



Ken Financial Services Limited

**14TH Annual Report
2007 – 2008**



Annual Report - 2007-2008

BOARD OF DIRECTORS

SHRI KAMAL KUMAR CHAUDHARY
Chairman

SHRI MANOJ MORE
Independent Director

SHRI NAWAL BANSAL
Independent Director

SHRI SHARAD KUMAR GUPTA
Executive Director

AUDITORS

VISHNU SARAF & ASSOCIATES
Chartered Accountants.

REGISTERED OFFICE.

302, STANDARD HOUSE,
83, M. K. ROAD, MARINE LINES,
MUMBAI – 400002.
TELEFAX : 022-2205 5456

BANKERS

HDFC BANK
BANK OF INDIA

TRANSFER AGENT

M/s. Purva Sharegistry (India) Private Limited
33 Printing House, 28-D, Police Court Lane,
Behind old Hanuman House, Mumbai - 400 001.
Tel No. 56348073, 56348074 Fax No. : 22626407.
Contact Person: Mr. Rajesh Shah



14th ANNUAL REPORT

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NOTICE OF THE 14TH ANNUAL GENERAL MEETING



Notice is hereby given that 14th Annual General Meeting of the members of **KEN FINANCIAL SERVICES LIMITED** will be held on Tuesday, the 30th day of September, 2008 at 3.30 P.M., at Registered Office of the Company situated at 302, Standard House, 83, M.K. Road, Marine Lines, Mumbai – 400 002 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and Profit & Loss Account for the year ended on that date together with the Director's Report and Auditor's Report thereon.
2. To appoint a director in place of Mr. Manoj More and Mr. Sharad Kumar Gupta Who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modifications, if any the following as an ordinary resolution:

"RESOLVED THAT M/S Vishnu Saraf & Associates, Chartered Accountants, Mumbai be and are hereby appointed as statutory auditors of the company to hold office from the conclusion of this Annual General Meeting up-to the conclusion of next Annual General Meeting of the company on such remuneration as may be fixed by the Board of Directors of the company.

4. To do any other business with permission of the chair.

By order of the Board of Directors

Place: MUMBAI

(DIRECTOR)

Date : 29-07-2008



NOTES:

- (a) A member of the company entitled to attend and vote at a meeting 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. Proxies in order to be effective must be received by the company, not less than 48 hours before the commencement of meeting.
- (b) The Register of Members and the Share Transfer Books will remain closed from 28/09/2008 to 30/9/2008, both days inclusive.
- (c) Members / Proxies are requested to bring annual report along-with the attendance slip filled for attending the meeting.
- (d) M/S Purva Shareregistry (India) Private Limited, 33, Printing House, 28-D, Police Court Lane, Mumbai – 400001 is the Registrar and Share Transfer Agent for the physical shares of the company and also the depository interface of the company with both NSDL and CDSL.
- (e) Queries on accounts and operations may please be sent to the company 5 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.

By order of the Board of Directors

Place: MUMBAI
Date : 29-07-2008

(DIRECTOR)



DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the FOURTEENTH ANNUAL REPORT and the Audited Statements of Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS :

Particular	Year ended 31st March, 2008 Rupees	Year ended 31st March, 2007 Rupees
Total Income From Operation	5,09,07,009	89,42,442
Less: Expenses	4,75,76,934	67,78,764
Profit / (Loss) before Dep.	33,30,075	21,63,678
Less: Depreciation	2,29,130	1,78,165
Profit / (Loss) before Tax	31,00,945	19,85,513
Less: Provision for Taxation	3,55,000	60,000
Provision for Deferred Tax	27,283	1,25,976
Provision for Fringe Benefit Tax	16,500	5,500
Profit / (Loss) after Tax	27,02,162	17,94,037

REVIEW OF OPERATIONS :

During the year under review, the Company has achieved income from operation of Rs. 5,09,07,009/- as compared to Rs. 89,42,442/- during the previous year and has earned profit after tax of Rs.27,02,162/- as compared to net profit after Tax of Rs. 17,94,037/- during the previous year. However the Directors are hopeful of even better performance in the future.

DIVIDEND:

With a view to conserve the resources of the Company, the Directors abstain from declaring any dividend for the year under review.

FINANCE :

The Authorised Share Capital of the Company is Rs. 325.00 Lacs and Paid-up Share Capital is Rs. 300.01 Lacs.

FIXED DEPOSITS :

The Company has so far not invited any deposits from the public.

DIRECTORATE:

The Board at present comprises of Mr. Kamal Kumar Chaudhary, Mr. Manoj More, Nawal Bansal and Mr. Sharad Kumar Gupta all having vast experience in business and profession.

In accordance with the provisions of the Companies Act, 1956, Mr Manoj More and Mr. Sharad Kumar Gupta retire by rotation and being eligible offers themselves for reappointment. The Directors commend the resolution for approval by the member.

DIRECTORS RESPONSIBILITY STATEMENT :

Directors hereby state that:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed, along with proper explanation relating to the material departures.

