



KJMC
ADVICE MATTERS

KJMC FINANCIAL SERVICES LIMITED

**25th Annual Report
2012 - 2013**

25TH ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS

Mr. I. C. Jain *Chairman*
 Mr. Rajnesh Jain
 Mr. R. R. Kumar
 Mr. Girish Jain
 Mr. S. C. Aythora
 Mr. Nitin Kulkarni

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sanjeev S. Sengar

AUDITOR

M/s. K. S. Aiyar & Co.
 Chartered Accountants
 F-7, Laxmi Mills,
 Shakti Mills Lane,
 Mahalaxmi, Mumbai 400 011.

BANKERS

Union Bank of India Citi Bank
 UCO Bank HDFC Bank Limited

REGISTRAR & TRANSFER AGENT

Bigshare Services Pvt. Ltd.,
 E-2, Ansa Industrial Estate,
 Saki Vihar Road, Saki Naka,
 Andheri (East), Mumbai – 400072.
 Tel.No.022-28470652/53, Fax No. 022-28475207,
 E-mail id: info@bigshareonline.com
 Counter Timings : 10.30 a.m. to 12.30 p.m. ● 1.30 p.m. to 3.30 p.m.

REGISTERED OFFICE

168, Atlanta, 16th Floor,
 209, Nariman Point,
 Mumbai 400 021.

GROUP BRANCH OFFICE

New Delhi
 221, Hans Bhavan,
 Bahadur Shah Zafar Marg,
 New Delhi - 110 002.

Jaipur
 41, Jai Jawan Colony II,
 Tonk Road, Durgapur
 Jaipur - 302 018.

TWENTY FIFTH ANNUAL GENERAL MEETING

Date : Saturday, 28th September, 2013
Time : 10.45 A.M.
Venue : S. K. Somani Memorial Hall
 Hindi Vidya Bhawan,
 79 - Marine Drive, "F" Road,
 Mumbai - 400 020

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NOTICE

Notice is hereby given that Twenty Fifth Annual General Meeting of the Members of KJMC Financial Services Limited will be held on Saturday, 28th September, 2013 at 10.45 A.M. at S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai, to transact the following businesses :-

ORDINARY BUSINESS:-

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date and the Report of the Board of Directors' and Auditors' thereon.
- To declare Dividend on 12% Non Cumulative Redeemable Preference Shares.
- To appoint a Director in place of Mr. Nitin Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. R. R. Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint M/s. K. S. Aiyar & Co., Chartered Accountants, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

"RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. K. S. Aiyar & Co. (Registration No. 100186W), Chartered Accountants, the retiring auditors of the Company, being eligible, be and are hereby re-appointed as the auditors of the Company to hold office from the conclusion of the 25th Annual General Meeting to the conclusion of the next Annual General Meeting of the Company, at a remuneration to be decided by and between the Board of Directors of the Company and M/s. K. S. Aiyar & Co.."

SPECIAL BUSINESS:-

- To consider and if deemed fit, to pass with or without modification, the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendments thereto or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and/or other applicable rules, regulations etc and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the BSE Ltd., (BSE) where the Company's shares are listed and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting any such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board') consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, upto 3,50,000 (Three Lacs Fifty Thousand) Equity Shares of Rs. 10/- each at a price of Rs. 20/- per equity shares (being the price not less than the price calculated in accordance with the Chapter VII of the SEBI ICDR Regulations) aggregate amounting to Rs. 70,00,000/- (Rupees Seventy Lacs only) on Preferential basis to one or more persons belonging to Promoter/Promoter Group of the Company, in such manner and on such terms and conditions as may be determined by the Board in accordance with the Chapter VII of the SEBI ICDR Regulations, and other applicable provisions of law prevailing at that time and that the Board be and is hereby authorized to finalize all matters incidental thereto as it may in its absolute discretion deem fit, in accordance with all applicable laws, rules and regulations for the time being in force in this regard.

RESOLVED FURTHER THAT

- the 'Relevant Date' under SEBI ICDR Regulations for the purpose of determination of issue price of the equity shares is August 28, 2013, being the date 30 days prior to the date of Annual General Meeting of the Company to be held on September 28, 2013.
- The Equity Shares to be allotted shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- The proposed allottee(s) shall be required to bring in 100% consideration including premium amount before allotment of said Equity Shares.
- the equity shares so issued and allotted shall rank pari passu with the existing Equity Shares of the Company in all respects including that of payment of Dividend, if any.

- Subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the equity shares so issued and allotted will be transferable within the promoters or promoter group or to a new promoter or persons in control of the issuer provided that lock-in period on such shares shall continue to lock-in for the remaining lock-in period with the transferee.
- the Board be and is hereby authorized to take such steps and do all such acts, deeds, matters and things in this connection and incidental thereto as the Board may in its absolute discretion deem fit, desirable and expedient without being required to seek any further consent or approval of the Company and give such directions and instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to the offer, issue, or allotment of the said equity shares and also to seek the Listing of such equity shares on BSE in India where the Company's shares are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board and Company Secretary of the Company be and are hereby severally authorized to finalise sign and execute all applications, agreement(s), document(s) and writing(s), appointment of consultants, legal advisors as may be necessary in this regard and to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authority or under applicable bye-laws, rules, regulations or guidelines.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any or more Directors or any Officer or Officers of the Company."

By Order of the Board
For **KJMC Financial Services Limited**

(Sanjeev S. Sengar)
Company Secretary

Place: Mumbai
Date: 28th August, 2013

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.** The Instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company at 168, Atlanta, Nariman Point, 16th Floor, Mumbai - 400021, not less than forty eight hours before the commencement of the meeting
- Members who hold Shares in dematerialized form are requested to bring their client ID and DP ID number for easy identification of attendance in the meeting.
- The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Bigshare Services Private Limited having their office at E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.
- Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 19th September, 2013 to, Saturday, 28th September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
- As per the provisions of the Companies Act, 1956, facility for making nomination is available for shareholders in respect of their holdings. Nomination Form can be obtained from the Company's Registrar and Transfer Agents.
- Information required to be furnished in pursuance of Listing Agreement for the retiring Directors and proposed to be re-appointed/Directors seeking appointment at the Annual General Meeting are given hereunder:

Information of Mr. Nitin Kulkarni

Name & Designation	Mr. Nitin Kulkarni, Director
Date of Birth	21st January, 1956
Qualifications	B.Com (Hons), F.C.A., A.C.S.
Expertise	He is a Practicing Chartered Accountant having more than 20 years experience in Corporate Accounts, Audit Taxation and Company Law Matters.
Director of the Company since	31st July 2008

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The other Directorships / Committee Membership of Mr. Nitin Kulkarni are as follows:

Name of the Company	Committee Membership	Board Membership
KJMC Corporate Advisors (India) Limited	Member -Share Transfer and Investors' Grievance Committee Chairman -Remuneration Committee Chairman - Audit Committee	Director

Name & Designation	Mr. R. R. Kumar, Director
Date of Birth	15th November, 1925
Qualifications	B.A., LL. B.
Expertise	Former Chairman of Union Bank of India, having vast experience in Banking Sector
Director of the Company since	5th October, 1994

The other Directorships / Committee Membership of Mr. R. R. Kumar are as follows:

Name of the Company	Committee Membership	Board Membership
Haldyn Corporation Limited	-	Chairman & Director
Rolta India Limited	Chairman- Audit Committee Member- Investors' Grievance Committee Member-Compensation Committee	Director
Golden Tobacco Limited	Chairman- Audit Committee Chairman - Investors' Grievance Committee Member-Remuneration Committee	Director
IVP Limited	Member- Audit Committee	Director
Golden Realty & Infrastructure Limited	-	Director
KJMC Corporate Advisor (India) Limited	Member-Remuneration Committee	Director
KJMC Assets Management Company Limited	-	Director

G) Members are requested to:

- To bring their copy of the Annual Report at the meeting.
 - Quote their Folio No. / Client ID No. in all correspondence with the Company.
 - Notify immediately to the Company or Present R&T Agents viz. Big Share Services Private Limited, any change in their address and their mandates, if any. Pin Code Nos. at the end of address should positively be mentioned in order to ensure that postal authorities deliver the envelopes easily and on time.
 - Handover the enclosed attendance slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting hall.
- H) Any member requiring further information on accounts at the meeting is requested to address their queries in writing to the Company at least 10 days in advance from the date of the meeting so that the required information may be made readily available at the meeting.
- I) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 including disclosures required under SEBI ICDR Regulations is annexed hereto

By Order of the Board
For **KJMC Financial Services Limited**

Place: Mumbai
Date: 28th August, 2013

(Sanjeev S. Sengar)
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

In order to meet funding requirement of the Company for long term and short term, and for other general corporate purpose, as may be decided by the Board of Directors from time to time, in the interest of the Company enhancing its long term resources, the Board of Directors of your Company is proposing a preferential issue of equity shares in accordance with the applicable Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations") and for this purpose seek your approval to the proposed Special resolution under the provisions of Section 81(1A) of the Companies Act, 1956.

