
Investments in Equity Instruments:-	**14,700,000**	**14,700,000**
1470000 equity shares of Rs. 10/- each in Matte Multitrade Limited		
Total	**14,700,000**	**14,700,000**

	As at March 31, 2020 `	As at March 31, 2019 `
6: CASH AND BANK BALANCES		
Cash on hand	**236,112**	189,503
Balance with Bank		
in Current Account	**477,029**	351,168
Total of Cash and Bank Balances	**713,141**	**540,671**

	As at March 31, 2020 `	As at March 31, 2019 `
7: OTHER CURRENT ASSETS		
Unsecured, Considered Good unless stated otherwise		
Balance with Revenue Authorities	**- 3,268,793**	541,452
Prarambh Securities Pvt. Ltd (Profit Sharing)	**35,000**	- 35,000
Other Deposits		
Total of other Current Assets	**3,303,793**	**576,452**

	As at March 31, 2020 `	As at March 31, 2019 `
8: SHARE CAPITAL		
Authorised Capital		
1,00,00,000 (1,00,00,000) Equity shares of Rs.10 each	100,000,000	100,000,000
Issued Subscribed and Paid up Capital		
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

	As at March 31, 2020		As at March 31, 2019	
Equity Shares of Rs. 10 Each fully paid	**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

`	As at March 31, 2020		As at March 31, 2019	
Equity Shares Of Rs. 10 Each fully paid	**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, 2020 `	As at March 31, 2019 `
9: Other Equity		
Retained Earnings		
Balance at the beginning of the year	6,856,881	6,343,679
Add: Profit for the year	440,736	513,202
Total	**7,297,617**	**6,856,881**

10. Deferred tax balances

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

Particulars	**As at March 31, 2020** `	**As at March 31, 2019** `
Deferred tax assets	414	326
Deferred tax liabilities	-	-
Net	**414**	**326**

Movement in Deferred Tax balances

Particulars	**As at April 1, 2019**	**Charge / (Credit) to P&L A/c**	**As at March 31, 2020**
Deferred Tax Liability			
Property, Plant & Equipment	326	(89)	414
Total	**326**	**(89)**	**414**

KAPIL RAJ FINANCE LIMITED

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 - Continued

	As at March 31, 2020 `	As at March 31, 2019 `
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, 2020 `	As at March 31, 2019 `
12: TRADE PAYABLES		
Trade payables (other than due to Micro & Small Enterprises)	5,143,853	7,854,614
Total	**5,143,853**	**7,854,614**

	As at March 31, 2020 `	As at March 31, 2019 `
13: OTHER CURRENT LIABILITIES		
Other Payables:		
Statutory remittances	47,335	67,125
Others	281,940	102,600
Total	**329,275**	**169,725**

14. Tax assets and liabilities **Particulars**	As at March 31, 2020 `	As at March 31, 2019 `
Tax assets		
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-
Tax receivable	-	-
	-	-
Tax liabilities		
Income tax payable	155,110	63,228
	155,110	63,228

	For the year ended March 31, 2020 `	For the year ended March 31, 2019
15: REVENUE FROM OPERATIONS		
Income From Profit Sharing	3,335,621	-
Total	**3,335,621**	**-**

	For the year ended March 31, 2020 `	For the year ended March 31, 2019 `
16: OTHER INCOME		
Interest on long-term loans & advances	3,263,614	7,912,500
Interest on Income Tax Refund	52,521	-
Rental income	-	14,000
Profit on sale of property	-	2,722,760
Total	**3,316,135**	**10,649,260**

	For the year ended March 31, 2020 `	For the year ended March 31, 2019 `
17: EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	4,516,600	8,258,675
Staff Welfare Expenses	192,603	108,560
Total	**4,709,203**	**8,367,235**

	For the year ended March 31, 2020	For the year ended March 31, 2019
18: Depreciation and amortisation expense		
Depreciation of property, plant and equipment pertaining to continuing operations	6,541	12,981
Total	**6,541**	**12,981**

