



Kamal
Fincap PVT. LTD.

Kamal Fincap द्वारा एक कोशिश,
मै साथ मिलकर कोरोना को हथका है

प्रधानी और सतर्कता

व्यवस्था - अपने हाथों को बार-बार साबुन और पानी से धोएं
या सैनिटाइज़ करें।
लगे शांति मारक पेंसिलें।

सामाजिक दूरी - सामाजिक समारोह व भीड़-भाड़ वाले जगहों में
जाना से बचें। ज्यादा जरूरी होने पर ही बाहर निकलें, और दो
अन्य लोगों का पालन करें।

वैयक्तिक स्वच्छता - खुद बनें और अपने को बचाएं,
कबसे पहले वैयक्तिक स्वच्छता।

“सफाई, दवाई और कड़ाई,
कभी जीतेमें कोरोना से लड़ाई”



ROADMAP TO RESILIENCE

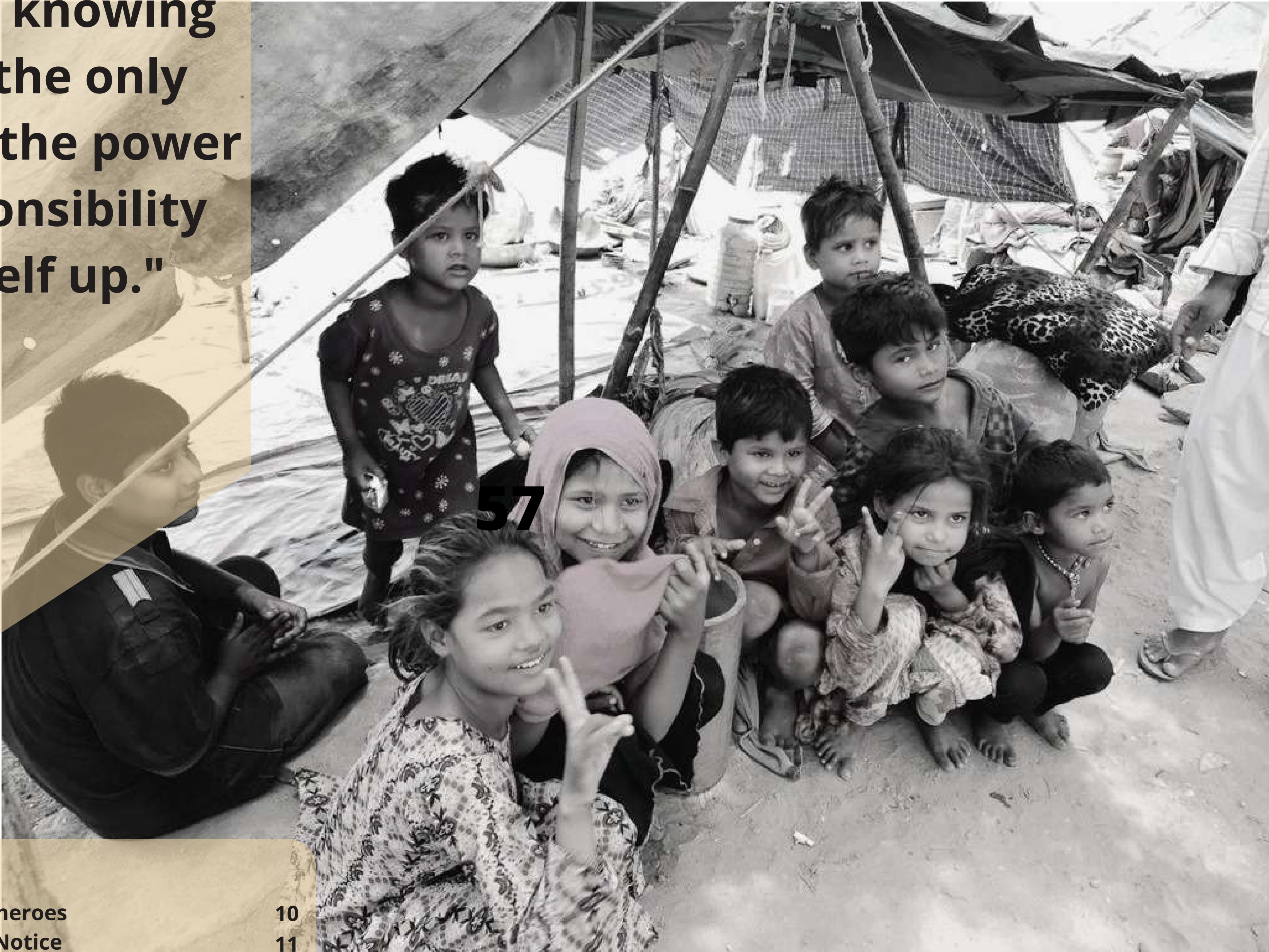
ANNUAL REPORT

2020-21

Roadmap to Resilience

"Resilience is knowing that you are the only one that has the power and the responsibility to pick yourself up."

~Mary Holloway



Contents

Roadmap to Resilience	1	Our Sheroes	10
About the Company	4	AGM Notice	11
Key Performance Indicators	5	Directors' Report	13
Statement from the MD	6	Annual Report CSR	21
Board of Directors	7	CSR Policy	23
Covid Warriors	8	Independent Auditors' Report	29
A Question of Survival	9	Audited Financial Statement	41

We define resilience not as “bouncing back”, but “bouncing forward”.

Holding Ourselves Responsible with Resilience

No matter how tough times are, we keep plowing ahead

Though 2020 is in rear-view mirror, it was an inflection point for many around the world. Our future is strongly influenced by our ability to fight back the odds. A strategic 'roadmap to resilience' is the need of the hour.



We are taking a broad spectrum of measures that promise to accelerate our momentum going forward.

- 1) Along with the growth in our AUM and revenues, we have been able to control our operating expenses and have taken steps to improve employee productivity.
- 2) We aim to expand our distribution network to achieve deeper penetration in key states while we continue to focus on our target customers and grow our customer base.
- 3) It is our endeavour to remain the lender of choice in our segment. To achieve this, we are investing in and rolling out digital and technology enabled solutions across the business to improve customer experience and improve cost efficiency.

New This Year

Branches	Products
9	17 BCBO outlets- liability products
Partnership	Rural Asset,
1	Hospicash, Gold loan
State	
1	

Redefining our organisation in challenging times

To remain relevant, it's imperative to reinvent yourself while you are propelling in forward motion.



A noteworthy focus this year was on re-imagining, rebuilding & reinventing our processes to counter the impact of COVID-19 on our business. We took a number of proactive steps to continue business even during the COVID-19 related lockdown.

We swiftly enabled work-from-home for employees. We have launched several digital management solutions, with attendance, leave management, reimbursements and online training capabilities.

Where our customers were concerned, in response to RBI's directions, we offered moratorium on payment of instalments, while we also focussed on remaining in close contact with all our customers, improving collection efficiencies and restarting disbursements with appropriate diligence. KFPL leveraged their third-party tie ups to ensure that cashless collection of loan repayments are made possible through QR code, UPI, Net Banking and Mobile banking methods.



About the Company

KFPL is a Private limited company working as Business Correspondent - delivering an array of microloans (JLG Model), MSME loans & credit linked insurance across multiple states, on behalf of banking partners.

KFPL is working rigorously in the domain of Financial Inclusion bridging the gap between people and their aspirations.



8

STATE



79

DISTRICTS



157

BRANCHES



224929

BORROWERS



7

BANKING
PARTNERS



3

INSURANCE
PARTNERS



455

POS (in Cr.)



1500

DISBURSEMENT
(in Cr.)

Values

Our values are a reflection of our focus and dedication to delivering our brand promise of promoting financial inclusion.



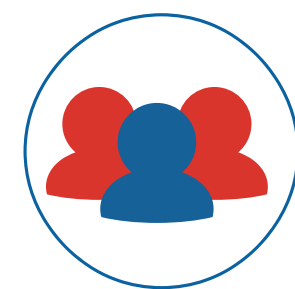
INTEGRITY



RESPONSIBILITY



SIMPLICITY

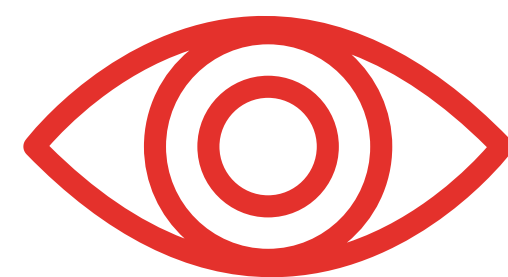


PEOPLE-CENTRIC



Mission

To serve 5 Lakh customers by 2023, with geographical presence in 8 states.



Vision

To serve the financially underserved segment of the society by providing financial service in a manner sustainable for all stakeholders.

Key Performance Indicators



Statement from the MD



Rarely has there been such a time of upheaval as we all witnessed in 2020. The world experienced a global pandemic, transformative movements, and widespread turmoil – all on top of accelerating economic inequality. We at KFPL struggled with our own share of internal and external changes but remained focused on investing in our people, customers, in our ongoing organizational equity and financial inclusion journey. Resilience, the capacity to live and develop with change (slow and abrupt) is at the core of our organisation.

The spread of COVID-19 virus in 2020 escorted KFPL in sweeping shifts in all the ways we work. Our high touch connect had to be changed overnight to a digital connect with customers. To protect everyone's health, we converted KFPL's traditionally in-person convening & collection methods to virtual gatherings, Work-from-home mode and digital collection. Among our staff and partners, this meant up scaling to deploy technology-driven platforms to grab the bull by the horns.