Your Board at its meeting held on August 28, 2013, subject to approval of shareholders and other requisite statutory approvals as may be applicable, proposed preferential issue of 3,50,000 (Three Lacs Fifty thousand) Equity Shares of Rs. 10/- each at a price of Rs. 20/- per equity share aggregating to Rs. 70,00,000/- (Rupees Seventy Lacs Only), being the price determined in accordance with the Chapter VII of SEBI (ICDR) Regulation to one or more persons belonging to Promoter/Promoter Group of the Company.

In accordance with Chapter VII of SEBI (ICDR) Regulations any issue of shares on a preferential basis can be made only at a price, which is not less than the higher of the following:

- The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during twenty six weeks preceding the "relevant date"; or
- The average of the weekly high and low of the closing prices of the related shares quoted on a recognized stock exchange during two weeks preceding the "relevant date".

As the Equity shares of the Company are infrequently traded on the BSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011. Under the situation, value of equity shares of the Company has also been arrived to Rs. 16.43 (Rupees Sixteen and Paise Forty Three only) in accordance with the Regulation 8(2) of SEBI (SAST) Regulations, 2011 and the same has been certified by the M/s Sanjay Raja Jain & Co., Chartered Accountants, G-02, Hanuman Bhavan, 306, J. S. S. Road, Thakurdwar, Charni Road, Mumbai - 400002 vide their certificate dated 24th August, 2013.

Therefore, the offer and allotment price of the equity shares of the company is Rs. 20/- per equity shares being price higher than the prices determined in accordance with the Regulation 76 of SEBI (ICDR) Regulations and Regulation 8(2) of SEBI (SAST) Regulations, 2011.

The Relevant date as per SEBI (ICDR) Regulations for determining the issue price of the Equity Shares is fixed as August 28, 2013 which is thirty days prior to the date of Annual General Meeting (AGM) to be held on September 28, 2013, to consider inter alia the proposed preferential issue of shares under Section 81(1A) of the Companies Act, 1956.

The Equity shares to be issued and allotted shall be subject to the Memorandum and Articles of Association of the Company, the terms of the issue and shall rank pari passu in all respects with, and carry the same rights including dividend, if any, as the existing equity shares.

Your Board believes that the proposed subscription of equity shares by the Promoters reflects their commitment and confidence in the Company's business and will be in the best interest of the Company and its members.

Disclosure under Regulation 73 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) for Preferential Issues:

a) Objects of the Issue:

In order to meet funding requirement of the Company for long term and short term, and for other general corporate purpose, as may be decided by the Board of Directors from time to time, in the interest of the Company.

b) Proposal of Promoters to Subscribe to the Offer:

The preferential issue is being made to Mr. I. C. Jain, Mrs. Chand Devi Jain, Mr. Rajnesh Jain, Mr. Girish Jain, Mr. Pankaj Jain, I. C. Jain (HUF), being persons forming part of the Promoter/Promoter Group of the Company and intends to be subscribed to the offer. As such this resolution is being sought to approve subscription to the new issue of Equity shares by the Promoters and/or Promoter Group that are being offered through this resolution.

c) Shareholding Pattern before and after the Proposed Issue

Sr.	Category of Shareholder	Pre-issue Shareholding		Post-issue Shareholding(*)	
		No of Shares	% of Capital	No of Shares	% of Capital
A	Promoter/Promoter Group	1656977	52.84%	2006977	57.58%
B	Public Shareholding	1478763	47.16%	1478763	42.42%
	Total	3135740	100%	3485740	100%

(*) The above post-issue shareholding assumes subscription of all the proposed shares in the resolution of the Company.

d) The identity of the proposed allottees and the percentage of Post Preferential Issue capital that may be held by allottees:

Sr.	Identity of the proposed Allottee(s)	3,50,000 Equity Shares to be allotted	% of Shareholding post Issue(*)
1	Mr. I. C. Jain	213000	35.04%
2	I. C. Jain (HUF)	46565	7.66%
3	Mrs. Chand Devi Jain	26430	4.35%
4	Mr. Rajnesh Jain	21335	3.51%
5	Mr. Girish Jain	21335	3.51%
6	Mr. Pankaj Jain	21335	3.51%
	Total	350000	57.58%

(*) The above post-issue shareholding assumes subscription of all the proposed shares by the respective allottees in the Company.

No change in control of the management of the Company shall be taken place on account of issue and allotment of such shares.

e) Proposed time within which allotment will be completed:

As required under the SEBI ICDR Regulations, the Company shall complete the allotment(s) of Equity Shares as aforesaid on or before the expiry of 15 days from the date of passing of this resolution by the Shareholders of the Company.

f) Terms of Issue:

3,50,000 (Three Lac Fifty Thousand) Equity Shares of Rs. 10/- each are proposed to be issued at a price of Rs. 20/- (Rupees Twenty only) per Equity Share including premium of Rs. 10/- (Rupees Ten Only) per share aggregating to Rs. 70,00,000/- (Rupees Seventy Lacs Only).

The proposed allottees of the Equity Share shall bring in full consideration on or before the date of allotment of such shares and the equity shares so issued and allotted shall rank pari passu with the existing Equity Shares of the Company in all respects including that of payment of Dividend, if any.

Subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the equity shares so issued and allotted will be transferable within the promoters or promoter group or to a new promoter or persons in control of the issuer provided that lock-in on such shares shall continue to be locked-in for the remaining period with the transferee

g) Undertaking of the Company:

The Company hereby undertakes that:

- It shall re-compute the price of the security(ies) specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009, where it is required to do so.
- If the amount payable on account of any such re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations the above specified security(ies) shall continue to be lock in till the time such amount is paid by allottee(s).

h) Lock-in

As per SEBI ICDR Regulations, the Equity Shares proposed to be issued and allotted on preferential basis to the promoters and promoter group shall be subject to lock-in period of three years from the date of trading approval granted for said equity shares.

In addition, the entire pre-preferential shareholding of the allottees shall also be lock-in from the relevant date upto a period of six months from the date of trading approval.

Certificate from the Statutory Auditors of the Company certifying that, the proposed preferential issue is being made in accordance with the requirements of Chapter VII of SEBI ICDR Regulations, shall be placed before the shareholders at the Annual General Meeting.

The proposed allotment on preferential basis, if made, would not result in any change in management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereof.

Section 81 of the Companies Act, 1956 provides, inter alia that whenever it is proposed to issue further shares or securities convertible into shares, same shall be offered to the existing shareholders of the Company in the manner laid down in the said section, unless shareholders decide otherwise in the general meeting by way of a Special Resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 governing Preferential Issue and in terms of the provisions of the Listing Agreement to issue and allotment of equity shares as stated in the Special Resolution.

None of the Directors of the Company except the Promoter Directors viz. Mr. I. C. Jain, Mr. Rajnesh Jain and Mr. Girsh Jain, are in any way, concerned or interested in the Resolution. The Board recommends the Resolution for your approval by passing Special Resolution as proposed in the Notice.

By Order of the Board
For **KJMC Financial Services Limited**

(Sanjeev S. Sengar)
Company Secretary

Place: Mumbai
Date: August 28, 2013

DIRECTORS' REPORT

To,
The Members of
KJMC Financial Services Limited

Your Directors have pleasure in presenting the 25th Annual Report, together with the audited statement of accounts of the Company for the year financial ended 31st March, 2013.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2013 is summarized below:

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2013	Year ended 31st March, 2012
Total Income	4716	6478	5026	6854
Total Expenses	3892	3522	4635	4137
Profit before Tax	824	2956	391	2717
Less: Provision for Tax				
-Current Tax	112	550	125	550
- Deferred Tax	(214)	79	(214)	79
- MAT Credit	(111)	(550)	(124)	(550)
- Prior period taxes	(409)	176	(409)	176
Profit / (Loss) After Tax	1446	2701	1013	2462
Add : Surplus as per last account	18016	17310	16720	16248
Disposable Profits	19462	20011	17733	18710
Appropriations towards :				
Special Reserve	289	540	289	537
General Reserve	36	270	36	268
Dividend on 12% Non Cumulative				
Redeemable Preference Shares	1020	1020	1020	1020
Tax on Preference Dividend	165	165	165	165
Balance carried forward	17952	18016	16223	16720

PERFORMANCE REVIEW

During the year under review, your Company earned the gross income of Rs. 47.16 Lakhs as against Rs. 64.78 Lakhs in the previous year. The total expenditure during the year under review was Rs. 35.14 Lakhs as against Rs. 30.69 Lakhs in the previous year. The Net Profit after tax was Rs. 14.46 Lakhs as against Rs. 27.01 Lakhs in the previous year.