	For the year ended March 31, 2020 `	For the year ended March 31, 2019 `
19: Other Expenses		
Listing Fees	418,900	359,900
Rent Paid	345,000	360,000
Professional Fees	161,831	635,530
Payment to Auditors: Statutory Audit		
i) For Audit	112,100	112,100
ii) As Reimbursement	-	-
CDSL / NSDL Custodian Charges	53,100	53,100
Advertisement Expense	98,280	9,500
Travelling & Conveyance Charges	69,715	60,925
Rates & Taxes	31,475	2,500
Communication Charges	24,813	67,644
Printing and Stationery	20,965	19,675
Interest/Fines/Penalties	1,778	6,149
Bank Charges	1,696	2,003
Repairs & Maintenance	601	4,505
Total	**1,340,254**	**1,693,531**

20: 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, 2020	As at March 31, 2019
a. Profit after taxation for the year	` Nos.	440,736	513,202
b. Weighted average number of Equity Shares used in computing Basic EPS	`	5,140,000	5,140,000
c. Basic EPS (per share of ` 10 each)		**0.09**	**0.10**

II. DILUTED EPS

Particulars	Unit	As at March 31, 2019	As at March 31, 2019
a. Profit after taxation for the year	`	440,736	513,202
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)	`	**0.09**	**0.10**

21: INCOME TAX RECOGNISED IN PROFIT OR LOSS

Particulars	As at March 31, 2019	As at March 31, 2019
Current tax		
In respect of the current year	155,110	63,228
In respect of prior years	-	-
	155,110	**63,228**
Deferred tax		
In respect of the current year	(89)	(917)
In respect of the previous year	-	-
	(89)	**(917)**
Total income tax expense recognised in the current year relating to	155,022	62,311

22: 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.

23 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

Rs.

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at Amortised Cost		
a) Cash and bank balances	7,13,141	5,40,671
b)Trade receivables	-	-
c)Other financial assets	33,03,793	5,76,452
d)Loan and advances	4,42,96,907	4,74,29,795
Financial liabilities		
Measured at Amortised Cost		
a) Trade payables	51,43,853	78,54,614

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, 2020 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, 2020				Total
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above	
Trade Payables	3,11,919	48,31,934	-	-	51,43,853
	3,11,919	**48,31,934**	-	-	51,43,853

(In Rs.)

Maturities of Financial Asets	March 31, 2020				Total
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above	
Trade Payables	22,680	78,31,934	-	-	78,54,614
	22,680	**78,31,934**	-	-	78,54,614

24. 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	Pradip Panachand Shah	Key Managerial Personnel
2	Meehir Doshi	Key Managerial Personnel
3	Rohan Padave Chandrakant	Key Managerial Personnel
4	Bina Sachin Thakkar	Key Managerial Personnel
5	Umesh Pravinchandra Parekh	Key Managerial Personnel
6	Chandrika Joshi (till Nov-2019)	Key Managerial Personnel
7	Srishty Mehta (w.e.f Nov-2019)	Key Managerial Personnel
8	Matte Multitrade Limited	Associate Company
9	Belazio Real Estate Private Limited	Common Control

(ii) Transactions during the year with Related Parties:

Nature of Transactions	31.03.2020	31.03.2019
Interest Income		
Matte Multitrade Limited	10,61,778.00	-
Directors' Remuneration		
Meehir Doshi	2,75,000.00	-
Chandrika Joshi (till Nov-2019)	45,000.00	-
Srishty Mehta (w.e.f Nov-2019)	49,000.00	-
Outstanding Loan given		
Matte Multitrade Limited	2,09,55,600.00	-
Investment		
Matte Multitrade Limited	1,47,00,000.00	1,47,00,000.00

24. Income Tax expense

Amounts recognised in profit and loss

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Current income tax	155,110	63,228
Deferred tax	(89)	(917)
Tax expense for the year	**155,022**	**62,311**

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

	For the year ended March 31, 2020	**For the year ended March 31, 2019**
Profit before tax	5,95,758	5,75,513
Applicable tax rate	20.00%	20.00%
Computed tax expense	1,19,152	1,15,103
Tax effect of:		
Exempted income	-	-
Expenses disallowed	-	-
Current Tax Provision (A)	**1,55,110**	**63,228**
Deferred Tax Provision (B)	**(89)**	**(917)**
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**1,55,022**	**62,311**
Effective Tax rate	**26.02%**	**10.83%**

Impact of COVID-19

The COVID-19 pandemic has severely disrupted business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Company were impacted due to the shutdown of offices following the nationwide lockdown. The Company commenced with its operations in a phased manner in line with the directives from the authorities.