While the growth has been sluggish on account of the pandemic, the bigger worry has been asset quality, deeply impacted by loss of livelihood at the bottom of the pyramid. In my several discussions with our banking partners, I am always championing the cause of our very resilient borrowers who are the 1st to fall in every crisis but also the first to comeback. Using data analytics and tracking tools we aim to reach out and help most of our borrowers come back in the fold of financial inclusion.

The fact that we have always been nimble footed and a learning organisation has helped us cope in these times.

Now, we're even more focused on embedding technology and best practices of inclusion into decisions and investments that reduce inequality and advance an inclusive economy that benefits everyone.

It has been a very difficult year for the financial sector. Change is never easy, and KFPL's road ahead is certain to have bumps. Over last 8 years, our Board, borrowers, staff, and partners established Kamal Fincap as a frontrunner in Indian Microfinance sector, bolstering our core commitment, to unleash the power of people to make positive changes where they live, work, and learn.

Our plan this year is to re-invent our process, focusing on improving employee productivity and efficiency, reducing our operating expense, using better technology, focusing on greater customer connect and increasing our product offering.

I am thrilled to be entrusted with KFPL's leadership. Let's continue to lean on each other, pursuing our mission, doing what we know, and helping to ensure that equity and inclusion are at the centre of the microfinance solutions. I extend my utmost & sincere gratitude to our esteem lenders & investors for continuing their support to our company.

Sincerely,
Mrs. Nidhi Kasliwal
(Managing Director)

Board Of Directors



Nidhi Kasliwal

Managing Director

She is B.com from SRCC and MBA from XIMB. She has over 20 years of experience including 11 years in micro-finance. She was previously associated with GE Capital, Birla group of companies and Kamal Auto Finance Ltd. (NBFC).

She has steered KFPL through various crisis like Demonetisation and local issues of loan waiver and grown the book continuously. Her leadership style makes Kamal Fincap a great place to work for as it evident from the vintage of her core team.



Anshul Kasliwal

Director & Promoter

He holds a bachelor's degree in Mechanical Engineering. He has over 16 years of experience in automobile dealership, infrastructure and distribution network. He has previously served in Australia at company Koukourou Borzillo Engineers briefly. He returned to India to take the helm in the family run business with his technical prowess. New project implementation is his core competence.



Ashish Gupta

Non- Executive Director

He holds an MBA from IRMA. He has over 20 years of experience in Microfinance and Livelihood Promotions. He has previously served as the co-promoter of Jeevika Livelihood Support Organisation, Sonata Finance Pvt Ltd, Microfinance Focus, and Bihar Development Trust. He was also appointed as a Director in few more esteemed organisations. He has also worked with SVCL as Chief Finance Officer from 2009 to 2012.



Uma Shankar Singh

Non- Executive Director

He has done M.Sc. in Agriculture and has infallible experience of over two decades in banking sector. His previous work engagements includes General Manager at UCO Bank and Additional Charge of Chairman at Banking Services Recruitment Board.

Covid Warriors

"It is when a crisis hits you that what kind of a human being you are becomes most valuable" ~Sadhguru

The second wave of Covid -19 came unexpected, creeping up to our doorstep, while we were looking away. Suddenly it gripped the entire nation and we saw horrid images of funeral grounds packed and dead bodies piled up. This wave shook the very foundation of human life in our country.

There was shortage of hospital bed, doctors, oxygen, ventilators, while the numbers of patients multiplied. To top this condition, there was hardly any help for the people worst affected by the disease. The scare of the deadly virus kept even the family members away.



A team from KFPL, we call them our "Covid Warriors" decided to come out and help the needy. While the entire city was locked up they in their Black and blue Tshirt could be seen distributing food packets at the hospitals to the attendants of patients admitted. While on this endeavour they came across many families who lived on the streets and had lost their livelihood to the pandemic and lockdown. They decided to up the game and distribute more packets to cover these families too. Soon a black-blue T-shirt became an image of a messiah bringing food to the needy. The city administration and police applauded their work and allowed them free movement in the city.



A Question of Survival....

Not all of us can do great things. But we can do small things with great love.

-Mother Teresa

The lockdown brought doom to many micro entrepreneurs and people who lived on daily wages. This segment which constitutes the largest percent of our population was left with no or very little savings to sustain themselves.

Our Covid Warriors came across a settlement of Dholak Players who were reduced to begging. There were many such stories of street vendors, auto rickshaw drivers and others where two- square meal was hard to come by.

A team of Volunteers from KFPL decided to make ration kits and help these needy family by providing one month's dry ration to them. This idea caught on and soon we were flooded by calls from different areas asking for help. KFPL decided to distribute over 1000 such ration kits to needy families.



Lives Impacted

- 6000 - Food Packets
- 1000 - Ration Kits

Our Sheroes



Anita Bai

A borrower with KFPL for last 3 years. Loan from KFPL helped set up grocery store. She now actively participates along with her husband in providing for her family.



Arifa Parveen

A 4th cycle member. Loan from KFPL has helped strengthen her entrepreneurial ability. She successfully runs garment store today.



Rameshwari

Financial crisis was a barrier in family's overall growth. She took reins in her hands. Her journey of financial freedom began with KFPL microloan. She started dairy farm.



Ramin Patel

Her husband's income was not enough to cover all her daily expenses. She realised the power of entrepreneurship in her self and with the help of loan from KFPL, she started a small business.

Notice of 25th Annual General Meeting

NOTICE is hereby given that the 25th Annual General Meeting of the Members of the Kamal Fincap Private Limited will be held on Thursday, 30th September, 2021 at 11.30 A.M. at its Registered Office at Plot no 5, Near Bajaj Showroom, Jhalawar Road, Kota-324007 Rajasthan to transact the following business:

Ordinary Business:

1.To consider and adopt the Audited Financial Statements of the company for the year ended March 31, 2021 together with the report of the Board of Directors and Auditors thereon.

2.To declare dividend on preference shares for the financial year ended on March 31, 2021

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

“RESOLVE THAT in terms of recommendation of the Board of Directors of the company, the consent of the members of the Company be and is hereby given to declare dividend on 10.50% Non Cumulative Non Convertible Redeemable preference shares at the rate of Rs. 10.50 (Rupees Ten and Fifty Paise) per preference share of Rs. 100/- (Rupees Hundred Only) each fully paid up aggregating to Rs.5,98,500/- (Rupees Five Lacs Ninety Eight Thousand and Five Hundred Only) for the year ended as on March 31, 2021 and the same shall be paid out of the profits of the company, to those preference shareholders whose name appears on the Register of members as on March 31, 2021.

RESOLVED FURTHER THAT Mrs. Nidhi Kasliwal, Managing Director (DIN: 02227201), of the company, be and is hereby authorized to do all such acts, deeds and things as may be incidental or necessary to give effect to the above resolution.”

By the Order of the Board

For KAMAL FINCAP PRIVATE LIMITED

sd/-

NIDHI KASLIWAL

Managing Director

DIN: 02227201

Notes:

1.The Company has taken all the preventive/ precautionary measures while making arrangement for this Annual General Meeting to ensure the safety of all its shareholders, employees and other stakeholders participating in the Annual General Meeting in accordance with the guidelines on Preventive Measures to contain spread of COVID-19 issued by Ministry of Health and Family Welfare, Government of India.

Kindly note the following precautions to be undertaken while attending the AGM in person due to the outbreak of pandemic COVID-19:

- Members are requested to wear mask at the entry and at all time during the meeting;
- Members are requested to follow the disinfectant process and make themselves subject to temperature check available at the venue of the Meeting before entering into the office premises and to sanitize their hands frequently throughout the Meeting;

Notice of 25th Annual General Meeting

Members are requested to maintain physical distance of at least 6 feet (about 2 arm's length);

- Members are requested to cover their mouth and nose with a disposable tissue while coughing or sneezing and use the nearest waste receptacle to dispose of the tissue after use.

Note: Any member displaying symptoms of illness or being part of a risk group is specifically requested not to attend the AGM.

2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company.

3.The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

4. Corporate members intending to send their authorized representative to attend the meeting are requested to send a certified true copy of Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.

5. Member seeking any information or clarification on the Accounts are requested to send in written queries to the company, before the date of the meeting in order to enable the company to compile the information and provide the replies at the meeting, if the chairperson permits to furnish such information.

6. Members are requested to:

a) Intimate changes, if any, in their communication addresses to the Company at early date;

b) Quote their Folio no in all their correspondence with the Company;

c) Bring their copy of the Annual Report to the Annual General Meeting.

7.Members can address their queries to the Company at cs.simran@kamalfincap.com.

8.Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office on all working days except Saturdays and Sundays during business hours of the Company up to date of the meeting.

9.The Register of Directors and Key Managerial Personnel maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

10 The Register of Contracts or arrangements in which Directors are interested, maintained under section 189 of the Companies Act 2013, will be available for inspection by the members at the Annual General Meeting.

Directors' Report

Your Directors have pleasure in presenting their 25th Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended 31st March, 2021.

1. Financial Summary or Highlights

Particulars	31 st March, 2021	31 st March, 2020
Income from Operations	357,425,084	309,078,820
Other Income	21,841,226	17,897,918
Total Income	379,266,310	326,976,738
Profit Before Depreciation & Tax	13,783,082	83,928,113
Less: Depreciation	5,078,804	4,554,940
Profit Before Tax	8,704,278	79,373,173
Less: Tax Expenses	2,370,896	21,741,472
Profit After Tax	6,333,382	57,631,701

2. Brief description of the Company's working during the year/State of Company's affair

The Company is engaged in business of Micro finance since November 2013. In March 2020, the entire country came to a grinding halt. KFPL and its stakeholders like customers and partners were no exception to this. For almost 45 days there was no economic activity in the country effecting lacs of our women borrowers who live on daily earnings.