PREFERENTIAL ISSUE OF SHARES

Your Company has proposed to offer, issue and allot on Preferential basis 3,50,000 (Three Lacs Fifty Thousand) Equity Shares of Rs. 10/- each at a price of Rs. 20/- per share aggregate amounting to Rs. 70,00,000/- (Rupees Seventy Lacs only) (being the price higher than the prices determined in accordance with the Regulation 76 of the SEBI ICDR Regulations and Regulation 8(2) of SEBI (SAST) Regulations, 2011), to one or more persons belonging to Promoter/Promoter Group of the Company.

The paid up capital of the company after the allotment will be increased to Rs. 3,48,57,400 (Rupees Three Crore Forty Eight Lacs Fifty Seven Thousand and Four Hundred Only) and fund will utilized to meet the short term and long term need for the business of the company.

The issue of securities on preferential basis requires the approval of members in the general meeting. The proposal, therefore, in the form of Special Resolution is made part of notice convening the Annual General Meeting of the members of the Company to be held on 28th September, 2013 and Board recommends the passing of the special resolution in the interest of the Company.

DIVIDEND

In view of the inadequate profits, your Directors do not recommend any dividend on Equity Shares of the Company for the year under review. However, your Directors recommend Dividend of Rs. 12/- per share on 12% Non Cumulative Redeemable Preference Shares of Rs.100/- each.

RBI PRUDENTIAL NORMS

Since the Company does not accept and hold any public deposits, the Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are not applicable to the Company as regard to capital adequacy requirement.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Nitin Kulkarni and Mr. R. R. Kumar, the Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Board recommends their re-appointment to the members at the ensuing Annual General Meeting.

FIXED DEPOSITS

The Company has neither invited, nor accepted, nor renewed any fixed deposit from the public during the year and there was no outstanding deposit payable during the financial year ended 31st March, 2013.

AUDITORS

M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from the Auditors to the effect that their appointment, if made, shall be in accordance with section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of section 226 of the Companies Act, 1956.

SUBSIDIARY COMPANIES

KJMC Asset Management Company Limited and KJMC Investment Trust Company Limited are wholly owned subsidiaries of the Company.

In accordance with the general circular No. 2/2011 issued by the Ministry of Corporate Affairs, Government of India, the balance-sheet, Profit and Loss Account and other documents of the Subsidiary Companies are not attached to the Balance Sheet of the Company. However the financial information of the Subsidiary companies are disclosed in the Annual Report under the Consolidated Financial Statement in compliance with the said circular. The Company will make available the Annual Accounts of the Subsidiary companies and the related details information to any member of the company and that of the subsidiary companies who may be interested in obtaining the same. The annual accounts of the Company shall also be kept open for inspection at the Registered Office of the Company and that of respective subsidiary companies on any working day, except Saturdays, between 11.00 a.m. and 3.00 p.m. However, as required under the aforesaid circular and pursuant to Clause 32 of the Listing Agreement, the Consolidated Financial Statements of the Company include the financial results of the subsidiary companies.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial Year 31st March, 2013 and of the profit of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

The Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange. A separate section on Corporate Governance, along with a certificate from the Auditors for the compliance is annexed and forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on the Management Discussion and Analysis for the financial year under review is annexed and forms part of the report.

LISTING OF SHARES

Equity Shares of the Company are listed with BSE Limited. The Annual listing fee for the financial year 2013-14 has been paid to the Bombay Stock Exchange Limited (BSE). The equity shares of the Company have been delisted from Jaipur Stock Exchange Limited, Ahmedabad Stock Exchange, and Delhi Stock Exchange Association Limited, in pursuance of voluntary delisting applications made to them under SEBI (Delisting of Equity Shares) Regulation, 2009, and approval of Bhubaneswar Stock Exchanges and Calcutta Stock Exchange for the same is awaited.

PARTICULARS OF EMPLOYEES

Since there are no employees falling within the purview of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employee) Rules, 1975 as amended, no such details are required to be given.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Since the Company is a Financial Services Company, the details required under Section 217(1)(e) of the Companies Act, 1956 are not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no earnings and outgo in foreign exchange during the year under review.

INSURANCE

The Company's fixed assets as well as current assets have been adequately insured.

ACKNOWLEDGMENTS

The Directors wish to place on record their appreciation of the contribution made by the executives and employees at all levels for their dedication and commitment to the Company throughout the year.

Your Directors also appreciate with gratitude the continuous support of the Statutory and Regulatory Bodies, Bankers, Clients and the Company's Shareholders, etc..

For and on behalf of the Board of Directors

(I. C. Jain)
Chairman

Place: Mumbai

Date: 28th August, 2013

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI), the Accounting Standards prescribed by the Institute of Chartered Accountants of India and the Generally Accepted Accounting Principles in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner and reasonably present our state of affairs, profits and cash flows for the year.

FUTURE PROSPECTS OF NBFC SECTOR:

NBFCs have been playing a very important role both from the macro economic perspective and the structure of the Indian financial system. NBFCs are the preferred or even better alternatives to the conventional Banks for meeting various financial requirements of a business enterprise. They offer quick and efficient services without making one to go through the complex rigmarole of conventional banking formalities.

However to survive and to constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. They will have to be very dynamic and constantly endeavor to search for new products and services in order to survive in this ever competitive financial market.

NBFCs continued to contribute to the growth of the financial system in India during this period. NBFCs, especially those engaged in the retail finance segment, have grown stronger and played a crucial role in the development of sectors like consumer and lifestyle goods, transportation, housing & real estate, small and medium business segments. The significant growth in the Micro, Small and Medium Enterprises (MSME) sector, which is largely underserved in India, has opened up a vast opportunity for financing. Also, this growing consumption trend will continue to provide a significant business opportunity to the NBFC Companies.

1. BUSINESS AND INDUSTRY REVIEW:-

Your Company has been involved in providing fund based financial services and funding solutions to the Indian Corporate, Institutions, SME's etc. Your Company, along with its associates forms an integrated financial services group providing wide range of financial services to its clients such as loan syndication, working capital arranger services, CDR advisory, Venture capital funding, project financing advisory, ECB Advisory, loan securitization and so on. The organization structure is designed to be flexible and customer focused to ensure effective control, supervision and consistency in standards across the organization.

2. FINANCIAL REVIEW

During the year under review, your Company earned the gross income of Rs. 47.16 Lakhs as against Rs. 64.78 Lakhs in the previous year. The total expenditure during the year under review was Rs. 35.14 Lakhs as against 30.69 Lakhs in the previous year. The Net Profit after tax was Rs. 14.46 Lakhs as against Rs. 27.01 Lakhs in the previous year. Your Directors expects better performance of the Company in the coming years.

3. BUSINESS OUTLOOK

Your Company will increase its product base as far as raising resources and deploying them in safe and profitable manner particularly in shares/securities of real estate companies where there is a vast development scope of profitable business. The Company will develop the following activities to improve its bottom line and absolute care as much as possible will be taken to mitigate all the risk factor.

1. Loan to renowned Real Estate Developers: Loans to reputed Real

Estate Developers at project level for construction of commercial and residential properties mainly for partially (50% and above) completed projects.

II. Retail Lending: The products will include

- Housing Finance for properties located in Metros, Tier I and Tier II cities
- Loan Against Property in Metros, Tier I and Tier II cities
- Loan Against Securities in Metro cities
- Loan against real estate projects including acquisition of land

III. Corporate Lending: The products will include

- Secured Term loans for capital expenditure, working capital and brown field expansions
- Acquisition and takeover financing
- Leveraged Buy Outs (LBOs)
- Bridge Financing
- Promoter and Margin Funding
- Structured customised debt financing solutions for corporate borrowers.
- Channel Sales financing to dealers for payment to suppliers towards branded items

IV. Investment in Tax free Government securities with higher rate of interest

V. Money market – dealing in Commercial Papers

As far as Subsidiary Companies are concerned, your Company is working on plans to activate / expand them including looking for tie-ups / associations / joint ventures for implementing the business plans.