The Company has evaluated the impact of this pandemic on its business operations, liquidity and the recoverability and carrying values of its assets including trade receivables and loans as at the Balance Sheet date and based on the management's review of current indicators and economic conditions there is no material impact on the profit for the year ended 31st March, 2020.

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

MEEHIR DOSHI
DIN:- 08536239

UMESH PRAVINCHANDRA PAREKH
DIN:-06827077

Uday V. Shah
Partner
M.No.: 035626

Place: Mumbai
Date: 30/06/2020

Shristy Mehta
Company Secretary

INDEPENDENT AUDITORS 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 Limited ("the Group"), which comprise the balance sheet as at 31st March 2020, 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 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 Company as at March 31, 2020, 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 (SDAs) 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

We draw your attention to Note 23 of the Consolidated Financial Statements, which describes that based on current indicators of future economic conditions, the company expects to recover carrying amount of all its assets and revenue recognized and hence no material adjustment is required in the Financial Statements. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these Financial Statements and the company will continue to monitor any material changes to future economic condition. Our opinion is not modified in respect of these matters.
Further, the company carries on Financial 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.

Other Matters

Due to COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by management through digital means.

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 Consolidated 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 Consolidated 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 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 eyents 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 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

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.
As required by Section 143(3) of the Act, we report that:

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.
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
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

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.

On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.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”.

With respect to the other matters to be incIuded 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:

v. The Company has disclosed the impact of pending litigations on its financial position in its financial statements

vi. 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

vii. 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

Uday V Shah
Partner
M. No. 035626
Mumbai, Dated: 30.06.2020
UDIN: 20035626AAAAGI6295

ANNEXURE A TO THE AUDITORS 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, 2020 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 contols 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, 2020 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

Uday V Shah
Partner
M. No. 035626
Mumbai, Dated: 30.06.2020
UDIN: 20035626AAAAGI6295

KAPIL RAJ FINANCE LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

	Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
A	**ASSETS**			
1	**Non current assets**			
	(a) Property, Plant and Equipment	1	6,589	13,130
	(b) Financial Assets:			
	(i) Loans	2	46,001,919	50,913,870
	Total Non Current Assets		**46,008,508**	**50,927,000**
2	**Current assets**			
	(a) Financial Assets			
	(i) Investments	3	14,684,374	14,712,898
	(ii) Cash and cash equivalents	4	713,141	540,671
	(b) Other current assets	5	3,303,793	576,452
	Total Current Assets		**18,701,308**	**15,830,021**
	TOTAL - ASSETS		**64,709,816**	**66,757,021**
B	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share capital	6	51,400,000	51,400,000
	(b) Other Equity	7	7,273,865	6,868,452
	Total Equity		**58,673,865**	**58,268,452**
2	**LIABILITIES**			
	Non current liabilities			
	(a) Deferred tax liabilities (Net)	8	7,713	1,001
	Total Non Current Liabilities		**7,713**	**1,001**
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9	400,000	400,000
	(ii) Trade payables	10	5,143,853	7,854,614
	(b) Other current liabilities	11	329,275	169,725
	(c) Current tax liabilities (net)	12	155,110	63,229
	Total Current Liabilites		**6,028,238**	**8,487,568**
	Total Liabilites		**6,035,951**	**8,488,569**
	Total Equity and Liabilities		**64,709,816**	**66,757,021**
			-	-

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

For Vinodchandra R Shah & Co.
Chartered Accountants
Firm Reg. No. 115394W

UMESH PRAVINCHANDRA PAREKH
DIN:-06827077

Uday V. Shah
Partner
M.No.: 035626

MEEHIR DOSHI
DIN: 08536239

Place: Mumbai Date:30/06/2020

Shristy Mehta
Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	NOTES	For the Year ended March 31, 2020 `	For the Year ended March 31, 2019 `
INCOME			
Revenue from operation	13A	3,335,621	-
Other Income	13B	3,316,135	10,649,260
TOTAL INCOME		**6,651,756**	**10,649,260**
EXPENSES			
Employee Benefit Expenses	14	4,709,203	8,367,235
Depreciation and Amortization Expenses	15	6,541	12,981
Other Expenses	16	1,340,254	1,693,531
TOTAL EXPENSES		**6,055,998**	**10,073,747**
Profit before Exceptional items and tax		595,758	575,513
Exceptional items			-
Profit/(Loss) Before Tax		**595,758**	**575,513**
Tax Expenses			
Current Tax	17	155,110	63,229
Deferred Tax Charge / (Credit)	17	6,712	409
		161,822	**63,638**
Profit for the Year		**433,936**	**511,875**
Net Share of Profit in Associates & Joint Venture		(28,524)	12,898
Other Comprehensive Income			**-**
Total Comprehensive Income		**405,412**	**524,773**
Earning per Equity Share			
Basic	18	0.08	0.10
Diluted		0.08	0.10
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