There were no disbursements or collection during this period, but KFPL stood by both its employees and customers. We connected with our employees to keep their morale up during lockdown, helping them upskill, running various training programmes. For the customers we set up an information centre to dispel fears about COVID and educate them on this new disease. The entire company turned its resources into tele-calling and we reached our customer base, not once but several time reposing faith in them that we are standing by them.

There were no layoffs in the company and each and every employee felt like a COVID warrior helping the marginalised and weaker section of the society get more and more information on COVID.

The teams bonded better using digital channel and we were able to conduct many rewards and recognition activity for the team.

Directors' Report

Armed with this team of motivated staff, KFPL was able to spring back on its feet in the last quarter of Financial Year 2020-21, with disbursement numbers picking up to pre COVID levels and recovery numbers improving. Our AUM numbers improved from March, 2020 Rs.396 to Rs. 455 crores at the end of the financial year 2020-21. The profits of the Company is significantly reduced from Rs.5.76 Crores to Rs.0.63 Crores in the year under review.

We took loses of Rs. 8.66 Crores as Bad debts on account of livelihood lost by our borrowers, yet were able to be profitable. Our PAT numbers dropped drastically on account of these losses but we decided to work with it and make changes to work in this new environment of post COVID. The rigour and discipline of our team and support of customers helped reduce these losses to 1.9% of our AUM which when compared with the industry numbers are much lower. (The report published by MFIN for March 2021 shows NPA rates to be 3.11%). The income from operations of the company has increased by 15.64%.

The pandemic brought us the new normal and your company adapted to resume business with social distancing, digital platform, Work from home set up etc. The year 2020-21 was full of challenges but the company has resilience and ability to deal with various prior crisis which gave the strength to move on effectively. The company expanded its operations to Jharkhand by opening seven branches and also entered into BC partnership with Utkarsh Small Finance Bank. Apart from that, Company launched Gold Loan with DCB Bank, Rural Assets Product with Yes bank during the year. Also launched liabilities product by opening BCBO outlets with YES Bank in the financial year 2020-21.

3.Dividend

During the year under review, the Board of Directors of your Company is pleased to recommend a dividend of Rs. 10.50/- per preference share (face value of Rs. 100 each @ 10.50%) payable to those preference shareholders whose names appear in the Register of Members as on 31st March, 2021.

Your directors do not recommend any dividend for equity shareholders for the year under review.

4.Transfer to Reserves

During the year under review, your Directors' has decided not to transfer any amount to the reserves.

5.Changes in Nature of Business

The Company is engaged in the business of microfinance, two wheeler loans and business loans and provides business correspondent services to banks and NBFCs. There is no change in nature of business of the company during the financial year 2020-21.

Further, the company added liabilities products also in the operations of the company and opened 17 BCBO branches.

6.Material changes and commitments

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Directors' Report

7.Details of significant and material orders passed by the regulators or courts or tribunals

In pursuance to Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014, during the year under review, there were no significant and material orders passed by any Regulator or Court or Tribunal against the company, which may impact the going concern status or future operations of the company.

8.Statutory Auditors

M/s NSB & Associates, Chartered Accountants, New Delhi, having Firm Registration No. 023043N, was appointed as Statutory Auditors of the Company in 23rd Annual General Meeting dated 14th September, 2019 for the audit of annual accounts of the Company from the FY 2018-19 to FY 2021-22.

Company has received certificate from the Auditors to the effect they are not disqualified to continue as statutory auditors under the provisions of applicable laws.

9.Board's Comment on Auditors' Report

The observations made in the Auditors' Report of the financial year 2020-21, read together with the relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

10.Fraud Reporting

During the year under review, Auditors of the company have not reported any instances of frauds committed in the Company by its Officers or Employees under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

11.Share Capital

The Authorised Share Capital of the company is Rs. 15,00,00,000/- (Rupees Fifteen Crores) divided into 1,44,30,000 (One Crore Forty Four Lacs Thirty Thousand) Equity Shares of Rs.10/- each amounting to Rs.14,43,00,000/- (Rupees Fourteen Crores Forty Three Lacs Only) and 57,000 (Fifty Seven Thousand) 10.50% Non Cumulative Non Convertible Redeemable preference shares of Rs.100/- (Rupees Hundred Only) each amounting to Rs.57,00,000/- (Fifty Seven Lacs only).

The Paid-Up Share Capital of the Company is Rs. 6,28,85,730/- (Rupees Six Crores Twenty Lacs Eighty Five Thousand Seven Hundred and Thirty only) divided into 57,18,573 (Fifty Seven Lacs Eighteen Thousand Five Hundred and Seventy Three) Equity Shares of Rs. 10/- (Rupees Ten)each amounting to Rs.14,43,00,000/- (Rupees Fourteen Crores Forty Three Lacs Only) and 57,000 (Fifty Seven Thousand) 10.50% Non Cumulative Non Convertible Redeemable preference shares of Rs.100/- (Rupees Hundred Only) each amounting to Rs.57,00,000/- (Fifty Seven Lacs only).

During the year under review, there was no change in the share capital of the company.

12.Details of Subsidiary / Joint Ventures / Associate Companies

The Company does not have any Subsidiary, Joint Venture Company or Associate Company as on March 31, 2021 and any information for this purpose is not applicable to the company.

Directors' Report

13. Deposits

During the year under review, the Company has not accepted any deposit from the public under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014. No amounts were outstanding which were classified as 'Deposits' under the applicable provisions of Companies Act, 2013 as on the date of balance sheet.

14. Details in respect of Internal Financial Controls with reference to Financial Statements

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures 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.

15. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

a) Energy conservation & Technology Absorption:

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy.

Since the Company is not engaged in any manufacturing, the information in connection with technology absorption is NIL

b) Foreign exchange earnings and Outgo:

The foreign exchange earnings and outgo as required under

section 134(3)(m) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014, during the financial year 2020-21 as follows:

Total foreign exchange earned- NIL

Total foreign exchange outgo - NIL

16. Particulars of loans, guarantees or investments under section 186

During the year under review, the company has not given any loan, guarantee or made any investment under the provisions of section 186 of the Companies Act, 2013.

17. Extract of Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on www.kamalfincap.com.

18. Disclosures related to Directors and Key Managerial Personnel

The Board is entrusted with ultimate responsibility of the management, directions and performance of the Company. Board conducts and exercises the overall supervision and control by setting the goals and policies, reporting mechanism and decision making processes to be followed.

During the financial year, the Company has received miserable news regarding sudden demise of Mr. Deshnidhi Kasliwal, Promoter and Director of the Company. During his tenure of office, he has made distinct and immense contribution towards the growth of the Company. The Board placed on record the valuable guidance, support and advice extended by him during his tenure.

Directors' Report

19. Disclosures related to Board and Committee Meetings

a) Board Meetings

The Board of Directors met 5 times during the financial year 2020-21 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The date of Board meetings are June 15, 2020, September 02, 2020, October 16, 2020, January 23, 2021 and March 20, 2021.

Name of Director	Designation	No. of Board Meetings during the financial year 2020-21	
		Entitled to Attend	Attended
Mrs. Nidhi Kasliwal	Managing Director	5	5
Mr. Anshul Kasliwal	Director	5	5
Mr. Deshnidhi Kasliwal	Director (till Sept 18, 2020)	2	0
Mr. Ashish Kumar Gupta	Non Executive Director	5	4
Mr. Uma Shanker Singh	Non Executive Director	5	4
Mr. Mohan Chandanathil Pappachan	Additional Director (till May 28, 2020)	0	0

As per applicable laws and regulations the Board shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. However, due to the pandemic of COVID-19 and considering the restrictions, including free movement of people, thereby hampering businesses and day to day functioning of companies the Ministry of Corporate Affairs (MCA) vide its General circular No. 11/2020 dated March 24, 2020 has provided certain relaxations from compliance stipulations specified under the Companies Act, 2013 and rules made there under. The said circular eases out the mandatory requirement of holding meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 (120 days) which stands extended by a period of 60 days till next two quarters i.e., till September 30, 2020.

Accordingly, as a onetime relaxation the gap between two consecutive meetings of the Board extend to 180 days, instead of 120 days as required in the Companies Act, 2013.

In view of the same, even though there is a gap of more than 120 days between the previous meeting and the next Board meeting to be held on after the prescribed time period, the meeting stands valid.

The frequency of board meetings and quorum at such meetings were in accordance with the Companies Act, 2013 and compliances of Secretarial Standards-1 (SS-1) on Meetings of the Board of Directors issued by ICSI. The intervening gap between any two meetings was within the period prescribed [extended by Ministry of Corporate affairs (MCA)] by the Companies Act, 2013

b) Committees of the Board

The Company has voluntarily constituted following committees of the Board of Directors:

- **Audit Committee**

The audit committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014. The primary objective of the Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting.

Directors' Report

Composition and Attendance:

The Committee's Composition is in line with the requirements of section 177 of the Companies Act, 2013.

During the financial year 2020-21, three meeting of Audit committee was held as detailed below:

Name of Committee Members	Designation / Category	Attendance of the members at the Committee Meetings		
		Oct 16, 2020	Jan 23, 2021	March 20, 2021
Mr. Ashish Kumar Gupta	Non-Executive Director; Chairman	Yes	Yes	Yes
Mr. Uma Shanker Singh	Non-Executive Director; Member	Yes	Yes	Yes
Mrs. Nidhi Kasliwal	Managing Director; Member	Yes	Yes	Yes

• HR Committee

During the financial year 2020-2021, two meetings of the HR Committee were held as detailed below:

Name of Committee Members	Designation/ Category	Attendance of the members at the Committee Meetings	
		October 16, 2020	March 20, 2021
Mr. Uma Singh Shanker	Non-Executive Director; Chairman	Yes	Yes
Mr. Ashish Kumar Gupta	Non-Executive Director; Member	Yes	Yes
Mrs. Nidhi Kasliwal	Managing Director; Member	Yes	Yes

• Corporate Social Responsibility Committee:

Composition and Attendance

The Committee's Composition is in line with the requirements of section 135 of the Companies Act, 2013.