-
- (ii) The Directors had select such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss of the Company for that year.
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors had prepared the annual accounts on a going concern basis.

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

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

PARTICULARS OF EMPLOYEES:

Your Company continues to receive good support from its employees at all levels and the relations between the Company and the employees continue to be cordial. There being no employees, who were in receipt of remuneration of Rs. One Lacs per month (if employed for the part of the year) or Rs. 12 Lacs per annum (if employed for whole of the year) information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the employees) Rules 1975 and forming the part of the Directors' report for the period ended 31st March 2008, had not been given.

CORPORATE GOVERNANCE:

Under the Listing Agreement, the provisions of Clause 49 relating to Corporate Governance are applicable to the Company effective 31st March 2003. However, the Company has already initiated steps to comply with the requirements. The Audit Committee is not required to be formed pursuant to Section 292A of the Companies Act, 1956 since the paid-up Capital is less than Rs. 5 Crores. The Corporate Governance Report and Certificate from Auditor is given in Annexure-1 and forms part of this report.

AUDITORS :

M/s. Vishnu Saraf and Associates, Chartered Accountants retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment.

ACKNOWLEDGEMENTS:

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

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 30-06-2008

DIRECTOR



REPORT ON CORPORATE GOVERNANCE

ANNEXURE - 1

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company has incorporated a separate Section of Report on Corporate Governance in this Report in compliance with the Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai thus committing it to transparency in all its dealings and places emphasis on business ethics.

Hope, by way of transparency in corporate management and reporting practices this will make a value addition.

2. BOARD OF DIRECTORS

(i) Composition of Board, Directorships and Committees position held in other Companies as at 31st March 2008

Directors	Executive / Non-Executive/ Independent	No. of outside Directorship Held	Outside Committees#	
			As Chairman	As member
Mr. Kamal Kumar Chaudhary	Executive	1	None	None
Mr. Nawal Bansal	*Non Executive	2	None	None
Mr. Sharad Kumar Gupta	Executive	1	None	None
Mr. Manoj More	*Non Executive	2	None	None

* Also Independent

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

(ii) Attendance of Directors in meetings held during the financial year 2007-2008.

Sr. No.	Nature & date of meetings	Name of Directors			
		Kamal Kumar Chaudhary	Nawal Bansal	Sharad Kumar Gupta	Manoj More
1	Board on 25.04.2007	Present	Present	Present	Absent
2	Board on 30.06.2007	Present	Present	Present	Present
3	Board on 31.07.2007	Present	Present	Present	Present
4	Board on 31.10.2007	Present	Present	Present	Present
5	Board on 29.01.2008	Present	Present	Present	Present
6	Board on 17.03.2008	Present	Absent	Present	Present
7	Members on 29.09.07	Present	Present	Present	Present

3. AUDIT COMMITTEE

(i) Terms of Reference

The Audit Committee has been mandated with the terms of reference as specified in Clause 49 of the Listing agreement with the Stock Exchange, Mumbai & enumerated in section 292A of the Companies Act, 1956 and covers all the aspects stipulated by the SEBI Guidelines.

(ii) Composition Name of Members and Chairman

The Audit Committee is comprised of one executive and one independent director. During the financial year ended 31.03.2008, four Committee Meetings were held on 25th June, 2007, 27th July, 2007, 26th October, 2007 & 25th January, 2008. The composition of the Audit Committee and the attendance of each Director at their meetings are as follows:-

Sr. No	Members	Meetings attended
1	Mr. Kamal Kumar Chaudhary, Chairman	Yes
2	Mr. Manoj More	Yes

(iii) Invitee: (being entitled to attend as per relevant provisions of applicable laws/rules and/or as and when felt necessary)

(a) The Statutory Auditors viz. Vishnu Saraf and Associates.

(iv) The Chairman of the Audit Committee attended the Annual General Meeting held on 29th September, 2007 and provided clarifications to the members of the Company on the matters relating to Accounts and finance.

(v) An Audit Committee meeting was held on 25th June, 2007 where the Annual Financial Statements for the year ended 31st March, 2007 were reviewed and examined by the members of the Audit Committee before recommending the same to the Board of Directors for their perusal and adoption.

The Audit Committee reviewed the Quarterly/Half Yearly Unaudited Financial Results on the following dates before recommending the same to the Board.

Financial Reporting	Date of Approval by Audit Committee
Quarter/Year ended 31st March, 2007	25th June, 2007
Quarter ended 30th June, 2007	27th July, 2007
Quarter/Half Year ended 30th Sept. 2007	26th October, 2007
Quarter ended 31st December, 2007	25th January, 2008

4. REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee to determine the remuneration payable to the Managing Director & Director taking in to account their qualification, experience, expertise, contribution and prevailing level of remuneration in Companies of corresponding size and stature.