Uday V Shah
Partner
M.No.: 035626

MEEHIR DOSHI
DIN: 08536239

Place: Mumbai
Date: 30/06/2020

Shristy Mehta
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Indirect Method Cash Flow Statement	**For The Year Ended March 31, 2020**	**For The Year Ended March 31, 2019**
Cash Flows From Operating Activities		
Net Profit Before Tax	595,758	575,513
Adjustments For Non Cash Item		
Depreciation	6,541	12,981
Operating Profit/(Loss) Before Working Capital Changes:	**602,300**	**588,494**
Changes in Working Capital:		
Adjustments for (Increase)/ Decrease in Operating Assets Other Current Assets	2,276,492	(477,723)
Adjustments for Increase/(Decrease) in Operating Liabilites: Other Current Liabilities	159,550	(440,047)
Trade Payable	(2,710,761)	(4,678,876)
Cash generated from Operating Activity Income	**(274,719)**	**(5,596,647)**
Tax Paid (Net)	(155,110)	(63,229)
Net Cash Flow From /(used in) Operating Activities (A)	**172,470**	**(5,071,382)**
Cash Flow From Investing Activities		
Purchase of Investment	-	(14,700,000)
(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)	172,470	386,421
Cash and Bank Balances at the beginning of the year	540,671	154,250
Cash and Bank Balances at the end of the year	**713,141**	**540,671**
Closing Cash and Bank Balance shown in Balance sheet	**713,141**	**540,671**
Bank Balance	477,029	351,168
Cash Balance	236,112	189,503
	-	-

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

Uday V Shah
Partner
M.No.: 035626

MEEHIR DOSHI
DIN: 08536239

Place: Mumbai
Date:30/06/2020

Shristy Mehta
Company Secretary

KAPIL RAJ FINANCE LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 - Continued

1 : Property, Plant and Equipment

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 01.04.2019	Additions (Deletion)	As at 31.03.2020	As at 01.04.2019	For the Year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
	`	`	`	`	`	`	`	`
Computers	117,602	-	117,602	104,472	6,541	111,013	6,589	13,130
Total `	**117,602**	**-**	**117,602**	**104,472**	**6,541**	**111,013**	**6,589**	**13,130**
Previous Year `	117,602	-	117,602	91,491	12,981	104,472	13,130	26,111

KAPIL RAJ FINANCE LIMITED

Statement of changes in equity for the year ended March 31, 2020

a. Equity share capital	**Amount (`)**
Changes in equity share capital during the year	-
Balance at March 31, 2019	**51,400,000**
Changes in equity share capital during the year	-
Balance at March 31, 2020	**51,400,000**

b. Other Equity

Particulars	**Reserves and surplus**	
	Retained earnings	**Total**
	`	`
Profit for the year	524,773	524,773
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year	**524,773**	**524,773**
Balance at March 31, 2019	**6,868,452**	**6,868,452**
Profit for the year	405,412	405,412
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year	**405,412**	**405,412**
Balance at March 31, 2020	**7,273,865**	**7,273,865**

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.

Compliance with Indian Accounting Standards (Ind AS)

(a) 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.

Historical Cost convention

(b) 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.

Functional and presentation currency

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

Use of estimates and judgements

(d) 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-l - 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.

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.

PRINCIPLES OF CONSOLIDATION

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.

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.

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.

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.

The Goodwill / Capital Reserve is determined separately for each subsidiary company and such amounts are not set off between different entities.

Non-controlling Interests in the net assets of the subsidiaries consist of :

The amount of equity attributable to non-controlling interest at the date on which investment is made; and

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.

Figures pertaining to the subsidiaries have been reclassified wherever necessary to bring them in line with the Company's financial statements.