During the financial year 2020-21, only two meeting of CSR committee was held as detailed below:

Name of Committee Members	Designation/ Category	Attendance of the members at the Committee Meetings	
		23 rd January, 2021	20 th March, 2021
Mr. Ashish Kumar Gupta	Non-Executive Director; Chairman	Yes	Yes
Mr. Uma Shanker Singh	Non-Executive Director; Member	Yes	Yes
Mrs. Nidhi Kasliwal	Managing Director; Member	Yes	Yes

The Annual Report on CSR activities of the Financial Year 2020-21 with requisite details in the specified format as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed at Annexure-I and forms part of this Board's report. The CSR Policy of the company is enclosed in Annexure-II and form part of this report.

20.Risk Management and Control

The Company recognized that risk is an integral part of business and is committed to managing the risk in a proactive and efficient manner so the company has developed and implemented a risk management policy which identifies major risk which may threaten the existence of the Company. The same has been adopted by the Board. Risk mitigation process and measures have been also formulated and clearly spelled out in the Risk Management Policy.

The Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in strategy, business and operational plans.

Directors' Report

21.Board Evaluation

The provision of section 134(3) (p) relating to board evaluation is not applicable on the company.

22.Prevention, Prohibition and Redressal of Sexual Harassment at workplace

In order to prevent sexual harassment of women at work place “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” was notified on December 09, 2013, under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

In terms of the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace.

Company has formed an “Internal Complaints Committee” for prevention and redressal of sexual harassment at workplace. The Committee is having requisite members and is chaired by a senior woman member of the organization. The following is a summary of sexual harassment complaints received and disposed of during the year 2020-21:

Details of Complaints	
Number of complaints at the beginning of FY 2020-21	NIL
Number of complaints of sexual harassment received in the FY 2020-21	NIL
Number of complaints disposed off during the year to FY 2020-21	NIL
Number of complaints to be carried down to FY 2021-22	NIL
Number of complaints pending for more than ninety days	NIL

23.Particulars of Contracts or Arrangements with Related Parties

During the financial year ended March 31, 2021, all transactions with the Related Parties as defined under section 188 the Companies Act, 2013 read with Rules framed thereunder were in the ‘ordinary course of business’ and ‘at arm's length’ basis.

During the year under review, your Company did not enter into any Related Party Transactions which require prior approval of the Members. All Related Party Transactions of your Company had prior approval of the Audit Committee and the Board of Directors. Subsequently, the Audit Committee and the Board have reviewed the Related Party Transactions on a periodic basis. During the year under review, there has been no materially significant Related Party Transactions having potential conflict with the interest of the Company.

Since all Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm’s length basis, therefore details required to be provided in the prescribed Form AOC-2 is not applicable to the Company. Necessary disclosures required under the AS-18 have been made in Note No. 11 of the Notes to the Financial Statements for the year ended March 31, 2021.

Directors' Report

24. Managerial Remuneration

None of the employees of the Company employed throughout the financial year 2020-21 were in receipt of remuneration in excess of the limits as prescribed under section 197 of the Companies Act, 2013, read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence no particulars are required to be given.

25. Vigil Mechanism / Whistle Blower Policy

The Provisions of Vigil Mechanism under Section 177(9) and (10) of the Companies Act, 2013 are not applicable to the company.

26. Directors' Responsibility Statement

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013 and to the best of their knowledge & belief and according to the information and explanations obtained, your Directors' state that:

(a) In the preparation of the annual financial statements for the year ended 31st March, 2021, the applicable accounting standards has been followed and proper explanations has been provided relating to material departures, if any;

(b) Such accounting policies has been selected and applied 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 as at 31st March, 2021 and of the profit and loss of the Company for the year ended on that date;

(c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The annual financial statements have been prepared on a going concern basis; and

(e) Requisite internal financial controls were in place and that such financial controls were adequate and were operating effectively;

27. Statement on Compliances of Applicable Secretarial Standards

Pursuant to the approval given on 10 April 2015 by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1 July 2015. The said standards were further amended w.e.f. 1 October 2017. The Company is in compliance with the same.

28. Other Disclosures

Other disclosures with respect to Board's Report as required under the Companies Act, 2013 and the Rules notified there under are either NIL or NOT APPLICABLE.

29. Acknowledgements and Appreciation

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF
KAMAL FINCAP PRIVATE LIMITED

Date: 27.09.2021

Place: KOTA

Sd/
NIDHI KASLIWAL
(MANAGING DIRECTOR)
(DIN: 02227201)

Sd/
ANSHUL KASLIWAL
(DIRECTOR)
(DIN: 02906110)

Annual Report on CSR

Annexure-I to Directors' Report

1. Brief outline on CSR Policy of the Company: The Company has own CSR policies having constitution of CSR Committee, type of activities on which CSR fund can be spend by the Company.

2.The Composition of the CSR Committee as on 31st March, 2021 is as under:

Sr. No.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during year
1	Mr. Ashish Kumar Gupta	Chairman, Non-Executive Director	2	2
2	Mr. Uma Singh Shanker	Member, Non-Executive Director	2	2
3	Mrs. Nidhi Kasliwal	Member, Managing Director	2	2

3.Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://www.kamalfincap.com>

4.Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014: Not Applicable

5.Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
N.A.			

6.Average net profit of the company as per Section 135(5): Rs. 5,69,94,991/-

7. a. Two percent of average net profit of the company as per section 135(5): Rs. 11,39,900/-

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

c. Amount required to be set off for the financial year, if any: NIL

d. Total CSR obligation for the financial year (7a+7b-7c): Rs. 14,38,992/- (11,40,000 (budget of the year) + 2,98,992 (csr balance remain unspent in 2020 and carry forwarded in year 2021))

8.a. CSR amount spent or unspent for the financial year.

the financial year (In Rs.)	Total amount transferred to unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5)		
2020-21	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
3,05488	11,33,504	31/03/2021	NA	NIL	NA

Annual Report on CSR

Annexure-I to Directors' Report

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR Account for the project as per section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Agency	
				State	District						Name	CSR Registration Number
1.	Government School, Ghatol	Education	Yes	Rajasthan	Bilwara	3	577110/-	49878/-	527232/-	Yes		

b. Details of CSR amount spent against other than ongoing projects for the financial year: 255610/-

-1	-2	-3	-4	-5		-6	-7	-8	-9	-10	-11	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII	Local area	Location of the project		Project Duration	Amount allocated for the project	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR Account for the project as per section 135(6) (in Rs.)	Mode of Implementation Direct	Mode of Implementation Agency	
			(Yes/No)	State	District		(in Rs.)		(in Rs.)	(Yes/No)	Name	CSR Registration Number
1	Women & girl child education, livelihoods, health & Eradicating hunger	Eradicating hunger, promoting health care, Promoting education, vocation skills, livelihood trainings	YES	Focused in Rajasthan, and also at Punjab, Haryana, Madhya Pradesh, Maharashtra & Chhattisgarh	Bhilwara, Chittor, Salumber, Tikamgarh, Jalgaon, Gwalior, Mansa, Panipat, Jakhhal, Narwana, Arang, Kaithoon, Baran etc...	2	8,61,882	255610	6,06,272/-	Yes		

- c. Amount spent in Administrative Overheads: NIL
d. Amount spent on Impact Assessment, if applicable: NIL
e. Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 11,33,504/-
f. Excess amount for set off, if any: NIL

9.a. Details of Unspent CSR amount for the preceding three financial years: NIL

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10.In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NA

11.Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

FOR KAMAL FINCAP PRIAVTE LIMITED

Sd/-
Nidhi Kasliwal
Managing Director
(Member of CSR Committee)
DIN: 02227201

Sd/-
Ashish Kumar Gupta
Non Executive Director
(Chairman of CSR Committee)
DIN: 01819088

Date: 27.09.2021

Place: Kota

Corporate Social Responsibility Policy

Annexure-II to Directors' Report

1.Title and Applicability

The document describes the Corporate Social Responsibility Policy (“CSR policy”) of M/s Kamal Fincap Pvt. Ltd. (“KFPL” or “the company”). It includes KFPL’s vision, mission and other relevant attributes of Corporate Social Responsibility.

The CSR policy shall be guided by KFPL’s corporate philosophy of respect for the individual and the society at large.

The CSR policy has been formulated in accordance with Section 135 of the Companies Act 2013 and the CSR Rules 2014 and the relevant amendments / notifications / circulars.

The CSR policy shall apply to all CSR programs of KFPL

2.Vision and Mission

Kamal Fincap Private Limited is in the business of promoting of financial inclusion. The Company acts as Authorized Business Correspondents to multiple Banks and Non Banking Financial Companies in India.

KFPL is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns including promoting education, promoting sports in rural areas, road safety, healthcare, environmental sustainability, and other Skill development activities.

In pursuance of our vision that KFPL desires to be a ‘Company which society wants to exist’, we are dedicated towards fulfilling the social objectives through various CSR activities. The Company shall make its endeavour to positively impact and influence the Society for its sustainable development.

3.Purpose

The Companies Act, 2013 has brought greater emphasis on CSR with rules that provide guidance on minimum CSR spend, focus areas, implementation mechanism and reporting to the shareholders of the company.

KFPL CSR Policy has been designed keeping in view the company’s business vision, its CSR vision and long-term social objectives that the company wants to achieve. KFPL CSR Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism.

4.Scope

This Policy shall apply to all the Projects / Programmes undertaken as part of Company’s CSR activities and will be developed, reviewed and updated by reference to relevant codes of corporate governance.