4. RISKS AND CONCERNS

The Company is exposed to specific risks that are particular to its business and the environment within which it operates including economic cycle, market risks, competition risk, interest rate volatility, human resource risk and execution risk etc. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk practices. Being engaged in the business in a highly regulated industry, we are presented with risk containment measures in the very regulations. The company's business could potentially be affected by the following factors:-

- Impact of markets on our revenues and investments, sustainability of the business across cycles
- Sharp movement in prevailing interest rates in the market.
- Risk that a client will fail to deliver as per the terms of a contract with us or another party at the time of settlement.
- Risk due to uncertainty of a counterparty's ability to meet its financial obligations to us.
- Inability to conduct business and service clients in the event of a contingency such as a natural calamity breakdown of infrastructure, etc.

5. OPPORTUNITIES AND THREATS

Opportunities:

- * Margin Funding to traders and manufacturing units
- * Investing in Private Equity of growing concerns
- * Channel Sales Financing
- * Promoter Funding
- * Tremendous brand strength

Threats:

- * Competition from established companies and new entrants
- * Execution risk
- * Regulatory changes
- * Attraction and retention of human capital
- * Volatile Economic Environment

6. ADEQUACY OF INTERNAL CONTROLS

Your Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transaction are authorised, recorded and reported correctly. The Company has an extensive system of internal control which ensures optimal utilisation and protection of resources, its security, accurate reporting of financial transactions and compliances of applicable laws and regulations as also internal policies and procedures.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your Company continues to lay great stress on its most valuable resource - people. Continuous training, both on the job and in an academic setting, is a critical input to ensure that employees at all levels are fully equipped to deliver a wide variety of products and services to the rapidly growing customer base of your Company. It is our endeavour to create an environment where people can use all of their capabilities in support of the business. Therefore, your Company encourages its employees to balance their work and personal responsibilities.

REPORT ON CORPORATE GOVERNANCE FOR THE F.Y. 2012-2013

In accordance with Clause 49 of the listing agreement with BSE Ltd., the report containing the details of Corporate Governance systems and processes is as under:

PHILOSOPHY OF CORPORATE GOVERNANCE

Your Company is committed to upholding the highest standards of Corporate Governance in its operations. The policies and practices are not only in line with the statutory requirement, but also reflect your Company's commitment to operate in the best interest of its stake holders. The responsibility for maintaining high standards of governance lies with your Company's Board of Directors and various Committees of the Board, which are empowered to monitor implementation of the best Corporate Governance practices including making necessary disclosures within the framework of legal and regulatory provisions and Company conventions besides its employees.

In this direction, your Company is committed to ensure that the Company's Board of Directors continued to be constituted as per the prescribed norms, meets regularly as per the prescribed frequency, provides effective leadership, exercises control over the management, monitors executive performance and makes appropriate disclosures. In addition, establishment of a framework of strategic control and continuous reviewing of its efficacy and establishment of clearly documented and transparent management processes for policy development, implementation and review, decision making, monitoring control and reporting are the other policy directives. Your Company provides free access to the Board of all relevant information, advices and resources to enable it to carry out its role effectively. In addition the Company has appointed Compliance / Nodal officer for matters relating to RBI & Companies Act, etc.

Pursuant to Clause 49 of the Listing Agreement, your Company has complied with all the mandatory requirements of the Corporate Governance in all material aspects. As required by the Listing Agreement, a report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to bring about the good corporate governance practice. The Company has laid emphasis on cardinal values of fairness, transparency, accountability and equity, in all its operations, and in its interactions with stakeholders including shareholders, employees, the government and the lenders, thereby enhancing the shareholders' value and protecting the interest of shareholders. Your Company will constantly endeavor to improve on these aspects on an ongoing basis.

2. BOARD OF DIRECTORS

The Company has a Non – Executive Chairman and the number of Independent Directors is one half of the total number of Directors. The Directors have been contributing their diversified knowledge, experience and expertise in respective areas of their specialization for the growth of the Company. During the Financial Year 2012-2013, Five (5) Meetings of the Board of Directors were held on 24th May, 2012, 2nd August, 2012, 20th September, 2012, 06th November, 2012 and 8th February, 2013.

The particulars of Directors as on 31st March, 2013 are as follows:

Sr. No.	Director	Category of Directorship	No. of BM Attended	Last AGM Attended	No. of Other Directorship held	Committee Membership(s)	
						Chairman	Member
1.	Mr. I. C. Jain	Chairman-Non- Executive Director	5	Yes	8	1	3
2.	Mr. R. R. Kumar	Non-Executive & Independent Director	4	Yes	7	2	3
3.	Mr. Girish Jain	Non-Executive Director	5	Yes	8	1	3
4.	Mr. Rajnesh Jain	Non-Executive Director	5	Yes	9	1	2
5.	Mr. S.C. Aythora	Non-Executive & Independent Director	5	Yes	17	2	3
6.	Mr. Nitin Kulkarni	Non-Executive & Independent Director	5	Yes	1	1	3

* None of the Directors hold directorship in more than 15 public limited companies, membership in committees of Board in more than 10 companies and chairmanship of committee of Board of more than 5 committees. The other Directorship includes directorship held in Private Ltd. Companies also.

Board Procedures

The Agenda is circulated well in advance to the Board of Directors. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. At the Board meetings, the Board is apprised of the overall performance of the Company.

3. AUDIT COMMITTEE

(a) Terms of Reference:

Pursuant to the provision of Section 292A of the Companies Act, 1956 and clause 49 of the Listing agreement, the Company has Qualified Audit Committee. The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, fixing the audit fees and also approving the payment for any other services, reviewing the annual financial statements before submission to the Board, reviewing adequacy of internal control systems, structure and staffing of the internal audit function, reviewing findings of the internal investigations, etc.

The terms of reference and powers of the Audit Committee are as per Clause 49 of the Listing Agreement and also as per Section 292A of the Companies Act, 1956. The Committee met four times during the year on 24th May, 2012, 02nd August, 2012, 06th November, 2012 and 08th February, 2013.

(b) Composition:

The Audit Committee consists of the following Directors:

Name of Director	Executive/Non-Executive/Independent	No. of meetings attended
Mr. S. C. Aythora	Chairman -Independent Director	4
Mr. I. C. Jain	Non Executive Director	4
Mr. Nitin Kulkarni	Independent Director	4

4. SUBSIDIARY COMPANIES

The Company has the following wholly owned subsidiary companies as on March 31, 2013:

- KJMC Asset Management Company Limited
- KJMC Investment Trust Company Limited

5. REMUNERATION COMMITTEE:

(a) Terms of Reference:

The Remuneration Committee was formed by the Board of Directors at their meeting held on 7th July, 2007. The terms of the reference of the Committee are to review and recommend compensation payable to the Executive Directors and also to formulate and administer Employees Stock Option Scheme, including the review and grant of options to eligible employees under the scheme. The Committee also ensures the Compensation Policy of the Company and Performance Oriented Scheme for Senior Managers. The overall functions of the Committee are as under:

- * Assist the Board of Directors in ensuring that affordable, fair and effective compensation policies are implemented.
- * Approve and make recommendations to the Board in respect of Directors' fees, Salary Structure and actual compensation (inclusive of Performance based incentives and benefits) of the Executive Director(s).
- * Review and approve the overall budgetary increment proposals for annual increase of compensation and benefits for the employees.
- * Review and approve the criteria for selection and appointment of Non-Executive Directors.

(b) Composition:

The Remuneration Committee consists of the following Directors:

Name of Director	Executive/Non-Executive/Independent
Mr. S. C. Aythora	Chairman -Independent Director
Mr. R. R. Kumar	Independent Director
Mr. Girish Jain	Non-Executive Director

No Remuneration Committee Meeting was held during the year.

6. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

(a) Terms of Reference:

The role and functions of the Share Transfer and Investor's Grievances Committee are the effective redressal of the Complaints of the Shareholders regarding dematerialization, re-materialisation, transfer, non-receipt of balance sheet/ dividend/interest etc. The Committee overviews the steps to be taken for further value addition in the quality of service to the investors.

(b) Composition:

Pursuant to Clause 49 of the Listing Agreement, the Company is required to have Share Transfer and Investor Grievance Committee. Accordingly, the Board of Directors formed a Share Transfer and Investor Grievance Committee, consisting of following Directors:

Name of Director	Executive/Non- Executive/Independent
Mr. Girish Jain	Chairman-Non Executive Director
Mr. Rajnesh Jain	Non Executive Director
Mr. Inder Chand Jain	Non Executive Director
Mr. Nitin Kulkarni	Independent Director

During the year, the Company received one complaint and all were resolved within the stipulated time to satisfaction of the shareholders. As on 31st March, 2013, no transfer was pending. The Board has delegated the powers to approve transfer of securities allotted by the Company to this Committee. There were 8 meetings of the Committee held during the year to approve the transfer of shares lodged with the Company and attend the investor's queries & complaints.