Subsidiaries:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the company has :

Power over the investee
Is exposed or has rights to variable returns from its involvement with the investee, and has the ability to use its Power over the investee to affect its returns

Subsidiaries are included in the consolidated financial statements from the point in time at which the control is transferred to the Group and are no longer included in the consolidated financial statements from the point in time at which the control ceases.

The Company has no subsidiary during the year and as at the year end.

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, 2020	As at 31st March, 2019
Matte Multitrade Limited	India	20.97	20.97

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.

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’.

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 'Finance costs' line item.

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.

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

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.
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
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.

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.

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.

Type of Assets	Period
Computer equipment	3 years

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.

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 in 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.

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.

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.

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 recognisition, 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.

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.

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.

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. On March 30, 2019, Ministry of Corporate Affairs issued

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.

KAPIL RAJ FINANCE LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 - Continued

	As at March 31, 2020 `	**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)	505,012	384,075
Loans & advances - Others	44,296,907	47,429,795
Capital Advances	1,200,000	1,100,000
Advances against property	-	2,000,000
Total	**46,001,919**	**50,913,870**

	As at March 31, 2020 `	**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	14,700,000
Add: Post Acquisition Profit / (Loss)	(15,626)	12,898
Total	**14,684,374**	**14,712,898**

	As at March 31, 2020 `	**As at March 31, 2019** `
4: CASH AND BANK BALANCES		
Cash on hand	236,112	189,503
Balance with Bank		
in Current Account	477,029	351,168
Total of Cash and Bank Balances	**713,141**	**540,671**

	As at March 31, 2020 `	**As at March 31, 2019** `
5: OTHER CURRENT ASSETS		
Unsecured, Considered Good unless stated otherwise		
Balance with Revenue Authorities	-	541,452
Other Deposits	35,000	35,000
Prarambh Securities Pvt. Ltd (Profit Sharing)	3,268,793	-
Total of other Current Assets	**3,303,793**	**576,452**

	As at March 31, 2020 `	As at March 31, 2019 `
6: SHARE CAPITAL		
Authorised Capital 1,00,00,000 (1,00,00,000) Equity shares of Rs.10 each	100,000,000	100,000,000
Issued Subscribed and Paid up Capital 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

	As at March 31, 2020		As at March 31, 2019	
Equity Shares of Rs. 10 Each fully paid	**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

`	As at March 31, 2020		As at March 31, 2019	
Equity Shares Of Rs. 10 Each fully paid	**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, 2020 `	As at March 31, 2019 `
7: Other Equity		
Retained Earnings		
Balance at the beginning of the year	6,868,452	6,343,679
Add: Profit for the year	405,412	524,773
Total	**7,273,865**	**6,868,452**

8. Deferred tax balances

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

Particulars	As at March 31, 2020 `	As at March 31, 2019 `
Deferred tax assets	414	-
Deferred tax liabilities	(8,127)	(592)
Net	**(7,713)**	**(592)**

Movement in Deferred Tax balances

Particulars	As at April 1, 2019	Recognised in profit or loss	As at March 31, 2020
Deferred Tax Liability			
Property, Plant & Equipment	(592)	7,121	(7,713)
Total	**(592)**	**7,121**	**(7,713)**

KAPIL RAJ FINANCE LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 - Continued

	As at March 31, 2020 `	As at March 31, 2019 `
9: 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, 2020 `	As at March 31, 2019 `
10: TRADE PAYABLES		
Trade payables (other than due to Micro & Small Enterprises)	5,143,853	7,854,614
Total	**5,143,853**	**7,854,614**

		As at March 31, 2019 `
11: OTHER CURRENT LIABILITIES		
Advance from Customers		
Other Payables:		
Statutory remittances	47,335	67,125
Others	281,940	102,600
Total	**329,275**	**169,725**

12. Tax assets and liabilities Particulars	As at March 31, 2020 `	As at March 31, 2019 `
Tax assets		
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-
Tax receivable	-	-
	-	-
Tax liabilities		
Income tax payable	155,110	63,229
	155,110	63,229