5.Responsibility of the Board of Directors

The responsibility of the Board of Directors shall be as under:

- a) To approve the CSR Policy & disclose the contents of such policy in its report and also place it on the Company’s website;
- b) Ensure that the activities proposed in the CSR Policy are undertaken;
- c) Ensure that the company spends, in every financial year, at least 2% of average net profits of the company made during the 3 immediately preceding financial years, as required under Section 135 of the Companies Act, 2013 & Rules made thereunder;

Corporate Social Responsibility Policy

Annexure-II to Directors' Report

d) If company fails to spend the sum as mentioned above, then the Board shall, in its Report specify the reasons for not spending the amount.

6.GOVERNANCE STRUCTURE

6.1. Constitution of CSR Committee

A Corporate Social Responsibility Committee (“the CSR Committee”) has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

As per Section 135 of the Companies Act 2013, every company having –

- (a) Net worth of Rs.500 crores or more; or
- (b) Turnover of Rs.1,000 crores or more; or
- (c) Net profit of Rs.5 crores or more, during any financial year,

is required to spend at least 2% of its average net profit for the directly preceding three financial years on Corporate Social Responsibility (CSR) activities.

For this Purpose, ‘Average Net Profit’ shall be calculated in accordance with the provisions of section 198 of the Companies Act 2013 after deducting there from the dividends that may be received from the Companies in India which are covered under and complying with the provisions of section 135 of the Companies Act 2013.

The Company shall use the CSR capacities of its own personnel in executing the CSR activities and also effectively monitoring the same but such CSR expenditure shall not exceed 5% of total CSR expenditure of the Company in one financial year.

The Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

The composition of CSR Committee shall be disclosed in the Board of Directors’ Report.

6.2. Responsibilities of the CSR Committee

- a) To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;
- b) To review and approve annual budgets with respect to CSR programs;
- c) To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013;
- d) To ensure that KFPL corporate website displays the approved CSR policy of the company
- e) To monitor the CSR Policy, Projects and Programs from time to time.

Corporate Social Responsibility Policy

Annexure-II to Directors' Report

6.3 Meetings of CSR Committee

The CSR Committee shall meet at least twice in a year. The meeting shall be held either at the registered office of the company or any other place, as may be decided by the members.

Physical presence of a minimum of two members of the committee shall constitute the quorum.

6.4 Notice of Meeting

At least three days advance notice of every meeting, specifying the day, place and timing of Meeting and the general nature of the business to be transacted there at shall be given to the members. In urgency, a meeting may be convened by shorter notice.

7.Areas of CSR Activities

The Company is hereby devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes, including but not limited to the following areas:

- a).Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
- b).Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

c).Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

d).Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water, including contribution to the Clean Ganga Fundset-up by the Central Government for rejuvenation of river Ganga;

e).Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

f).Measures for the benefit of armed forces veterans, war widows and their dependents; Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows

g).Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

h).Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, and other backward classes, minorities and women;

Corporate Social Responsibility Policy

Annexure-II to Directors' Report

i(1) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(2) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

j).Rural Development Projects;

k).Slum area development;

l). Disaster management, including relief, rehabilitation and reconstruction activities

m). Activities related to promotion of road safety as suggested vide General Circular No. 21/2014 dated 18.06.2014 issued by Ministry of Corporate Affairs.

Explanation- For the purposes of this item, the term slum area shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

The Above list is illustrative not exhaustive. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society and comes under the purview of Schedule VII of Companies Act, 2013 and rules made thereunder, amended from time to time.

Exclusions:

Following activities shall be excluded from the CSR expenditure of KFPL:

a)Activities which are exclusively for the benefit of employees of the company or their family members;

b)Activities undertaken in pursuance of normal course of business of the Company;

c)Direct or indirect contribution to political parties;

d)Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;

e)Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

Corporate Social Responsibility Policy

Annexure-II to Directors' Report

8.1.Modalities For Implementation For CSR Projects / Programmes

The Company shall undertake its CSR activities either directly or through a Registered Trust or through a Registered Society or established another company under section 8 of the Companies Act 2013 or even collaborate with other entities.

9.1.Geographies And Beneficiaries

9.1.Geographies

KFPL will give preference to the local areas around its operations for spending the amount earmarked for CSR activities. KFPL operations are mainly concentrated in the following areas:

- State of Rajasthan
- State of Madhya Pradesh
- State of Punjab
- State of Haryana
- KFPL may undertake CSR activities in any other area in India as may be decided, from time to time

9.2.Beneficiaries

The beneficiaries of KFPL's CSR programs may be the following categories of people:

- Children/students
- Women
- Weaker sections of the society
- Others – society at large

10.Implementation Mechanism

The company may conduct / implement CSR programs by itself and/or through registered trusts, societies and / or Non profit organisations under section 8 of the Companies Act 2013 (previously section 25 of Companies Act 1956) with an established track record of at least three years in carrying on activities in the related area/s or as suggested by Ministry of Corporate Affairs vide circulars/notifications.

The company may collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.

The progress will be reported to the CSR Committee during the committee meetings. The progress on CSR programs undertaken by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules 2014.

Format for Annual Report

The Annual Report							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub heads: 1. Direct expenditure on projects or programmes 2. Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total							

Corporate Social Responsibility Policy

Annexure-II to Directors' Report

11. Monitoring And Reporting Of CSR Activities

The KFPL CSR team shall be responsible for day to day management of CSR related activities of the company. The team shall periodically report to the CSR committee regarding the financial and programmatic progress of CSR projects.

All projects undertaken by KFPL shall be monitored on a regular basis. On-site monitoring would also be undertaken at least once a year to ensure on-track implementation.

The CSR team shall be empowered to appoint an external third party to monitor / review / audit the progress (financial and programmatic) of the CSR projects.

12. Effective Date

The CSR Policy shall be effective from the date of its approval by the Board of Directors in their meeting held on dated 16th December, 2019. Provided, however, that all the acts done in pursuance of the earlier CSR Policy shall stand ratified and covered under this policy.

13. Amendments To The CSR Policy

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.

LAST AMENDED MONDAY 27TH DAY OF SEPTEMBER, 2021

Independent Auditors' Report

To the Members of Kamal Fincap Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kamal Fincap Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit And Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2021, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent auditors 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.

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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditors' Report

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance 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 financial statements that give a true and fair view of the financial position, financial performance, 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 implementation and maintenance of 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 statement 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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 skepticism throughout the audit. We also:

Independent Auditors' Report

- Identify and assess the risks of material misstatement of the standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone 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.

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements

1.As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.

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

(a)We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c)The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d)In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

(e)On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f)With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".

(g)Other matter Paragraph (OMP) – Scope Limitation due to COVID 19.

The opinion expressed in the present report is based on the limited information, facts and inputs made available to us through electronic means by the organization's management. We wish to highlight that due to the COVID 19 induced restrictions on physical movement and strict timelines, undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:

- Inspection, observation, examination and verification of the original documents/files
- Physical verification of cash, stationery items including adequate internal controls thereof
 - Verification of the valuation and legal reports of the Immovable properties charged to the bank branch
 - Examination of the FA registers physical verification process / Stationery movement records
- Physical verification of title documents, investments records.

Independent Auditors' Report

- Physical verification of minute's books, meeting registers.
- Physical verification of project activities on sample basis.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- The Company does not have any pending litigations which would impact its financial position.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N S B & Associates
Chartered Accountants
Firm's Reg. No.-023043N

Place: Delhi

Date: 27.09.2021

Sd/-
Nandan S. Bisht
Partner

Membership No.:099805

UDIN: Ref No. 21099805AAAALF6018-KFC

“Annexure — A” referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the financial statements of Kamal Fincap Private Limited (“the Company”) as at and for the year ended March 31, 2021

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(b) Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There was no disposal of a substantial part of a Property, Plant & Equipment during the year.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

Independent Auditors' Report

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) According to the information and explanations given to us, the company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable.

(vi) The Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services rendered by the Company.

(vii) (a) Undisputed statutory dues including income-tax, goods and service tax, and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, goods and service tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax and goods and service tax which have not been deposited on account of any dispute.

In respect of sub clause (vii) (a) to (vii) (b) above, the Company did not have any dues towards wealth-tax, sales-tax, customs duty, excise duty, value added tax, goods and services tax and cess during the year.

(viii) In our opinion and according to the information and explanations given by the management, the company has not defaulted in repayment of loans or borrowings to any financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand. '

(x) The company has provided disclosures in the financial statements as to the fraud cases noticed / reported during the year. As on March 31, 2021, no fraud noticed by company.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act.

(xii) The company is not a Nidhi company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standard.

Independent Auditors' Report

(xiv) The Company has not made preferential allotment or private placement of Compulsorily Convertible fully paid up Preference shares during the year under review. Requirement of relevant provisions of the Companies Act 2013 has been dealt with.

(xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with the directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly the provision of clause 3(xvi) of the order are not applicable to the company and hence not commented upon.

For N S B & Associates
Chartered Accountants
Firm's Reg. No.-023043N

Place: Delhi

Date: 27.09.2021

Sd/-
Nandan S. Bisht
Partner
Membership No.:099805
UDIN: Ref No. 21099805AAAALF6018-KFC

“Annexure — B” referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the financial statements of Kamal Fincap Private Limited (“the Company”) as at and for the year ended March 31, 2021

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

We have audited the internal financial controls over financial reporting of Kamal Fincap Private limited (“the Company”) as of March 31, 2021 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 the 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 Act.

Independent Auditors' Report

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 as specified under section 143(10) of the Act, to the extent 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 judgment, 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Independent Auditors' Report

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, 2021, 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.