5. SHAREHOLDERS COMMITTEE

(i) The Company has a 'Share Transfer Committee' to approve transfer and transmission of securities, issue of duplicate certificates and deals with other Shareholder related issues headed by Mr. Sharad Kumar Gupta, Executive Director of the Company. The Committee met twice during the year.

- (ii) The Company also has a 'Shareholders/Investors Grievance Committee' headed by Mr. Manoj More, a Non-Executive Independent Director to specifically look into redressing of Shareholders' and Investors' complaints.

Mr. Kamal Kumar Chaudhary has also been designated by the Board as the 'Compliance Officer' of the Company for complying with the requirements under the Listing Agreement with the Stock Exchange, Mumbai.

- (iii) Number of Shareholders' complaints received during the year : Nil
 Number not solved to the satisfaction of the Shareholders : Nil
 Number of pending share Transfers : Nil

6. (i) DETAILS OF GENERAL MEETING

Financial Year	Date of the meeting	Venue	Time
2004-2005	30-09-2005	302, Standard House, 83, M. K. Road, Mumbai - 400002.	3.30 p.m.
2005-2006	30-09-2006	302, Standard House, 83, M. K. Road, Mumbai - 400002.	3.30 p.m.
2006-2007	29-09-2007	302, Standard House, 83, M. K. Road, Mumbai - 400002.	3.30 p.m.

- (ii) No Postal Ballot was put through during the last year as well as year 2007-08 and as of now there is no proposal pending for passing any resolution through Postal Ballot in the ensuing Annual General Meeting.

7. DISCLOSURES

Disclosure on materially significant related party transactions.	: There were no materially significant related party transactions i.e. transactions of material nature with its promoters, directors or the management or relatives etc. during the year that may have potential conflict with the interests of the Company at large.
Details of Non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority or any matter related to Capital Market during last three years.	: None
Secretarial Audit	: Secretarial Audit was carried out by a practicing firm of Chartered Accountants to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

8. MEANS OF COMMUNICATION.

Half yearly report sent to each household of Shareholder	:	No
Financial Results	:	The financial results have been sent to the regional stock exchange on which the Company is listed in the prescribed format so as to enable the Stock Exchange to put them on their own web sites.
Whether Management Discussion and Analysis Report is a part of Annual Report or not	:	Yes

9. GENERAL SHAREHOLDERS INFORMATION

- (i) **Next AGM:**
- | | | |
|------------|-----------|--|
| Date | Time | Venue |
| 30-09-2008 | 3.30 p.m. | 302 Standered House,
83 M.K Road, Mumbai-400002 |
- (ii) Next Dates of Book Closure : 28th Sept. 2008 to 30th Sept. 2008 (both days inclusive)
- (iii) **Code of Conduct for Prevention of insider Trading:** Pursuant to the requirements of SEBI (Prohibitions of insider Trading) Regulations, 1992, as amended, the Company has adopted a "Code of Conduct for Dealing in Securities". The said Code of Conduct will be updated from time to time in line with the requirements of SEBI guidelines.
- (iv) Dividend Payment Date : Not Applicable
- (v) Listing on Stock Exchanges : The Shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai – 400 001.
- (vi) Stock Code : 530547
- (vii) ISIN No. for the Company's Equity Share in Demat Form : INE395E01018
- (viii) Depository Connectivity : National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL)
- (ix) Stock Market Data
There was no trading in the shares of the Company during the year under review.
- (x) **Registrar & Transfer Agents:** The Company has appointed M/s. Purva Sharegistry (India) Private Limited as a common agency for share registry work (both physical & electronic) for all matters connected with transfers and transmission of shares and also dematerialization of shares and other related functions.
- (xi) **Share Transfer System :** With a view to expedite the process of share transfers, the Board of Directors has delegated the power of share transfer to Share Transfer Committee of the Board, which meets as and when required. The shares for transfer received in physical mode by the Company, are transferred expeditiously and thereafter, option letter is sent to the transferee(s) for dematerialization, Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories, i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited within 7 days.



(xii) Registrar and Transfer Agent

M/s. Purva Sharegistry (India) Private Limited
33 Printing House, 28-D, Police Court Lane,
Behind old Hanuman House,
Mumbai - 400 001.
Tel No. 56348073, 56348074
Fax No. : 22626407.
Contact Person: Mr. Rajesh Shah

(xiii) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2008

(a) According to Category holdings

Category	No. of Shareholders	% of total Shareholders	No. of Shares	% of shareholding
Promoters	3	2.63	1595600	53.18
Person Acting in concert	0	0.00	0	0.00
FI(s) Bank & Mutual Fund	0	0.00	0	0.00
Individual/Indian Public	110	96.49	1399500	46.65
Corporate Bodies	1	0.88	5000	0.17
NRI/OCB	0	0.00	0	0.00
Clearing Members	0	0.00	0	0.00
Venture Capital	0	0.00	0	0.00
Total	114	100.00	3000100	100.00