7. SITTING FEES:

The remuneration by way of sitting fees for attending Board and Audit Committee Meetings paid to Independent Directors are as follows:

Name of Director	Board Meeting	Audit Committee
Mr. R. R. Kumar	8,000/-	-
Mr. S. C. Aythora	10,000/-	4,000/-
Mr. Nitin Kulkarni	10,000/-	4,000/-

8. GENERAL BODY MEETINGS:

The particulars of Annual General Meetings of the Company held in last three years are as under:

Year	AGM	Location	Date	Time	Special Resolutions
2011-12	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	20/09/2012	2.00 P.M.	-
2010-11	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	24/09/2011	3.30 P.M.	-
2009-10	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	25/09/2010	3.30 P.M.	-

No Special Resolution was put through Postal Ballot last year nor proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

9. CODE OF CONDUCT

The code of conduct for the Directors and the Employees of the Company has been laid down by the Board and it is internally circulated and necessary declaration has been obtained.

10. DISCLOSURES

- * None of the transactions with any of the related party are in conflict with the interest of the Company. Transactions with related parties are disclosed in the Note no 29 of Notes to the financial statements.
- * The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities.
- * The Company has complied with all the mandatory requirements of the Corporate Governance.
- * The Company do not have any Whistle Blower Policy. However, any employee would not be denied access to the Audit Committee.
- * The company has no executive Director, all the Directors are non-executive and no remuneration has been paid to any of the Non Executive Directors during the year except the sitting fees paid to Non Executive Independent Directors.

11. CEO/CFO Certification

In terms of the requirements of Clause 49(V) of the Listing Agreement, a CEO/CFO Certificate on the financial statements of the Company is placed before the Board.

12. MEANS OF COMMUNICATION

The Company has promptly reported all material information including quarterly results to BSE Limited, where the Company's securities are listed. The Company publishes its quarterly, half yearly, financial results in national and regional newspapers. The Company also sends the financial results to the Stock Exchanges immediately after its approval by the Board. The Company has not sent half yearly report to the shareholders. No presentations were made to the Institutional Investor's or analysts during the year under review. The Management Discussions and Analysis (MD&A) Report is annexed and forms part of this Report.

GENERAL SHAREHOLDER'S INFORMATION

1. Annual General Meeting scheduled to be held:

Date : 28th September, 2013
Time : 10.45 A.M.
Venue : S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai – 400 020.

2. Book Closure :

Thursday, 19th September, 2013 to, Saturday, 28th September, 2013 (both days inclusive)

3. Dividend Payment Date

No dividend was recommended on the Equity Shares of the Company. However, dividend on preference shares is recommended subject to approval of members and Preference dividend will be paid within 25 days from the date of Annual General Meeting

4. Financial Calendar (tentative):

Financial Reporting for the Financial Year 2013-14	Tentative month of reporting
Un-audited Financial Results for the quarter ending 30th June, 2013	On or before 14th August, 2013
Un-audited Financial Results for the half year ending 30th September, 2013	On or before 15th November, 2013
Un-audited Financial Results for the quarter ending 31st December, 2013	On or before 15th February, 2014
Audited Financial Results for the year ending 31st March, 2014	On or before 30th May, 2014

5. Listing of Equity Shares on Stock Exchanges:

- Equity Shares of the Company are listed on BSE Limited, Mumbai (BSE). Annual listing fee for the year 2013-2014 has been paid to the BSE Limited, Mumbai.
- The Company has complied with the delisting formalities with the Bhubaneswar Stock exchanges Association Limited and Calcutta Stock exchanges Association Limited. Delisting approval from these stock exchanges are awaited.

6. Stock Code:

- BSE Limited, Mumbai (BSE): B – 530235
- ISIN - INE533C01018

7. Stock Price Data:

Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2012 to March, 2013.

Month	Bombay Stock Exchange Limited (BSE)	
	High (₹)	Low (₹)
April 2012	16	13.95
May 2012	16	15.5
June 2012	17.2	16.1
July 2012	17.45	16.3
August 2012	18	17.15
September 2012	19	18
October 2012	17.5	17.2
November 2012	19.5	18
December 2012	26.75	19.4
January 2013	30.5	25.85
February 2013	24.6	20.5
March 2013	20.5	19

8. Compliance Officer:

Mr. Sanjeev Singh Sengar, Company Secretary & Compliance Officer
168, Atlanta, 16th Floor, Nariman Point, Mumbai – 400 021
Ph: 022- 22885201, email: cosec@kjmc.com

9. Address For Correspondence:

Shareholders can correspond to:

Secretarial Department: 168, Atlanta, 16th Floor, Nariman Point, Mumbai – 400 021.

Or

Registrar & Transfer Agent:- Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400072, Tel.No.022-28470652/53, Fax No. 022-28475207, email id: info@bigshareonline.com.

Shareholders holding shares in electronic mode should address their Correspondence to their respective Depository Participants. The company also has designated email id: investor.finance@kjmc.com where shareholders can correspond with the Company.

10. Share Transfer System

Shares sent for transfer in physical form to R&T Agents, are registered and returned within a period of 15 days from the date of receipt, if the documents are in order. The Share Transfer Committee meets generally on a fortnightly basis to consider the transfer proposals. All requests for dematerialization/rematerialisation of shares are processed by R&T Agent within 15 days.

11. De-materialisation of Shares

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 29th January 2001 as per notification issued by the Securities & Exchange Board of India (SEBI). As on 31st March 2013, out of total Equity Capital 31,35,740 Equity Shares, 28,23,209 Equity Shares representing 90.03 % of the total Equity Shares are held in dematerialised form with NSDL and CDSL. Transfer cum demat facility is available to all Shareholders of the Company, who request for such facility.

12. Distribution of Shareholding as on 31st March, 2013

Range in rupees	Number of Shareholders	% of Total Holders
Upto 5000	3646	96.84
5001 to 10000	39	1.04
10001 to 20000	23	0.61
20001 to 30000	5	0.13
30001 to 40000	7	0.19
40001 to 50000	9	0.24
50001 to 100000	10	0.26
100001 and above	26	0.69
TOTAL	3765	100%

13. Shareholding Pattern as on 31st March, 2013

Cat. Code	Category of Shareholder	Total No. of Shares held	% Share holding
A	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals / Hindu Undivided Family	1655106	52.78
(b)	Central Govt. / State Govts.	0	0
(c)	Bodies Corporate	0	0
(d)	Financial Institutions / Banks	0	0
(e)	Any other	0	0
	Sub Total – A(1)	1655106	52.78
2	Foreign	0	0
(a)	Non Resident Individuals / Foreign Individuals	0	0
(b)	Bodies Corporate	0	0
(c)	Institutions	0	0
(d)	Any other	0	0
	Sub Total A(2)	0	0
	Total Shareholding of Promoter Group	1655106	52.78

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Cat. Code	Category of Shareholder	Total No. of Shares held	% Share holding
(B) 1	Public Shareholding Institutions		
(a)	Mutual Funds / UTI	0	0
(b)	Financial Institutions / Banks	65400	2.09
(c)	Central Govt. / State Govt.	7050	0.22
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	0	0
(g)	Foreign Venture Capital Investors	0	0
(h)	Any other	0	0
(h1)	NRI Banks	0	0
	Sub Total B(1)	72450	2.31
2	Non-Institutions		
(a)	Bodies Corporate / Trust	613622	19.57
(b)(i)	Individuals-shareholders holding normal Share Capital up to Rs. 1 Lac	461094	14.70
(b)(ii)	Individuals-shareholders holding normal Share Capital in excess of Rs. 1 Lac	332900	10.62
(c)	Qualified Foreign Investors		
(d)	Any other	0	0
	-Trust	0	0
	-Clearing Members	50	0.002
	-Directors/Relatives	0	0
	-Employees	0	0
	-NRIs	518	0.017
	-OCB's	0	0
	Sub Total B(2)	1408184	44.91
	Total Public Shareholding B=B(1) + B(2)	1480634	47.22
	Total (A) + (B)	3135740	100.00
C	Shares held by Custodians and against which Depository receipts have been issued	0	0
	Grand Total	3135740	100.00

Note: The total foreign shareholding as on 31st March, 2013, is 518 Equity shares, which is 0.0165% of the issued, subscribed and paid up capital of the Company.

OTHER INFORMATION

Code of conduct for Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Officers and other Employees. The code is based on the principle that Directors, Officers and Employees of KJMC Financial Services Limited owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the Company to enable them to take informed investment decision with regard to the Company's Securities.

Declaration regarding affirmation and Compliance of Code of Conduct

As required by Clause 49(I)(D) of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2013.