Place: Delhi

Date: 27.09.2021

**For N S B & Associates
Chartered Accountants
Firm's Reg. No.-023043N**

**Sd/-
Nandan S. Bisht
Partner**

**Membership No.:099805
UDIN: Ref No. 21099805AAAALF6018-KFC**

Audited Financial Statements

Audited Balance Sheet

(Amount in Rupees unless otherwise stated)			
Balance Sheet as at	Notes	31-Mar-21	31-Mar-20
Equity and liabilities			
Shareholder's funds			
Share capital	1	6,28,85,730	6,28,85,730
Reserves and surplus	2	15,72,16,688	15,14,81,806
Non-current liabilities			
Long-term borrowings	3	8,56,03,145	7,31,37,217
Current liabilities			
Short-term borrowings	-	-	-
Other current liabilities	4	9,34,49,186	3,20,50,824
Short-term provisions	5	33,97,309	2,29,03,743
TOTAL		40,25,52,058	34,24,59,320
ASSETS			
Non-current assets			
Property Plant & Equipments	6	97,12,161	1,12,85,798
Long-term loans and advances	7	40,000	40,000
Non-current investment	8	1,64,30,743	2,60,35,743
Deferred tax assets (net)		11,53,152	7,25,238
Current assets			
Trade Receivables		2,19,467	66,623
Cash and cash equivalents	10	8,40,58,547	5,03,10,383
Short-term loans and advances	7	1,42,09,913	1,86,58,332
Other current assets	9	27,67,28,075	23,53,37,203
TOTAL		40,25,52,058	34,24,59,320

Summary of significant accounting policies 11

The accompanying notes are an integral part of the financial statement

As per our report of even date

For N S B & ASSOCIATES

Chartered Accountants

FRN : 023043N

For and on behalf of the Board of Directors of

Kamal Fincap Private Limited

Sd/-
Nandan S. Bisht
Partner
Membership No. 099805

Sd/-
ANSHUL KASLIWAL
Director
DIN : 02906110

Sd/-
NIDHI KASLIWAL
Director
DIN : 02227201

Sd/-
SIMRANJEET KAUR
Company Secretary
M. No. A36242

Place: New Delhi

Date: 27.09.2021

Audited Statements of Profit & Loss

(Amount in Rupees unless otherwise stated)			
Statement of profit and loss for the year ended	Notes	31-Mar-21	31-Mar-20
Income			
Revenue from operations	12	35,74,25,084	30,90,78,820
Other income	13	2,18,41,226	1,78,97,918
Total revenue (I)		37,92,66,310	32,69,76,738
Expenses			
Employee benefit expense	14	20,47,18,131	18,25,03,736
Finance costs	15	89,60,250	69,35,362
Other expenses	16	15,18,04,847	5,36,09,527
Depreciation and amortisation expenses	6	50,78,804	45,54,940
Total expenses (II)		37,05,62,032	24,76,03,565
Profit / (Loss) Before prior period adjustments & tax		87,04,278	7,93,73,173
Prior period adjustments		-	-
Profit before tax (III) = (I)-(II)		87,04,278	7,93,73,173
Tax expense			
Current tax		27,98,809	2,22,00,673
Income tax relating to earlier years		-	-
Deferred tax		4,27,914	4,59,202
Total tax expense (IV)		23,70,896	2,17,41,471
Profit/(loss) after tax (III)-(IV)		63,33,382	5,76,31,701
APPROPRIATION			
Profit brought forward from the previous years			
Available for appropriation		63,33,382	5,76,31,701
Transfer to:			
Statutory reserve		-	-
General reserve		-	-
Balance carried to balance sheet		63,33,382	5,76,31,701
Earnings per equity share			
[Nominal value of share Rs.10 (March 31, 2021: Rs.10)]			
Basic (Computed on the basis of total profit for the year)		1.11	10.08
Diluted (Computed on the basis of total profit for the year)		1.11	10.08

Summary of significant accounting Policies 11

The accompanying notes are an integral part of the financial statement

As per our report of even date

For N S B & ASSOCIATES

Chartered Accountants

FRN : 023043N

For and on behalf of the Board of Directors of

Kamal Fincap Private Limited

Sd/-
Nandan S. Bisht
Partner
Membership No. 099805

Sd/-
ANSHUL KASLIWAL
Director
DIN : 02906110

Sd/-
NIDHI KASLIWAL
Director
DIN : 02227201

Sd/-
SIMRANJEET KAUR
Company Secretary
M. No. A36242

Place: New Delhi

Date: 27.09.2021

Statements of Cash Flow

(Amount in Rupees unless otherwise stated)		
Cash Flow Statement for the Year Ended	31-Mar-21	31-Mar-20
A) Cash Flow from Operating Activities		
Net Profit before Tax	87,04,278	7,93,73,173
Adjutments for :		
Depreciation	50,78,802	45,54,940
interest and financing charges	89,60,250	70,45,773
interest income	(1,78,51,632)	(1,35,32,401)
Profit on Sale of Mutual fund	(21,71,656)	(36,46,090)
Proposed Dividend	5,98,500	7,03,070
	(53,85,735)	(48,74,708)
Operating profit before working capital changes	33,18,542	7,44,98,465
Adjustment for changes in working capital		
(Increase)\decrease in Trade Receivables	(1,52,844)	8,73,803
(Increase)\decrease in Short Term Loans and Advances	44,48,419	35,98,289
Increase\decrease in Other Current Assets,	(50,92,674)	21,28,774
Increase\decrease other current and Non current Liabilities	4,18,91,929	1,34,68,695
	4,10,94,831	2,00,69,561
Cash generated form Operations	4,44,13,373	9,45,68,026
Tax paid(including TDS) (net)	33,97,309	2,06,53,351
Net Cash from/(used in) Operating Activities (A)	4,10,16,064	7,39,14,675
B) Cash Flow from investing Activities		
Purchase of fixed Assets & intangible Assets	(35,05,167)	(1,02,94,558)
Investment in Mutual Funds	96,05,000	2,10,32,175
Investment in Fixed Deposits	(3,62,98,198)	(8,03,55,362)
Interest Income	1,78,51,632	1,35,32,401
Profit on Sale of Mutual fund	21,71,656	36,46,090
Net Cash from/(used in) investing Activities (B)	(1,01,75,077)	(5,24,39,254)
C) Cash Flow from financing Activities		
proceeds from Security Premium	-	-
Proposed Dividend	(5,98,500)	(7,03,070)
proceeds from long term borrowings	1,24,65,928	1,20,05,548
proceeds from short Term Borrowings	-	-
proceeds of Share Capital	-	-
Payment of interest and financing charges	(89,60,250)	(70,45,773)
Net Cash from/(used in) Financing Activities (C)	29,07,178	42,56,705
Net increase/(Decrease) in cash and cash equivalents (A+B+C)	3,37,48,164	2,57,32,125
Cash and cash equivalents at the beginning	5,03,10,383	2,45,78,258
Cash and cash equivalents at the end	8,40,58,547	5,03,10,383

NOTES			
1. The above cash flow statements has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement.			
For N S B & ASSOCIATES	For and on behalf of the Board of Directors of		
Chartered Accountants	Kamal Fincap Private Limited		
FRN : 023043N			
Sd/-	Sd/-	Sd/-	Sd/-
Nandan S. Bisht	ANSHUL KASLIWAL	NIDHI KASLIWAL	SIMRANJEET KAUR
Partner	Director	Director	Company Secretary
Membership No. 099805	DIN : 02906110	DIN : 02227201	M. No. A36242
Place: New Delhi			
Date: 27.09.2021			

Notes To Financial Statements

(Amount in Rupees unless otherwise stated)				
Notes to financial statements for the year ended	31-Mar-21	31-Mar-20		
Note 1: Share capital				
Authorised:				
144,30,000 Equity Shares of Rs.10/- Each	14,43,00,000	14,43,00,000		
(Previous Year : 1443,000 Equity Shares of Rs.10/- Each)				
57,000 Preference Shares Of Rs.100/- Each	57,00,000	57,00,000		
(Previous Year : 57,000 Preference Shares Of Rs.100/- Each)				
	15,00,00,000	15,00,00,000		
Issued and subscribed:				
-Issued, Subscribed and Paid up	5,71,85,730	5,71,85,730		
57,18,573 Equity Shares of Rs. 10/- each fully paid-up.				
(Previous Year : 57,18,573 Equity Shares of Rs. 10/- each)				
57,000, 10.50 % Non Cumulative Non Convertible Redeemable preference shares of Rs. 100/- each fully-up.	57,00,000	57,00,000		
(Previous Year : 57,000 preference shares of Rs. 100/- each)				
Total issued, subscribed, fully paid-up equity and preference share capital	6,28,85,730	6,28,85,730		
a.) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year				
Equity Shares				
Equity shares of Rs.10 each fully paid	31-Mar-21		31-Mar-20	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
EQUITY SHARE CAPITAL				
Opening Share Capital - Equity	57,18,573	5,71,85,730	57,18,573	5,71,85,730
Add: Equity Shares issued During the year	-	-	-	-
Add: Prefrence Shares Converted into Equity Shares during the year	-	-	-	-
Total	57,18,573	5,71,85,730	57,18,573	5,71,85,730
Less: Buy back of Shares	-	-	-	-
Closing Share Capital	57,18,573	5,71,85,730	57,18,573	5,71,85,730
PREFERENCE SHARE CAPITAL				
Opening Share Capital - Preference	57,000	57,00,000	57,000	57,00,000
Add: Preference Shares issued During the year	-	-	-	-
Total	57,000	57,00,000	57,000	57,00,000
Less: Converted to Equity Shares during the year	-	-	-	-
Closing Share Capital	57,000	57,00,000	57,000	57,00,000

Notes To Financial Statements

(Amount in Rupees unless otherwise stated)

Notes to financial statements for the year ended			31-Mar-21	31-Mar-20
b.) Details of shareholders holding more than 5% shares in the company				
Equity shares of Rs.10 each fully paid	31-Mar-21		31-Mar-20	
	No. of Shares	% holding	No. of Shares	% holding
Ansul Kasliwal	26,69,970	46.69%	15,33,700	26.82%
Manju Kasliwal	18,90,000	33.05%	18,90,000	33.05%
Nidhi Kasliwal	9,45,744	16.54%	6,60,029	11.54%
Deshnidhi Kasliwal	-	0.00%	10,51,230	18.38%
Other Holding less than 5%	2,12,859	3.72%	5,83,614	10.21%
Total Shareholdings	57,18,573	100.00%	57,18,573	100.00%

c.) Terms/rights attached to ordinary shares

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

(d) Shares reserved for issue under option

The Company has not reserved shares for issue under option and contracts/commitments for the sale of shares/ disinvestments.