(b) According to Number of Equity Shares

No. of Equity Shares held	No. of Shareholders	% of total Shareholders	No. of Shares	% of shareholding
Upto 5000	69	60.53	22000	0.73
5001 to 10000	11	9.65	9600	0.32
10001 to 20000	11	9.65	17000	0.57
20001 to 30000	2	1.75	5100	0.17
30001 to 40000	0	0.00	0	0.00
40001 to 50000	1	0.88	5000	0.17
50001 to 100000	1	0.88	7500	0.25
Above - 100001	19	16.66	2933900	97.79
Total	114	100.00	3000100	100.00

(xiv) Dematerialization of Shareholding and liquidity	96.87% Company Equity Share's dematerialized as on 31/03/2008
(xv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity	Not applicable
(xvi) Plant Locations	Not Applicable.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is engaged in the business of financial services and manufacture of fabric elastic. The Company is trying to achieve the desired growth. During the current financial year the Company has made profit before tax of Rs. 31.01 Lakh in comparison to Rs. 19.86 Lakh during the previous year. However with the better service quality, infrastructure facilities and other resources the management is of the view that the Company will perform well in the coming years.



AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Ken Financial Services Limited

We have reviewed the compliance of conditions of Corporate Governance by Ken Financial Services Limited for the year ended 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance in all material respect as stipulated in the above mentioned listing agreement.

We state that there were no investor grievance(s) pending for a period exceeding one month against the company as per the report given by the Registrars of the Company and placed before the Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Vishnu Saraf and Associates
Chartered Accountants**

**(Vishnu Saraf)
Proprietor
Membership No. 047755**

**Place: Mumbai.
Dated: 30-06-2008**



REPORT OF THE AUDITOR THE MEMBERS

To
The Members of
Ken Financial Services Limited.

We have audited the attached Balance Sheet of **KEN FINANCIAL SERVICES LIMITED** Mumbai as at 31st March, 2008 and also the Profit & Loss Account and the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required, by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, We enclose in the annexure, a statement on the matters prescribed in paragraphs 4 and 5 of the said order to the extent applicable.
3. Further, to our comments, in Annexure referred to in paragraph 2 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examinations of these books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting Standards referred to in sub-section (3C) of Section 211 of the Company Act, 1956; Excepts AS 15 on "Accounting of Retirement Benefit to Employees" which is on cash basis.
 - (v) On the basis of the written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, We report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of Sub-section (I) of Section 274 of the Companies Act, 1956;
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with and subject to notes thereon, gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (b) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

And

- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Mumbai
Dated : 30-06-2008

For **Vishnu Saraf and Associates**
Chartered Accountants

(Vishnu Saraf)
Proprietor
Membership No. 047755



Annexure

Annexure Referred to in paragraph (2) of our report of even date on the accounts for the year ended 31st March, 2008 of KEN FINANCIAL SERVICES LIMITED.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) According to the information and explanation given to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) None of the fixed assets have been revalued during the year.
2. (a) The Stock of Investments held as stock in Trade have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) The Company is maintaining proper records of inventories and discrepancies noticed on physical verification of stock as compared to book records were not material considering the operations of the Company and have been properly dealt with in the books of account.
3. (a) The company has not granted unsecured loans to any party listed in the register maintained under section 301 of the Act.

(b) The Company has taken interest free loans from two parties listed in the register maintained under section 301 of the Act. The maximum amount taken Rs. 12,55,522/- and the year end balance were Rs. 9,65,522/- respectively.

(c) The loans taken are interest free. There is no stipulation as to the other terms and conditions, therefore we are unable to comment whether the loan taken are prima facie prejudicial to the interest of the company or not.

(d) As there is no stipulation as to the terms and conditions we are unable to comment on the regularity of the repayment of loan taken.
4. In our opinion and according to the explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services. During the

course of the audit we have not observed any continuing failure to correct major weaknesses in internal control.

5. In our opinion and according to the information and explanations given to us, the transactions of purchase of inventory in pursuance of contracts of arrangements entered in the register maintained under Section 301 of the Act, and aggregating during the year to Rs.5,00,000 or more in respect of each party have been made at the prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and rules framed there under are not applicable.
7. In our opinion, The Company has an adequate internal audit system commensurate with its size and nature of its business.
8. In the present case, the Central Government has not prescribed the maintenance of the cost records under section 209(1) (d) of the Companies Act, 1956.
9. According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth tax, custom duty, excise duty, cess, service tax and other material statutory dues applicable, have generally been regularly deposited with the appropriate authorities. No undisputed amount is outstanding for more than six months at the end of the accounting year.
10. As the Company has neither accumulated losses nor has incurred cash losses in the current year or immediately preceding financial year, no comment under this clause is required.
11. There are no dues from the bank or financial institutions.
12. As informed to us, the company has not granted any loans and advances on the basis of security by way of pledge on any shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the companies (Auditor's Report) Order 2003 are not applicable to the Company.
13. In Our opinion, the Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. The Company is maintaining timely proper records of the transaction and contracts for purchases or sales of shares, securities, debentures and other investment, and the same is held by the company in its own name.