FOR KJMC FINANCIAL SERVICES LIMITED

(I. C. JAIN)
CHAIRMAN

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of KJMC Financial Services Limited,

We have examined the compliance of conditions of Corporate Governance by KJMC Financial Services Limited for the financial year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For K. S. AIYAR & CO.
Chartered Accountants
Registration No.100186W

Satish K. Kelkar
Partner
(Membership No. 38934)

Place: Mumbai
Date: 28th August, 2013

Independent Auditors' Report

To the Members of KJMC FINANCIAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of KJMC FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - on the basis of the written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For K. S. Aiyar & Co,
Chartered Accountants
Registration No: 100186W

Satish K. Kelkar
Partner
Membership No.: 38934

Place: Mumbai
Date: May 29, 2013

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of KJMC FINANCIAL SERVICES LIMITED ("the Company") for the year ended March 31, 2013. We report that:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, no fixed assets were disposed off during the year.
- The Company does not have inventory. Accordingly, clause 4 (ii) (a), (b) & (c) of the Order are not applicable.
- (a) As informed, Company has not granted any loans, secured or unsecured to the companies, firms or parties covered in the register maintained under Section 301 of the Act. Accordingly, sub-clauses (a) to (d) are not applicable.
- (e) As informed, Company has taken unsecured loans from one party covered in the register maintained under Section 301 of the Act. The maximum amount involved in the current

year amounted to ₹ 25,880 (thousands) and the balance at the year end is NIL.

- In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company, are not prima facie prejudicial to the interest of the Company.
- In our opinion and according to the information and explanations given to us payment of the principal amount and interest was regular.
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (v) (a) have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- According to the information and explanations given to us, the Company has not accepted deposits from the public during the period covered by our audit report. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any court or any other Tribunal in this regard in the case of the Company.
- In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- We have been informed that the Company is not required to maintain cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, which has been relied upon.
- (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it have been generally regularly deposited during the period with the appropriate authorities.
According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information & explanations given to us, dues in respect of income tax which have not been deposited with appropriate authorities on account of disputes are mentioned below:

Name of the Statute	Nature of dues	Amount (₹ in thousands)	Assessment Year to it relates	Forum where dispute is pending
Income Tax Act	Income Tax	157	2009-10	ITAT- Mumbai

- The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- Based on our audit procedure and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution, bank. The Company does not have any outstanding debentures.
- Based on our examination of the records and the information and explanations given to us, we are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares and other securities.
- In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- On the basis of our examination of books and records of the Company, and according to the information and explanations given to us, in our opinion, the Company has maintained proper records of transactions and contracts in respect of dealing or trading in shares and securities entered into, in which entries were made on a timely basis. As at the Balance Sheet date, the shares, securities and other investments were held in the Company's own name.
- According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- In our opinion and according to the information and explanation given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
- According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to ₹ 19,841 (thousands) have been used for long-term investment in fixed assets, non-current investment and other assets of the Company.
- The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- According to the information and explanations given to us, no debentures were issued during the period.
- The Company has not raised any money by way of public issue during the period. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- According to the information and explanations furnished by the management, which has been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

For K. S. Aiyar & Co,
Chartered Accountants
Registration No: 100186W

Satish K. Kelkar
Partner
Membership No.: 38934

Place: Mumbai
Date: May 29, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(₹ in '000')

PARTICULARS	NOTE NO.	As At 31.03.2013	As At 31.03.2012
(I) EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	39,857	39,857
(b) Reserves and Surplus	3	80,862	80,601
Non-Current Liabilities			
(a) Long term Borrowings	4	1,609	-
(b) Other Long term Liabilities	5	63,675	50,500
Current Liabilities			
(a) Short Term Borrowings	6	27,525	25,010
(b) Trade Payables	7	222	317
(c) Other Current Liabilities	8	351	23
(d) Short Term Provisions	9	1,521	1,185
TOTAL		215,622	197,493
(II) ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible assets		7,982	5,360
(ii) Intangible Assets		6	18
(b) Non-Current Investments	11	183,471	176,321
(c) Deferred Tax Assets (Net)	12	12,844	12,631
(d) Long-term Loans and Advances	13	1,467	586
(e) Other Non Current Assets	14	74	74
Current Assets			
(a) Cash and Bank Balances	15	459	1,344
(b) Short-term Loans and Advances	16	8,967	1,126
(c) Other Current Assets	17	352	33
TOTAL		215,622	197,493

Significant Accounting Policies and Notes to Accounts

1 to 32

The above notes are integral part of the financial statements

As per our report of even date attached

For K.S. Aiyar & Co.

Chartered Accountants

Registration No: 100186W

Satish K. Kelkar

Partner

Membership No.38934

Place : Mumbai

Date : 29th May 2013.

For and on behalf of the Board of Directors

I.C.Jain

Chairman

Girish Jain

Director

Sanjeev Singh Sengar

Company Secretary

Place : Mumbai

Date : 29th May 2013.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in '000')

PARTICULARS	NOTE NO.	For the year ended 31.03.2013	For the year ended 31.03.2012
Revenue from Operations	18	3,344	5,284
Other Income	19	1,372	1,194
Total Revenue		4,716	6,478
Expenses:			
Employee Benefits Expenses	20	1,350	1,207
Finance Costs	21	635	631
Depreciation and Amortization Expenses	10	378	453
Other Expenses	22	1,528	1,231
Total Expenses		3,892	3,522
Profit Before Tax		824	2,956
Tax Expense:			
(1) Current tax		112	550
(2) Deferred tax		(214)	79
(3) MAT Credit		(111)	(550)
(4) Prior period Taxes		(409)	176
		(622)	255
Profit/(Loss) for the Period		1,446	2,701
Earnings per equity share:			
(1) Basic		0.08	0.48
(2) Diluted		0.08	0.48

Significant Accounting Policies and Notes to Accounts

1 to 32

The above notes are integral part of the financial statements

As per our report of even date attached
For K.S. Aiyar & Co.

Chartered Accountants

Registration No: 100186W

Satish K. Kelkar

Partner

Membership No.38934

Place : Mumbai

Date : 29th May 2013.

For and on behalf of the Board of Directors
I.C.Jain

Chairman

Girish Jain

Director

Sanjeev Singh Sengar

Company Secretary

Place : Mumbai

Date : 29th May 2013.

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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in 000)

PARTICULARS	For the year ended 31.03.2013	For the year ended 31.03.2012
A Net Profit Before Tax and Extraordinary Items	824	2,956
Adjustment for:		
Depreciation	378	453
(Profit)/Loss on Sale of Investments	(1,346)	(4,894)
Provision for Standard Assets	336	-
(Profit)/Loss on Sale of Assets	-	(105)
Interest and Financial Charges	635	631
Interest Income	(1,873)	(255)
Dividend Income	(612)	(323)
Operating Profit Before Working Capital Changes	(1,658)	(1,537)
Changes in Working Capital :		
(Increase)/Decrease in Trade and Other Receivable	-	-
(Increase)/Decrease in Loans and Advances	(7,761)	2,112
(Increase)/Decrease in Other current and non current assets	(319)	15
Increase/(Decrease) in Trade Payable and Other Liabilities	13,408	702
(Increase)/ Decrease in Working Capital	5,328	2,829
Cash generated from Operations	3,670	1,292
Direct Taxes Paid (Net of Refund)	961	187
Earlier year Taxes	(409)	176
Cash Flow Before Extraordinary Items	3,117	929
Extraordinary Items	-	-
Net Cash flow from Operating Activities	3,117	929
B Cash Flow from Investment Activities		
Purchase of Fixed Assets	(2,988)	-
Purchase of Investments	(74,494)	-
Sale of Fixed Assets	-	375
Sale of Investments	68,691	21,664
Interest Income	1,873	255
Dividend Income	612	323
Net Cash Flow from Investing Activities	(6,307)	22,617
C Cash Flow From Financing Activities		
Loan Taken-Secured (Net of repayments)	4,124	15,774
Loan Taken-Unsecured (Net of repayments)	-	-
Loans Repaid	-	(46,500)
Interest and Finance Charges	(635)	(631)
Dividend tax paid	(165)	(165)
Dividend Paid	(1,020)	(1,020)
Net Cash Flow from Financing Activities	2,304	(32,542)
Net Increase in Cash and Cash Equivalents	(885)	(8,996)
Cash and Cash Equivalents at the beginning of the Year *	1,344	10,340
Cash and Cash Equivalents at the close of the Year *	459	1,344
*Cash and Cash Equivalents comprise of :		
Cash in hand	36	49
Balance in current account	423	1,295
Total	459	1,344

Note:- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements specified in the Companies (Accounting Standards) Rules, 2006.

For K.S. Aiyar & Co.
Chartered Accountants
Registration No: 100186W

Satish K. Kelkar
Partner
Membership No.38934

Place : Mumbai
Date : 29th May 2013.