(e) During the period of five years immediately preceding the date of Balance sheet -

- (i) The Company has not allotted shares as fully paid pursuant to contract(s) without payment being received in cash.
- (ii) The Company has not allotted shares as fully paid by way of bonus shares.
- (iii) The Company has not bought back any share.
- (iv) The Company has not issued any security which is convertible into equity/preference shares.
- (v) There is no unpaid calls and forfeited shares.

Note 2 : Reserve and surplus

Security Premium

Opening Balance	1,50,14,325	1,50,14,325
Add:-Security Premium received during the year	-	-
Closing balance (A)	1,50,14,325	1,50,14,325

General reserve

As per last balance sheet	-	-
Add: Transfer from profit and loss account	-	-
	-	-

Profit & loss account

Balance as per the last financial statements	13,64,67,481	7,96,89,247
Add: Profit/ (loss) for the year	63,33,382	5,76,31,701
Less: Shortage of Provision for FY 18-19 Created during the year	-	1,50,397
Less: Proposed Dividend on Preference Shares	5,98,500	5,98,500
Less: Corporate Dividend Distribution Tax	-	1,04,570
Balance at the end of the year (B)	14,22,02,363	13,64,67,481
Total reserves and surplus (A+B)	15,72,16,688	15,14,81,806

Notes To Financial Statements

(Amount in Rupees unless otherwise stated)

Notes to financial statements for the year ended	Non-Current Maturities		Current Maturities	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Note 3: Long-term borrowings				
Secured Loans				
-From UCO Bank	4,70,53,145	4,31,87,217	-	-
UCO MSMe Loan	86,00,000	-		
Unsecured Loans				
From Directors and their relatives	2,99,50,000	2,99,50,000	-	-
From Others		-	-	-
Total	8,56,03,145	7,31,37,217	-	-

Terms and conditions:-

Loans from Directors and their relatives

Shweta Rajgrhia-This is unsecured loan taken at interest @ 15 % p.a with monthly repayment.

Zakir Husaain-This is unsecured loan taken at interest @ 12% p.a with monthly repayment.

Pradeep Kumar Rajgarhia-This is unsecured loan taken at interest @ 15% p.a with quarterly repayment.

Nidhi Kasliwal-This is unsecured loan taken at interest @ 12% p.a with quarterly repayment.

Loans from others

UCO Bank-This is secured loan taken at interest @ 10.80 % p.a with 144 monthly repayments of Rs. 5,96,040/-

Note 4: Other liabilities

Expenses and other payable	-	-	5,07,75,837	35,77,612
Employee benefit payable	-	-	80,83,365	99,83,188
Statutory dues payable	-	-	54,73,374	43,69,149
CSR Payable	-	-	11,33,504	2,98,992
DHFL	-	-	6,09,557	-
Collection Due	-	-	2,70,47,815	1,28,97,468
HDFC Car Loan	-	-	3,25,735	9,24,415
Total	-	-	9,34,49,186	3,20,50,824

Note 5: Short-term provisions

Provision for income tax	-	-	27,98,809	2,22,00,673
Proposed Dividend on Preference Shares	-	-	5,98,500	5,98,500
Corporate Dividend Distribution Tax	-	-	-	1,04,570
Total	-	-	33,97,309	2,29,03,743

Notes To Financial Statements

Note 6: Property, Plant & Equipments

Depreciation as per Companies Act, 2013

(Amount in Rupees unless otherwise stated)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2020	Additions	Deletions	As At March 31, 2021	As At April 1, 2020	For the Year	Deletions	Total	As At March 31, 2021	As at March 31, 2020
Furniture and Fixtures	69,43,407	13,29,901		82,73,308	18,63,207	14,45,105	-	33,08,312	49,64,996	50,80,200
Computers and Peripherals	62,59,264	18,45,860		81,05,124	37,06,175	20,69,634	-	57,75,809	23,29,315	25,53,089
Office Equipments	42,79,912	3,46,406	17,000	46,09,318	16,85,502	12,25,876	-	29,11,379	16,97,939	25,94,410
Activa Scooter	60,440	-		60,440	40,850	5,072	-	45,922	14,518	19,590
Mobile	34,822	-		34,822	7,291	17,389		24,680	10,142	27,531
Car ZEEP	17,32,500	-	-	17,32,500	7,21,522	3,15,728	-	10,37,250	6,95,250	10,10,978
TOTAL	1,93,10,345	35,22,167	17,000	2,28,15,512	80,24,547	50,78,804	-	1,31,03,351	97,12,161	1,12,85,798

As per our report of even date

For N S B & ASSOCIATES

Chartered Accountants

FRN : 023043N

For and on behalf of the Board of Directors of

Kamal Fincap Private Limited

Sd/-

Nandan S. Bisht

Partner

Membership No. 099805

Sd/-

ANSHUL KASLIWAL

Director

DIN : 02906110

Sd/-

NIDHI KASLIWAL

Director

DIN : 02227201

Sd/-

SIMRANJEET KAUR

Company Secretary

M. No. A36242

Place: New Delhi

Date: 27.09.2021

Notes To Financial Statements

(Amount in Rupees unless otherwise stated)				
Notes to financial statements for the year ended	Non-Current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Note 7: Loans and Advances				
A. Security deposits				
Security Deposit With DFHL	40,000	40,000	-	-
Total (A)	40,000	40,000	-	-
B. Advances recoverable in cash or kind				
Unsecured, considered good	-	-	-	-
Total (B)	-	-	-	-
C. Other loans and advances				
Advance against members' death claims	-	-	-	-
Advance income tax and TDS	-	-	1,42,09,913	1,86,58,332
Total (C)	-	-	1,42,09,913	1,86,58,332
Total (A+B+C+D)	40,000	40,000	1,42,09,913	1,86,58,332
Note 8: Investment				
Investment in Mutual Funds	1,64,30,743	2,59,30,743	-	-
2500 Shares of Kamal Auto Finance Ltd	-	1,05,000	-	-
(Previous Year 2500 Shares @10 each)				
Total (A+B+C+D)	1,64,30,743	2,60,35,743		
Note 9: Other Assets				
Fixed deposits	-	-	25,94,37,251	22,31,39,053
Commission Receivable	-	-	87,14,141	28,49,060
Other Receivable	-	-	83,79,713	17,41,104
Interest accrued on Fixed Deposits	-	-	6,77,160	73,09,392
Prepaid Insurance	-	-	1,13,964	2,60,239
Staff Advance	-	-	(5,94,154)	38,355
Total	-	-	27,67,28,076	23,53,37,203
Note 10: Cash and bank balances				
Cash and cash equivalents				
Balance with bank - in current account	-	-	8,29,46,734	4,83,70,152
Cash in hand	-	-	11,11,813	19,40,231
Total (A)	-	-	8,40,58,547	5,03,10,383
Other bank balances				
Fixed deposits	-	-	-	-
Total (B)	-	-	-	-
Amount disclosed under non-current assets (note 10)				
Total (A+B+C)	-	-	8,40,58,547	5,03,10,383

(Amount in Rupees unless otherwise stated)		
Notes to Financial statements for the year ended	31-Mar-21	31-Mar-20
Note 12: Revenue from operations		
Commission income		
Commission income	35,74,25,084	30,90,78,820
Total	35,74,25,084	30,90,78,820
Note 13: Other income		
Interest on fixed deposits	1,78,51,632	1,35,32,401
Staff Recovery	18,17,938	-
Profit on Liquid Fund (Short Term)	14,99,148	2,90,396
Profit from Mutual Fund	5,18,133	33,55,693
Profit on Kamal Auto Finance Limited Investment	1,54,375	-
Other Income	-	7,19,427
Total	2,18,41,226	1,78,97,918
Note 14: Employee benefit expenses		
Salaries and bonus / incentives	18,92,10,599	16,02,66,299
Contribution to Provident Fund	1,54,37,532	1,20,69,937
Staff welfare expenses	70,000	5,00,000
Total	20,47,18,131	17,28,36,236
Note 15: Finance costs		
Interest		
On Secured Loans	47,66,250	48,04,848
On unsecured loans	41,94,000	21,30,514
Other Finance Costs	-	1,10,411
Total	89,60,250	70,45,773

Notes To Financial Statements

Note 16: Other expenses

Bad Debts written off	8,65,75,605	16,48,825
Rent	1,97,02,590	1,51,25,630
Director's Remuneration	96,32,500	96,67,500
Professional Charges	62,21,747	4,64,418
Travelling expenses	58,64,630	1,22,13,321
General office Repair & Maintenance	43,74,023	69,49,357
Bank charges	40,12,331	12,18,202
Other Expenses	33,27,705	45,34,797
Communication expenses	27,97,292	31,79,528
Printing and stationery	27,09,027	27,75,570
Software installation and data maintenance charges	20,87,798	15,29,157
Electricity charges	17,64,797	15,50,897
Insurance Expenses	11,41,034	10,32,323
CSR Expenses	11,40,000	6,10,000
Auditors' reimbursement of expenses / certification fees*	3,30,000	3,00,000
Membership Fee	1,11,370	1,38,630
ROC expenses	12,398	3,800
Consultancy Charges	-	1,97,500
Advertisements & Publications A/c	-	26,528
Interest Paid on Government dues	-	633
Interest on car Loan	-	1,10,411

Total	15,18,04,847	6,32,77,027
--------------	---------------------	--------------------

*Auditors' remuneration

As auditor:		
Audit fees	3,30,000	3,00,000
In other capacity:		
Certification fees	-	-
Reimbursement of expenses	-	-
Total	3,30,000	3,00,000

Notes To Accounts

1. Corporate information:

Kamal Fincap Private Limited ('the Company'), incorporated in India on January 15, 1996, having a registration no: U67120RJ1996PTC011402 under Companies Act 1956.