	For the year ended March 31, 2019 `	For the year ended March 31, 2019 `
13A: REVENUE FROM OPERATIONS		
Income From Profit Sharing	3,335,621	-
Total	**3,335,621**	**-**
13B: OTHER INCOME		
Interest on long-term loans & advances	3,263,614	7,912,500
Rental income	-	14,000
Interest on Income Tax Refund	52,521	-
Profit on sale of property	-	2,722,760
Total	**3,316,135.00**	**10,649,260**

	For the year ended March 31, 2020 `	For the year ended March 31, 2019 `
14: EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	4,516,600	8,258,675
Staff Welfare Expenses	192,603	108,560
Total	**4,709,203**	**8,367,235**

	For the year ended March 31, 2020	For the year ended March 31, 2019
15: Depreciation and amortisation expense		
Depreciation of property, plant and equipment pertaining to continuing operations	6,541	6,541.00
Total	**6,541**	**6,541.00**

	For the year ended March 31, 2020 `	For the year ended March 31, 2019 `
16: Other Expenses		
Professional Fees	161,831	635,530
Rent Paid	345,000	360,000
Listing Fees	418,900	359,900
Payment to auditors		
i) For Audit	112,100	112,100
i) For Reimbersement	-	-
CDSL / NSDL Custodian Charges	53,100	53,100
Travelling & Conveyance	69,715	60,925
Communication Charges	24,813	67,644
Printing and Stationery	20,965	19,675
Advertisement Expense	98,280	9,500
Fines/Penalties	1,778	6,149
Repairs & Maintenance	601	4,505
Profession Tax(company)	31,475	2,500
Bank Charges	1,696	2,003
Total	**1,340,254**	**1,693,531**

17: INCOME TAX RECOGNISED IN PROFIT OR LOSS **Particulars**	As at March 31, 2020	As at March 31, 2019
Current tax		
In respect of the current year	135,000	63,229
Deferred tax		
In respect of the current year	6,712	409
Total income tax expense recognised in the current year relating to	**141,712**	**63,638**

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, 2020	As at March 31, 2019
a. Profit after taxation for the year	`	433,936	511,875
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)	`	**0.08**	**0.10**

II. DILUTED EPS

Particulars	Unit		As at March 31, 2019
a. Profit after taxation for the year	`	433,936	511,875
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)	`	**0.08**	**0.10**

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 presented since this first year of preparation of Consolidated Financial Statements.

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 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

Rs.

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Financial assets		
Measured at Amortised Cost		
a) Cash and bank balances	7,13,141	5,40,671
b)Trade receivables	-	-
c)Other financial assets	33,03,793	5,76,452
Financial liabilities		
Measured at Amortised Cost		
a) Trade payables	51,43,853	78,54,614

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, 2020 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

		1 to 3 years	**3 to 5 years**	**5 years & above**	**Total**
Maturities of Financial Liabilities					
Trade Payables	22,680	78,31,934	-	-	78,54,614
	22,680	**78,31,934**	**-**	**-**	78,54,614

(In Rs.)

Maturities of Financial Assets	**March 31, 2020**				
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**	**Total**
Trade Receivable	-	-			-
	-	-		-	78,54,614

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 transcations have taken place and relationships:

Sr No	Name of Related Party	Relationship	
1	Pradip Panachand Shah	Key Managerial Personnel	
2	Meehir Doshi	Key Managerial Personnel	
3	Rohan Padave Chandrakant	Key Managerial Personnel	
4	Bina Sachin Thakkar	Key Managerial Personnel	
5	Umesh Pravinchandra Parekh	Key Managerial Personnel	
6	Chandrika Joshi (till Nov-2019)	Key Managerial Personnel	
7	Srishty Mehta (w.e.f Nov-2019)	Key Managerial Personnel	
8	Matte Multitrade Limited	Associate Company	
9	Belazio Real Estate Private Limited	Common Control	

(ii) Transactions during the year with Related Parties:

Nature of Transactions	31.03.2020	31.03.2019
Interest Income		
Matte Multitrade Limited	10,61,778.00	-
Directors' Remuneration		
Meehir Doshi	2,75,000.00	-
Chandrika Joshi (till Nov-2019)	45,000.00	-
Srishty Mehta (w.e.f Nov-2019)	49,000.00	-
Outstanding Loan given		
Matte Multitrade Limited	2,09,55,600.00	-
Investment		
Matte Multitrade Limited	1,47,00,000.00	1,47,00,000.00

KAPIL RAJ FINANCE LIMITED
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020 - Continued