For and on behalf of the Board of Directors

I. C. Jain
Chairman

Girish Jain
Director

Sanjeev Singh Sengar
Company Secretary

Place : Mumbai
Date : 29th May 2013.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Company Overview:

KJMC Financial Services Limited is a flagship company of the KJMC Group domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in non banking financial operations without accepting public deposits and is regulated by the provisions of Reserve Bank of India Act, 1934.

Note No. : 1

SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting:

The accounting financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 in material respect and to the extent applicable.

b. Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made which affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

c. Investments

- i) **Current Investments:** Current investments are valued at the lower of cost arrived on weighted average basis or fair value.
- ii) **Non Current Investments:** A provision is made for diminution other than temporary in nature. These are intended to be held for a period of more than one year from the date of the investment and are valued at cost. The cost is determined on weighted average method basis.

d. Fixed Assets and Depreciation:

(i) Tangible Fixed Assets:

Tangible Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost of capitalization and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation is provided under the written down value method, at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

(ii) Intangible Fixed Assets:

Intangible Fixed Assets are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are recognized at cost less accumulated amortization. Intangible assets are amortized systematically on straight line basis over its useful life of 3 years.

e. Taxation:

Tax expense comprises of current and deferred tax. Current Income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

f. Revenue Recognition:

Revenue from Professional fees & Consultancy charges, Income from Brokerage & interest on loans and Inter Corporate Deposits and lease rent are recognized as and when there is reasonable certainty of its ultimate realization and on completion of the assignment.

Non Performing Assets:

Income is not recognized in respect of Non Performing Assets, if any, as per guidelines for prudential norms prescribed by Reserve Bank of India. (RBI)

Dividend:

Dividend Income is recognized when the Company's right to receive is established by the reporting date.

g. Foreign Currency Transactions

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transactions.

Foreign currency current assets and current liabilities outstanding at the year end are translated at the year end exchange rate and unrealized exchange gain or loss is recognized in the Statement of Profit and Loss.

Realized exchange gain/loss on foreign transactions during the year is recognized in the Statement of Profit and Loss.

h. Derivative Transactions:

In accordance with the ICAI announcement, derivatives contract, other than foreign contracts covered under AS 11, are marked to market on a portfolio basis, and the loss if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit & Loss.

i. Stock in Trade:

Stocks of shares are valued at the lower of cost arrived on weighted average basis or fair value.

j. Employee Benefits:

- i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- ii) The company is exempted from Payment of Gratuity Act, 1972 in view of its strength of employees being less than threshold limit attracting the applicability of the said statute and as such no provision has been made for the said liability.
- iii) Leave Encashment is not provided for on actuarial basis in view of the employees being less than 10 and the same is charged on actual basis.

k. Provisions, Contingent Liabilities & Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past event and it is probable that there will be outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

l. Earnings per Share:

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the Weighted Average Number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the Weighted Average Number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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(₹ in '000')

Particulars	As at 31.03.2013	As at 31.03.2012
Note 2 : Share Capital		
Authorised:		
35,000,000 (Previous Year: 35,000,000) Equity Shares of Rs. 10/- each	350,000	350,000
1,500,000 (Previous Year: 1,500,000) Redeemable Preference shares of Rs.100/- each	150,000	150,000
Issued and Subscribed :		
3,135,740 (Previous Year: 3,135,740) Equity Shares of Rs.10/- each	31,357	31,357
85,000 (Previous Year: 85,000) 12% Non-Cumulative Redeemable Preference Shares of Rs.100/- each	8,500	8,500
	<u>39,857</u>	<u>39,857</u>
Paid up:		
3,135,740 (Previous Year: 3,135,740) Equity Shares of Rs.10/- each fully paid up	31,357	31,357
85,000 (Previous Year: 85,000) 12% Non-Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up	8,500	8,500
12% Non-Cumulative Redeemable Preference Shares of Rs.100/- are redeemable after the expiry of one year but before expiry of 20 years from the date of allotment.		
	<u>39,857</u>	<u>39,857</u>

Additional Information:

(a) Reconciliation of Shares outstanding at the beginning and at the end of the year

Particulars	Equity Shares			
	2012-13		2011-12	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	3,135,740	31,357	3,135,740	31,357
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,135,740	31,357	3,135,740	31,357

Particulars	Preference Shares			
	2012-13		2011-12	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	85,000	8,500	85,000	8,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	85,000	8,500	85,000	8,500

(b) Terms and Rights attached to Equity Shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of Shareholders holding more than 5% shares in the Company:

Equity Shares of ₹ 10 each	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	%age of Holding	No. of Shares held	%age of Holding
Inder Chand Jain	1,008,354	32.16%	1,008,354	32.16%
I. C. Jain HUF	220,500	7.03%	220,500	7.03%
12% Non-Cumulative Redeemable Preference Shares (persons holding more than 5% of the share capital)				
KJMC Corporate Advisors (India) Limited	85,000	100.00%	85,000	100.00%

(₹ in '000')		
Particulars	As at 31.03.2013	As at 31.03.2012
Note 3 : Reserves and Surplus		
Securities Premium Reserve		
As per last balance sheet	4,160	4,160
Add : Received During the year	-	-
Less: Deduction during the year	-	-
Closing Balance	4,160	4,160
General Reserve :		
As per last balance sheet	2,265	1,995
Add : Addition during the year	36	270
Less: Deduction during the year	-	-
Closing Balance	2,301	2,265
Capital Redemption Reserve :		
As per last balance sheet	49,900	49,900
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	49,900	49,900
Special Reserve		
As per last balance sheet	6,260	5,720
Add : Addition during the year	289	540
Less : Deduction during the year	-	-
Closing Balance	6,549	6,260
Surplus/(Deficit) in the statement of profit and loss		
Balance brought forward from last period / year	18,016	17,310
Profit for the period	1,446	2,701
Amount available for appropriation	19,462	20,011
Less : Appropriations		
a) Proposed Preference Share Dividend	1,020	1,020
b) Tax on Proposed Preference Dividend	165	165
c) Special Reserve *	289	540
d) General Reserve	36	270
Balance carried forward	17,952	18,016
Total	80,862	80,601

* 20% of the Net Profit After Tax is transferred to Special Reserve as required u/s 45IC of RBI Guidelines, 1934.

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(₹ in '000')

Note - 4: Long Term Borrowings	Non-Current Maturities		Current Maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Term Loans:				
From Banks (Secured):				
Vehicle Loan	1,609	-	338	-
Amount disclosed under the head "Other Current Liabilities"			(338)	-
NET AMOUNT	1,609	-	-	-

Additional Information

Vehicle Loan

Particulars	Amount of Loan ₹ In '000s.	Interest rate % p.a	Installment amount ₹ in '000.	No. of Outstanding Installments as on date
Secured by vehicle bought under loan and repayable in 59 Equated monthly installments	2007	9.96	43	57

(₹ in '000')

Particulars	As at 31.03.2013	As at 31.03.2012
Note - 5: Other Long Term Liabilities		
Security Deposits (Unsecured) from Related Parties :	63,675	50,500
	63,675	50,500
Note - 6: Short Term Borrowings		
Cash credit from bank repayable on demand (Secured) (Cash credit from bank is secured against equitable mortgage of premises belonging to the Company and its associate company and Corporate Guarantee given by the associate company. The cash credit is repayable on demand and carries interest @ Base Rate + 3.50%.)	24,321	25,010
Loan from Non-Banking Financial Company (Secured) (Loans secured against pledge of shares bearing an interest rate of 13.00%, repayable on demand.)	3,204	-
	27,525	25,010
Note - 7: Trade Payables		
Due to Micro, Small & Medium Enterprises	-	-
Others	222	317
(The above details have been given 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)	222	317
Note - 8: Other Current Liabilities		
Current Maturities of Long Term Borrowings (Refer Note - 4)	338	-
TDS Payable	13	23
	351	23
Note - 9: Short Term Provisions		
Proposed Preference Share dividend	1,020	1,020
Dividend Distribution Tax	165	165
Contingent Provision against Standard/Sub - Standard Assets	336	-
	1,521	1,185

Note - 10: Fixed Assets -

(₹ in '000')

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.2012	Additions/ Adjustments during the year	Sale/ Adjustments during the year	As on 31.03.2013	As on 01.04.2012	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2013	As on 31.03.2013	As on 31.03.2012
Fixed Assets -Tangible										
Building	10,849			10,849	6,311	227	-	6,538	4,311	4,538
Computers	10			10	10	-	-	10	-	-
Furniture & Fixtures	6,451	196		6,646	6,014	80	-	6,094	553	437
Office Equipments	2,117	-		2,117	1,731	54	-	1,786	331	384
Vehicles	-	2,792	-	2,792	-	5	-	5	2,787	-
Total (A)	19,427	2,987	-	22,414	14,066	366	-	14,432	7,982	5,360
Previous Year	20,216	-	789	19,427	14,143	441	518	14,066	5,360	