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15. As informed to us, the Company has not given any guarantee for any loans taken by other from bank or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
 16. On the basis of information and explanations given to us, the company has not obtained and / or applied any term loan during the year.
 17. On the basis of information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow Statement of the Company, we report that no funds raised on short term basis have been used during the year for long term investment.
 18. The Company has not made any preferential allotment of shares during the year under review.
 19. The Company has not issued any debentures during the year.
 20. During the year under review, The Company has not raised any money by way of public issues. Hence the question of verification of end use of money raised in public issue as per the provision of clause 4(xx) of the companies (Auditor's Report) Order 2003 does not arise.
 21. On the basis of our examinations and according to the information and explanations given to us, no fraud/s on or by the Company has been noticed or reported during the course of the audit.

Place : Mumbai
Dated : 30-06-2008

For Vishnu Saraf and Associates
Chartered Accountants

(Vishnu Saraf)
Proprietor
Membership No. 047755



BALANCE SHEET AS AT 31ST MARCH, 2008.

PARTICULARS	SCHEDULE	AMOUNT 31-03-2008	AMOUNT 31-03-2007
<u>SOURCES OF FUNDS</u>			
I. SHAREHOLDERS' FUNDS			
a) Equity Share Capital	"A"	30001000	30001000
b) Reserves & Surplus	"B"	14874221	12172059
II. LOAN FUNDS			
a) Unsecured loans	"C"	11715522	10775000
III. Deferred Tax Liabilities		153259	125976
		56744002	53074035
<u>APPLICATION OF FUNDS</u>			
I. FIXED ASSETS			
a) Gross Block	"D"	3592817	3403404
b) Depreciation		1848672	1619542
c) Net Block		1744145	1783862
II. INVESTMENTS		106105	154912
III. CURRENT ASSETS, LOANS AND ADVANCES			
a) Stock in Trade	"F"	1287585	5140603
b) Sundry Debtors	"G"	25539631	587213
c) Cash and Bank Balances	"H"	4531591	2175954
d) Loans and Advances	"I"	55984382	43908906
TOTAL CURRENT ASSETS		87343189	51812676
Less :CURRENT LIABILITIES AND PROVISIONS			
a) Current Liabilities	"J"	31962437	561916
b) Provisions	"K"	487000	115500
		32449437	677416
NET CURRENT ASSETS		54893752	51135260
		56744002	53074035
Notes to the Accounts	"Q"		

AS PER OUR REPORT OF EVEN DATE
For Vishnu Saraf and Associates
Chartered Accountants

For Ken Financial Services Ltd.

(Vishnu Saraf)
Proprietor.
Membership No. 047755

Director

Director

Place: Mumbai
Dated: 30-06-2008



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008.

PARTICULARS	SCHEDULE	AMOUNT	
		31-03-2008	31-03-2007
INCOME FROM OPERATIONS			
a) Sales and Services	"L"	55240509	3942442
b) Increase/(Decrease) in Stock	"M"	-4333500	5000000
		<u>50907009</u>	<u>8942442</u>
EXPENDITURE			
a) Purchases & Works Expenses	"N"	44907474	6220073
b) Administrative & Other Expenses	"O"	2480902	545275
c) Selling & Distribution Expenses	"P"	188558	13415
d) Depreciation		229130	178165
		<u>47806064</u>	<u>6956929</u>
PROFIT FOR THE YEAR		3100945	1985513
Less : Provision for Taxation		355000	60000
Provision for Deferred Tax		27283	125976
Less : Provision for Fringe Benefit Tax		16500	5500
		<u>2702162</u>	<u>1794037</u>
PROFIT AFTER TAX		2702162	1794037
Add : Balance brought forward		12172059	10378022
		<u>14874221</u>	<u>12172059</u>
BALANCE CARRIED TO BALANCE SHEET			
Notes to the Accounts	"Q"		
Earning Per Share		0.90	0.60

AS PER OUR REPORT OF EVEN DATE
For Vishnu Saraf and Associates
Chartered Accountants

For Ken Financial Services Ltd.