22. Income Tax expense

Amounts recognised in profit and loss

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Current income tax	1,55,110	63,229
Deferred tax	6,712	409
Tax expense for the year	**1,61,822**	**63,638**

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

	For the year ended March 31, 2020	**For the year ended March 31, 2019**
Profit before tax	5,95,758	5,75,513
Applicable tax rate	20.00%	20.00%
Computed tax expense	1,19,152	1,15,103
Tax effect of:		
Exempted income	-	-
Expenses disallowed	-	-
Current Tax Provision (A)	**1,55,110**	**63,229**
Deferred Tax Provision (B)	**6,712**	**409**
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**1,61,822**	**63,638**
Effective Tax rate	**27.16%**	**11.06%**

23. Impact of COVID-19:

The COVID-19 pandemic has severely disrupted business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Company were impacted due to the shutdown of offices following the nationwide lockdown. The Company commenced with its operations in a phased manner in line with the directives from the authorities.

The Company has evaluated the impact of this pandemic on its business operations, liquidity and the recoverability and carrying values of its assets including trade receivables and loans as at the Balance Sheet date and based on the management's review of current indicators and economic conditions there is no material impact on the profit for the year ended 31st March,2020.

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

Uday V Shah
Partner
M.No.: 035626
Place: Mumbai
Date: 30/06/2020

For and on behalf of the Board of Directors

UMESH PRAVINCHANDRA PAREKH	**MEEHIR DOSHI**	**Shristy Mehta**
DIN:-06827077	**DIN: 08536239**	**Company Secretary**

Place: Mumbai
Date: 30/06/2020

KAPIL RAJ FINANCE LIMITED
Registered Office:
23-B, First Floor, Chirag Delhi, Opposite Satrang Bhawan, New Delhi, Delhi, 110017
CIN: L65929DL1985PLC022788, Web:www.kapilrajfinanceltd.com, email id: kapilrajfin@gmail.com

PROXY FORM
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Management and Administration) Rules, 2014]

CIN : L65929DL1985PLC022788
Name of the Company : Kapil Raj Finance Limited
Registered Office : 23-B, First Floor, Chirag Delhi, Opposite Satrang Bhawan, New Delhi, Delhi, 110017.

Name of the member(s) : ....
Registered Address :………………………..…………………………..
Email ID : ……………………………..………..............
Folio No./Client ID/DP ID :…………………………………… ………....

I/We, being the member(s) of ………………….… shares of the above named Company, hereby appoint:

1) Name : ……………………………….. Address : ……………………………………...

Email ID: …………..………….…….. Signature : …………………...……or failing him

2) Name : ……………………………….. Address: ………………….. …………………...

Email ID: …………………………….Signature: ……………………………or failing him

3) Name:……………………………… Address: …………………………………………...

Email ID: ………………………. Signature : ………………………………………….

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on **Thursday, December 31, 2020** at 09:00 A.M. at 23-B, First Floor, Chirag Delhi, Opposite Satrang Bhawan, New Delhi, Delhi, 110017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary business
1. Adoption of financial statements for the financial year ended March 31, 2020 and Reports of Directors' and Auditors' thereon. 2. Appointment of Director in place of Mr. Pradip Shah who retires by rotation and being eligible offers himself for re-appointment.
Special business
Nil

Signed this ………………………… day of ………………………… 2020.

Affix
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RevenueS
tamp

…………………………....... ….……………………………
Signature of shareholder Signature of 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 commence of the meeting.**
2. **Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.**

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KAPIL RAJ FINANCE LIMITED

Registered Office:9 India Exchange Place, 8th Floor Kolkata, West Bengal:- 700001.

CIN: **L65929DL1985PLC022788, Web: www.kapilrajfinanceltd.com, email id: kapilrajfin@gmail.com**

ATTENDANCE SLIP

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

NAME OF THE SHAREHOLDER / PROXYHOLDER: ___________________________

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the 34th Annual General Meeting of the Company to be held on Thursday, December 31, 2020 at 09:00 A.M. at 23-B, First Floor, Chirag Delhi, Opposite Satrang Bhawan, New Delhi, Delhi, 110017 and at any adjournment thereof.

____

Signature of Member/Proxy

(THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

To,

If undelivered please return to:

Kapil Raj Finance Limited

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