The Company is engaged in the business of providing Banking Services under Inclusion by RBI/2005-06/288/DBOD. NO.BL.BC.58/22.01.001/2005-2006. The Company currently provides business correspondent services to Banks in the State of Rajasthan, Madhya Pradesh, Uttar Pradesh, Maharashtra, Chhattisgarh, Haryana, Jharkhand and Punjab.

2. Significant accounting policies:

a. Basis of preparation of financial statements

The financial statements have been prepared under historical cost conventions and on accrual system unless stated otherwise elsewhere, assuming the principle of going concern and applying all the accounting standards notified under Companies Act, 2013 and also complying with mandatory accounting standards issued by Institute of Chartered Accountants of India. Various accounting standards and accounting policies are consistently followed by the Company unless stated otherwise.

COVID-19 has caused significant disruptions to businesses across India. The management has considered the possible effects, if any, that may impact on their loan portfolio. In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the loan portfolio, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date.

The management expects no impairment to the loan portfolio and very positively to recover their entire loan portfolio from their members. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations. The management has approved preparation of basis of company's financial statement shall be on going concern basis.

b. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue recognized on accrual basis.

d. Cash Flow Statement:

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard -3.

Notes To Accounts

e. Property, Plant & Equipment:

Property, Plant & Equipment are stated at cost of acquisition less accumulated depreciation. Cost is inclusive of freight, duties, taxes and other directly attributable costs of bringing the assets to their working condition for intended use, incurred till the date of installation of asset

Depreciation on Property, Plant & Equipment has been provided on written down value method using the rates prescribed as per useful life of assets prescribed under Schedule II of the Companies Act, 2013. Assets individually costing less than 5,000 are depreciated fully in the year of purchase.

The Details of useful life are as under:

Asset Type	Estimated Useful life
Office Equipment	5 Years
Computers and accessories	3 Years
Furniture & fittings	10 Years

f. Employee benefits:

The information required under section 134 of the Companies Act 2013 read with rules framed there under is Nil.

g. Borrowing costs:

All borrowing costs are expensed in the period they occur. Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

h. Taxation:

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income-tax Act, 1961), and deferred tax charge. The current charge for income tax is based on estimated tax liability as computed after taking credit for allowances and exemptions in accordance with the Income-tax Act, 1961 applicable for the year ended. In accordance with the Accounting Standard-22, Accounting for Taxes on Income, the Company provided for deferred tax liability for all temporary differences that arise in one accounting year and are capable of reversal in subsequent accounting year.

i. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

j. Provisions:

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

Notes To Accounts

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

k. Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

l. Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank and in hand and short-term fixed deposits/ investments.

m. Investments:

The Company has made the Investment in Mutual Funds and Fixed Deposits during the year ended March 31, 2021.

n. Related Party Disclosure

Name of Related Party	Relationships	Transaction Value of Interest paid (Amount in Rs.)	Transaction Value of Remuneration paid (Amount in Rs.)	Outstanding amount carried in Balance Sheet (Amount in Rs.)
Mrs. Manju Kasliwal	Wife of Director Deshnidhi Kasliwal	NIL	28,80,000	NIL
Mr. Anshul Kasliwal	Director	NIL	36,00,000	NIL
Ms. Nidhi Kasliwal	Managing Director	8,34,000/-	42,00,000	NIL
Mr. Deshnidhi Kasliwal	Director	NIL	16,20,000	NIL
Mr. U S Singh	Non-executive Director	NIL	87,500	NIL
Mr.Ashish Gupta	Non-executive Director	NIL	1,25,000	NIL
Mr. Pradeep Kumar Rajgarhia	Father of Nidhi Kasliwal	13,12,500/-	NIL	NIL
Ms. Shweta Rajgarhia	Sister of Nidhi Kasliwal	15,00,000/-	NIL	NIL

Notes To Accounts

Other Related Party Transactions:-

Name of Related Party	Relationships	Nature of Transactions	Transaction Value of Professional Fees Paid (Amount in Rs.)
Gautam Rajgarhia	Brother of Nidhi Kasliwal	Professional Fees	10,00,000
Sanjana Rajgarhia	Sister-in-law of Nidhi Kasliwal	Professional Fees	12,00,000
Siddharth Rajgarhia	Brother of Nidhi Kasliwal	Professional Fees	12,50,000
Pradeep Kumar Rajgarhia	Father of Nidhi Kasliwal	Professional Fees	15,00,000

o. Segment information

Since the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

Directors Remuneration for the year ended – Rs. 96,32,500/- (Previous Year Rs. 96,67,500)

p. Capital and other commitments:

Estimated amount of contracts remaining to be executed on capital account not provided for: Rs. Nil (Previous year: Nil)

Contingent Liability for the year ended – Nil

q. Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total equity shares (in numbers)	5,718,573	5,718,573
Basic weighted average number of equity shares during the year (A)	5,718,573	5,718,573
Profit / (loss) available for equity shareholders (B)	6,333,382	57,631,701
Basic and diluted earnings / (loss) per equity share (Rs.) (C) = (B)/(A)	1.11	10.08

Depreciation for the year ended Rs.50,78,804/- (Previous Year Rs.45,54,940/-).

r. Deferred Tax :

In accordance with Accounting Standard- 22 “Accounting for Taxes on Income” the Company has recognized Rs.11,53,152/- (Previous Year Rs.7,25,238/-) as deferred tax Asset as detailed below:

Particulars	Deferred tax (Assets)/Liabilities as on April 01, 2020	Current Period (credit)/ change	Deferred tax (Assets)/Liabilities as on March 31, 2021
Difference between book and tax depreciation	(7,25,238)	(4,27,914)	(11,53,152)
Provision	-	-	-
Previous year adjustment	-	-	-
Net Deferred tax (Assets)/Liabilities	(7,25,238)	(4,27,914)	(11,53,152)

Notes To Accounts

4. Additional disclosures

a.Derivatives:

The Company has not entered into any forward rate agreements, interest rate swaps, and exchange traded interest rate derivatives. Hence, no disclosure has been made for the same.

The Company has no unhedged foreign currency exposure as on March 31, 2021 (March 31, 2020: Nil).

b.Disclosures relating to Securitisation:

The Company has not entered into any securitisation transactions during the current and previous year and had no outstanding securitisation transaction for earlier years. Hence, no disclosure has been made for the same.

c.Details of financial assets sold to securitisation / reconstruction company for asset reconstruction:

The Company has not sold financial assets to Securitisation / Reconstruction companies for asset reconstruction in the current and previous year.

d.Details of assignment transactions undertaken:

The Company has not undertaken assignment transactions in the current and previous year.

e.Details of non-performing financial assets purchased / sold:

The Company has not purchased / sold non-performing financial assets in the current and previous year.

f. Exposures:

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

g.Disclosure of penalties imposed by RBI and other regulators:

No Penalties were imposed by RBI and other regulators during current and previous year.

h.Draw down from Reserves:

There is no draw down from reserves.

i.Information on instances of loss by theft

Instances of loss by theft for the year ended March 31, 2021:

Particular	No. of cases	Amount	Recovery	Amount written-off
Loss by theft	8	11,51,876	Nil	Nil

Instances of loss by Fraud for the year ended March 31, 2020:

Particular	No. of cases	Amount	Recovery	Amount written-off
Loss by Fraud	5	5,49,885	Nil	Nil

Notes To Accounts

There are no micro and small enterprises to whom the Company owes dues, which are outstanding for more than 45 days on the date of Balance Sheet. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

j.Expenditure on CSR Activities:-

(a) Gross amount required to be spent by the company during the year- Rs.11,40,000/-

(b) Amount spent during the year on:

S. No.	Particulars	In cash/ By Cheque	Yet to be paid in cash/ By Cheque	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	Rs.3,05,488/-	Rs.11,33,504/-	Rs.11,40,000/-
CSR Expenditures for Financial Year 2020-21				Amount Spent
Approved Budget for CSR towards educational, financial & health awareness, promote girl child education, livelihood			11,40,000	--
Total Expenditure done				3,05,488
Remaining in CSR Fund yet to be Spent				11,33,504
** CSR amount spent towards educational, financial & health awareness, promote girl child education, livelihood etc.				

Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification/disclosure.

As per our report of even date

For N S B & ASSOCIATES
Chartered Accountants
FRN : 023043N

For and on behalf of the Board
of Directors of
Kamal Fincap Private Limited

Sd/-
Nandan S. Bisht
Partner
Membership No. 099805

Sd/-
NIDHI KASLIWAL
Director
DIN : 02227201

Sd/-
ANSHUL KASLIWAL
Director
DIN : 02906110

Place: New Delhi
Date: 27.09.2021

Sd/-
SIMRANJEET KAUR
Company Secretary
M. No. A36242