(Vishnu Saraf)
Proprietor
Membership No. 047755

Director

Director

Place: Mumbai
Dated: 30-06-2008



SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	AMOUNT 31-03-2008	AMOUNT 31-03-2007
SCHEDULE - "A"		
EQUITY SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
3250000 Equity Shares of Rs. 10/- each. (Previous year 3250000 Equity Shares of Rs. 10/- Each)	32500000	32500000
	<u>32500000</u>	<u>32500000</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
3000100 Equity Shares of Rs. 10/- each fully paid up. (Previous year 3000100 equity shares of Rs. 10/- each fully paid up)	30001000	30001000
	<u>30001000</u>	<u>30001000</u>
SCHEDULE - "B"		
RESERVES & SURPLUS		
Profit & Loss Account	14874221	12172059
	<u>14874221</u>	<u>12172059</u>
SCHEDULE - "C"		
UNSECURED LOANS		
From Directors	965522	925000
From Body Corporates	10750000	9850000
	<u>11715522</u>	<u>10775000</u>
SCHEDULE - "E"		
INVESTMENTS		
Investment in Shares		
Quoted (At Cost)	96105	144912
Unquoted (At Cost)	10000	10000
	<u>106105</u>	<u>154912</u>
SCHEDULE - "F"		
INVENTORIES		
(As taken valued & certified by the management)		
Raw-Material	621085	140603
Finished goods	166500	0
Shares	500000	500000
	<u>1287585</u>	<u>5140603</u>
SCHEDULE - "G"		
SUNDRY DEBTORS		
<u>Unsecured, Considered Good</u>		
Debts outstanding for a period exceeding six months	390156	390156
Other Debts	25149475	197057
	<u>25539631</u>	<u>587213</u>
SCHEDULE - "H"		
CASH AND BANK BALANCES		
Cash in Hand	402466	52431
Balances with Scheduled Banks		
- in Current Account	2776705	701008
- in Fixed Deposit Account	1352420	1422516
	<u>4531591</u>	<u>2175954</u>

SCHEDULE "D" OF FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	01-04-2007	ADDITIONS	DEDUCTIONS	31-03-2008	UPTO	FOR THE	TOTAL	31/03/2008	31/03/2007
					01-04-2007	YEAR			
Furniture & Fixtures	1716375	9350		1725725	1189021	109106	1298127	427598	527353
Furniture & Fixtures (Bhiwandi)	31681	0		31681	1013	2005	3018	28663	30668
Office Equipment	633851	0		633851	338535	30108	368643	265208	295316
Electrical Installation	142611	0		142611	58105	6774	64879	77732	84507
Computers	168186	130000		298186	8358	45085	53443	244743	159828
Plant and Machinery (Bhiwandi)	710700	50063		760763	24510	36052	60562	700201	686190
TOTAL	3403404	189413	0	3592817	1619542	229130	1848672	1744145	1783862
Previous Year Rs.	2459037	944367	0	3403404	1441377	178165	1619542	1783862	1017660





SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - "I"

LOANS AND ADVANCES

(Unsecured considered good)

Advance Recoverable in cash or kind or for value to be received	48419818	41414161
Advance Tax & TDS	405261	222895
Deposits	7159302	2271850
	<u>55984382</u>	<u>43908906</u>

SCHEDULE - "J"

CURRENT LIABILITIES

Sundry Creditors

- For Goods	29019944	318609
- For Expenses	22472	171933
Other Current Liabilities	1144120	71374
Advance from Customer	1775901	0
	<u>31962437</u>	<u>561916</u>

SCHEDULE - "K"

PROVISIONS

Provision for Tax	110000	110000
Provision for Tax A.Y. 2008-2009	355000	0
Provision for Fringe Benefit Tax A.Y. 2007-2008	5500	5500
Provision for Fringe Benefit Tax A.Y. 2008-2009	16500	0
	<u>487000</u>	<u>115500</u>

SCHEDULE - "L"

SALES AND OTHER SERVICES

Sales and Services	44710074	1226033
Profit from Speculative Activities	7407900	208832
Interest	2374863	2419023
Dividend	2693	74110
Other Income	88050	14444
Long Term Capital Gains	656929	0
	<u>55240509</u>	<u>3942442</u>

SCHEDULE - "M"

INCREASE/(DECREASE) IN STOCK

Closing Stock	666500	5000000
Less : Opening Stock	5000000	0
	<u>-4333500</u>	<u>5000000</u>

SCHEDULE - "N"

PURCHASES & WORKS EXPENSES

Raw-Material Consumed	44053048	803006
Cost of Shares (Trading)	0	5000000
Packing Material Consumed	228598	58166
Stores and Spares	29480	72656
Wages and Salaries	400365	128346
Labour Welfare Expenses	0	14656
Power	41361	40473
Machine Maintenance	42422	7170
Factory Rent	112200	95600
	<u>44907474</u>	<u>6220073</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - "O"

ADMINISTRATIVE & OTHER EXPENSES

Salary	1027175	174000
Annual Fees (BSE)	10000	0
MCX Fee	500000	0
Directors Remuneration	0	144000
Rent	81000	18000
Staff Welfare Expenses	45322	0
Conveyance	31683	23598
Advertisement Expenses	0	4433
Bank Charges	10523	12939
Printing & Stationary	23675	4611
Telephone Expenses	186122	46586
Electricity Expenses	134476	9494
General Expenses	36405	0
Membership and Subscription	0	35500
Repairs and Maintenance	45646	11550
Miscellaneous Expenses	0	3145
Software Development Charges	20800	0
Demat Charges	8989	9590
Registrar Fees	16854	16530
Donation	15900	2500
Internet Charges	152758	0
Security Transaction Tax	14120	0
Office Expenses	34300	17564
Processing Charges	43300	0
Payment to Auditors	11236	11236
Professional Fees	30618	0
	<u>2480902</u>	<u>545276</u>

SCHEDULE - "P"

SELLING & DISTRIBUTION EXPENSES

Transportation	162727	9665
Rate Difference	25831	3750
	<u>188558</u>	<u>13415</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE "Q"

Accounting policies and Notes forming part of the Accounts for the year ended on 31st March 2008.

A) Statement on significant Accounting Policies

a) Basis of Accounting

Financial statements are prepared on historical cost convention and on accrual basis except those stated at revalued amount and on the going concern basis

b) Fixed Assets:

Fixed Assets are valued at historical cost less depreciation.

c) Depreciation:

Depreciation on fixed assets has been provided under the straight line method at the rates and in the manner provided by Schedule XIV to the Companies Act, 1956.

d) Revenue Recognition

Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

e) Retirement Benefits

The Company follows the policy of accounting for the same only on crystallization of the liability.

B) Notes of Accounts

1. Contingent liabilities not provided for	31st March, 2008 (Rs. in Lakh)	31st March, 2007 (Rs. In Lakh)
(a) in respect of guarantee issued by the bank in favour of NSCCL.	13.00	13.00
(b) In respect of various expenses/charges Debited by NSEIL after surrender of membership. The amount is under Dispute	2.27	2.27
2. The Company has neither earned nor incurred any amount in foreign currency during the year (Previous Year Rs. Nil).		
3. In the opinion of the Board, the Current Assets and Loans and advances have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount considered necessary.		



CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2007-08

Particulars	2007-08 Amount In Rs.	2006-07 Amount In Rs.
A. Cash Flow from Operating Activities		
Net profit before Taxation and extra ordinary item	3100945	1985513
Adjustment from:		
Depreciation	229130	178165
Dividend	(2693)	(74110)
Operating profit before working capital changes	3327383	2089568
Decrease/(Increase) in Stock in Trade	3853018	(5140603)
Decrease/(Increase) in Sundry Debtors	(24952418)	(178279)
Decrease/(Increase) in Loans & Advances	(12080976)	(6723680)
(Decrease)/Increase in Current Liabilities	31400521	(3485117)
Cash Generated from Operation	1547528	(13438111)
Tax paid	5500	(26000)
Cash Flow before Extra Ordinary items	1553028	(13464111)
Foreign Exchange Loss	-	-
Prior period adjustment	-	-
Net Cash Flow from Operating activities	1553028	(13464111)
B. Cash Flow from Investing activities		
Purchase of Fixed Assets	(189413)	(944367)
Sale of Investment	48807	(76582)
Conversion of Investment in Stock in Trade	0	4,500,000
Dividend	2693	74110
Net Cash Flow from Investing activities	(137913)	3553161
C. Cash Flow from financing activities		
Increase/(Decrease) in Long-term borrowings	940522	10275000
Interest paid	-	-
Dividend paid	-	-
Net Cash Flow from Financing activities	940522	10275000
Net Increase in cash and cash equivalents	2355637	364050
Cash and cash equivalents at beginning of year	2175954	1811905
Cash and cash equivalents at end of year	4531591	2175955

AS PER OUR REPORT OF EVEN DATE
For Vishnu Saraf and Associates
Chartered Accountants

For Ken Financial Services Ltd.

(Vishnu Saraf)
Proprietor
Membership No. 047755

Director

Director

Place: Mumbai
Dated: 30-06-2008

4. The balances of Sundry Debtors, Sundry Creditors, deposits and advances with various parties are subject to confirmation and reconciliation, if any.

5. Consequent to the issuance of Accounting Standard 22 (AS-22) " Accounting for Taxes on Income" by the Institute of Chartered Accountants of India, which is mandatory in nature, therefore during the year the company has recognized deferred taxes which result from the timing difference between the book profit and tax profit. The net deferred tax liability of Rs. 27283/- for the year has been debited to the Profit and Loss Account.

6. Earning Per Share:

	31st March, 2008	31st March, 2007
Net Profit/(Loss) after tax	2702162	1794037
Weighted average number of Shares outstanding	3000100	3000100
EPS	0.90	0.60

7. Segment information required to be disclosed in accordance with Accounting Standard 17 (AS-17) relating to Segment Reporting is attached with report.

	2007-08	2006-07
8. Payment to Auditors		
Audit & Tax Audit Fees	11,236	11,236

9. The previous year's figures have been regrouped and/or rearranged wherever found necessary.

10. Figures are rounded off to nearest rupee.

11. Related parties disclosures:

(A) Related parties with whom transaction have taken place during the year.

(i) Key Management Personnel:	Mr. Kamal Kumar Chaudhary	Director
	Mr. Nawal Bansal	Director
	Mr. Sharad Gupta	Director
	Mr. Manoj More	Director

(ii) Relative of Key Management Personnel: Mr. Pawan Chaudhary



(B) Transaction carried out with related parties referred in A above, in ordinary course of business

Key Management personnel and their relatives

	Current year	Previous year
(i) Directors Remuneration	Rs. Nil	1,44,000
(ii) Loan Taken (Net)	Rs. 3,65,522	9,25,000

12. In view of wide-ranging quality and size of fabric elastic, separate disclosure of quantities of individual item has not been given as considered not practicable by the management. However quantities of closing stock of raw material and finished goods as taken by the management are given hereunder :

Raw Material

Particulars	Quantity (In Kgs.)	Amount
Yarn	2655	191542/-
Rubber	2450	429543/-

Finished Goods

Particulars	Quantity (In Meter)	Amount
Fabric Elastic (Various Sizes)	334800	166500/-

As per our report of even date

For **VISHNU SARAF AND ASSOCIATES**
Chartered Accountants

For and on behalf of the Board

(VISHNU SARAF)
PROPRIETOR
Membership No. 047755

DIRECTOR

DIRECTOR

Place: Mumbai
Date: 30-06-2008



SEGMENT REPORT FOR THE YEAR ENDED 31ST MARCH 2008

PARTICULARS	SEGMENTS			CONSOLIDATED TOTAL
	Textiles	Commodity	Financial Activities & Others	
I) Segment Revenue				
Sales				
Sales and Services	43765074	7409390	4066045	55240509
Total Revenue	43765074	7409390	4066045	55240509
II) Segment Results				
Operating Net Profit	-1369796	6163502	-1463631	3330075
III) Segment Assets	26657620	9476941	53058877	89193439
Total Assets	26657620	9476941	53058877	89193439
IV) Segment Liabilities	30795846	944468	222124	31962437
Total Liabilities	30795846	944468	222124	31962437
V) Capital Expenditure During the year	50063	0	139350	189413
VI) Depreciation During the year	38057	0	191073	229130



Balance Sheet abstract and Company's general business profile as required by the part IV of Schedule VI of the Companies Act, 1956

I. REGISTRATION DETAILS	
A. REGISTRATION NO.	78898
B. STATE CODE	11
C. BALANCE SHEET DATE	31-03-2008
II. CAPITAL RAISED DURING THE YEAR (In Thousands)	
PUBLIC ISSUE	NIL
RIGHT ISSUE	NIL
BONUS ISSUE	NIL
PRIVATE PLACEMENT	NIL
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (In Thousands)	
TOTAL LIABILITIES	56744
TOTAL ASSETS	56744
SOURCES OF FUNDS	
PAID UP CAPITAL	30001
RESERVES & SURPLUS	14874
SECURED LOANS	NIL
UNSECURED LOANS	11716
DEFERRED TAX LIABILITY	153
APPLICATION OF FUNDS	
NET FIXED ASSETS	1744
INVESTMENTS	106
NET CURRENT ASSETS	54894
MISCELLANEOUS EXPENDITURE	NIL
ACCUMULATED LOSSES	NIL
IV. PERFORMANCE OF THE COMPANY (In Thousands)	
TOTAL INCOME	50907
TOTAL EXPENDITURE	47806
PROFIT/LOSS BEFORE TAX	3101
PROFIT/LOSS AFTER TAX	2702
EARNING PER SHARE (Rs.)	0.90
DIVIDEND	NIL
V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES (As per monetary terms)	
ITEM CODE NO. (ITC CODE)	N.A.
PRODUCT DESCRIPTION	N.A.

FOR KEN FINANCIAL SERVICES LIMITED

PLACE : MUMBAI
DATED : 30-06-2008

DIRECTOR



KEN FINANCIAL SERVICES LTD.
Registered office : 302, Standard House,
83, M. K. Road, Mumbai – 400002.

ATTENDANCE SLIP

(Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall)

I/We hereby record my/our presence at 302, Standard House, 83, M. K. Road, Mumbai – 400002.
on 30th September, 2008 at 3.30 P.M.

Name of the Shareholder _____
(in block letters)

Affix
Rs. 1.00 Revenue Stamp

Folio No. _____ No. of Shares held _____

Signature of the Share Holder / Proxy

Note : The Proxy duly completed must be deposited at the Registered Office of the Company
not less than 48 hours before time for holding the meeting

Name of Shareholder (s)	Folio No.	No. of Shares :
DP-ID No.	Client – ID No.	

KEN FINANCIAL SERVICES LTD.
Registered office : 302, Standard House,
83, M. K. Road, Mumbai – 400002.

ATTENDANCE SLIP

NAME AND ADDRESS OF SHAREHOLDER	FOLIO NO :
	DP – ID NO
No. of Shares :	Client ID No.

I/We hereby record my / our attendance at the Annual General Meeting to be held at 3.30 P.M.
on 30th September, 2008 at the Registered office of the Company.



If undelivered please return to :

Ken Financial Services Limited

302, STANDARD HOUSE,
83, M. K. ROAD, MUMBAI - 400002.
TELEFAX : 022-2205 5456