Fixed Assets - Intangible

Computer Software	36	-	-	36	18	12	-	30	6	18
Total (B)	36	-	-	36	18	12	-	30	6	18
Previous Year	36	-	-	36	6	12	-	18	18	
Total (A+B)	19,463	2,987	-	22,450	14,084	378	-	14,462	7,988	5,378
Previous Year	20,252	-	789	19,463	14,149	453	518	14,084	5,378	

(₹ in '000')

Sr No.	Particulars	Face Value (₹)	As at 31.03.2013		As at 31.03.2012	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	Note - 11: Non-Current Investments					
	Non-Trade-Quoted					
	Investment in Equity Shares					
1	Bajaj Corp Limited	1	-	-	29000	4,303
2	Bhartiya International Limited	10	7000	859	-	-
3	Country Club (India) Limited	2	-	-	2967	63
4	Dhanuka Agritech Limited	2	55025	6,020	-	-
5	DQ Entertainment (International) Limited	10	5741	732	5741	732
6	Dredging Corporation Of India Limited *	10	1800	1,715	1800	1,715
7	Everest Kanto Cylinder Limited *	2	2000	344	2000	344
8	HBL Power Systems Limited	1	29750	1,149	29750	1,149
9	Himachal Futuristics Communications Limited	1	10000	425	10000	425
10	Hindustan Copper Limited	5	4	3	4	3
11	Hotline Glass Limited	10	37549	-	37549	-
12	IDBI Bank Limited	10	200	39	200	39
13	ICICI Bank Limited *	10	1000	1,369	1000	1,369
14	Indiabulls Infrastructure and Power Limited	2	5900	421	5900	421
15	Indiabulls Real Estate Limited	2	2000	1,008	2000	1,008
16	Indiabulls Wholesale Services Limited	2	250	14	250.00	14
17	NHPC Limited *	10	76963	3,422	76963	3,422
18	Om Metals & Infraprojects Limited	1	5000	426	5000	426
19	MT Educare Limited	10	1000	110	-	-
20	Poly Medicure Limited	10	143809	40,431	143509	40,338
21	Reliance Infrastructure Limited *	10	1150	1,625	1150	1,625
22	Reliance Industrial Infrastructure Limited	10	300	669	300	669
23	Reliance Industries Limited *	10	418	634	418	634
24	Shree Ram Mills Limited	10	5000	976	5000	976
25	Shasun Pharmaceuticals Limited *	2	45000	4,877	0	-
26	Shree Vindhya Paper Mills Limited	10	1	-	1	-
27	Singer India Limited	10	-	-	3400	247
28	Srei Infrastructure Finance Limited	10	-	-	16000	740
29	Vikas Wsp Limited	1	-	-	4500	147
	SUB - TOTAL (A)			67,266		60,808

* Shares pledged against Loan from Non-Banking Financial Company

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(₹ in '000')

Sr No.	Particulars	Face Value (₹)	As at 31.03.2013		As at 31.03.2012	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	Non-Trade -Unquoted					
	Investment in Equity Shares					
A	In Subsidiaries					
1	KJMC Asset Management Co.Limited	10	10,250,000	113,263	10,250,000	113,263
2	KJMC Investment Trust Co.Limited	10	150,000	1,500	150,000	1,500
				114,763		114,763
B	In Associates					
1	KJMC Platinum Builders Private Limited	10	65,300	653	-	-
2	KJMC Realty Private Limited	10	4,000	40	-	-
				693		-
C	In other companies					
1	DR. Modi's Karjat Health Resort Limited	10	50,000	750	50,000	750
2	Prime Pictures Limited	10	25,000	-	25,000	-
				750		750
	SUB - TOTAL (B)			116,206		115,513
	TOTAL (A + B)			183,471		176,321

Aggregate amount of quoted Investment	67,266	60,808
Aggregate Market Value of quoted Investment	80,928	44,680
Aggregate amount of unquoted Investment	116,206	115,933
Aggregate provision for diminution in value of investments	NIL	NIL

(₹ in '000')

(₹ in '000')

Particulars	As at 31.03.2013	As at 31.03.2012
Note - 12: Deferred Taxation		
Deferred Tax Assets		
Business Loss	2,207	2,100
Unabsorbed Depreciation	212	-
Unabsorbed Long Term Capital Loss	11,388	11,467
	13,807	13,567
Deferred Tax Liability		
Fixed Assets	963	936
	963	936
Deferred tax Asset/(Liability)-Net	12,844	12,631
Note - 13: Long Term Loans and Advances		
Security Deposits		
Unsecured, considered good	314	289
Advance Income Tax	2,287	2,169
Less: Provision for Taxation	(1,134)	(1,872)
Total	1,467	586
Note - 14: Other Non-Current Assets		
Other Bank Balances		
- In Deposit Accounts with more than 12 months' maturity	74	74
	74	74
Note - 15: Cash and Bank Balances		
Cash and Cash Equivalents		
Cash in Hand	36	49
Balance with Banks		
- In Current Accounts	423	1,295
	459	1,344

Particulars	As at 31.03.2013	As at 31.03.2012
Note - 16: Short Term Loans and Advances		
Others	-	4
Loans and advances to employees		
MAT credit Entitlement	1,171	1,060
Prepaid Expenses	22	62
Loans to Others		
- Secured	4,533	
- Unsecured	3,241	-
	8,967	1,126
Note - 17: Other Current Assets		
Unsecured		
Others		
- Others	52	33
- Due from Related Parties	300	-
	352	33

(₹ in '000')

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Note -18: Revenue from Operations		
Interest Income	1,822	255
Processing fees Received	51	-
Professional Fees Income	125	135
Profit on Sale of Investments (Net)	1,346	4,894
	3,344	5,284

(₹ in '000')		
Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Note 19: Other Income		
Dividend Income	612	323
Profit on Sale of Assets	-	105
Miscellaneous Income	760	766
	1,372	1,194
Note 20: Employee Benefit Expenses		
Salaries and wages	1,342	1,166
Contribution / provisions to and for provident, Gratuity and other funds	8	9
Staff welfare expenses	-	32
	1,350	1,207
Note 21: Finance Costs		
Interest Expenses	578	556
Bank Charges	57	75
	635	631
Note 22: Other Expenses		
Advertisement	114	104
Auditors Remuneration (for break up refer below)	86	92
Infrastructural Support service Expenses	293	214
Legal Expenses	1	16
Professional & Consultancy Fees Paid	82	285
Miscellaneous Expenses	616	520
Contingent Provision against Standard/Sub - Standard Assets	336	-
	1,528	1,231
As auditor		
As Statutory Auditor	30	30
For Taxation matters	-	10
For Limited Review	45	38
In other capacity		
Company Law matters	-	-
Management Services	-	5
For reimbursement of expenses/Service Tax	11	9
	86	92

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
NOTES FORMING PART OF ACCOUNTS

(Note Nos : 23 to 32)

23. Contingent Liabilities not provided for: NIL

24. Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.

As per requirement of Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:

(₹ in 000's)

Sr. No	Particulars	March 31, 2013	March 31, 2012
(i)	Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
(ii)	Interest due on (i) above remaining unpaid	Nil	Nil
(iii)	Amounts paid beyond the appointed day during the accounting year	Nil	Nil
(iv)	Interest paid on (iii) above	Nil	Nil
(v)	Interest due and payable on (iii) above	Nil	Nil
(vi)	Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii)	Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises 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.

25. Provision for Income Tax has been made in accordance with section 115JB of Income Tax Act, 1961. However, Management expects that it would be in a position to pay normal tax within the period specified under the Income Tax Act 1961 and hence MAT Credit has been recognized.

26. Earnings in Foreign Currency - ₹ Nil (₹ Nil).

Expenditure in Foreign Currency - ₹ Nil (₹ Nil).

27. Managerial remuneration included in the Statement of Profit & Loss - ₹ Nil (₹ Nil)

28. Earnings Per Share:

Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Net Profit / (Loss) after Taxation(₹ in '000')	1,446	2,701
Less : Preference Dividend and Tax thereon(₹ in '000')	1,185	1,185
Net Profit/(Loss) for calculation of EPS	261	1,516
The weighted average Number of Equity Share (Nos.)	3,135,740	3,135,740
Face Value (₹)	10	10
Earnings Per Share (Basic)	0.08	0.48
Earnings Per Share (Diluted)	0.08	0.48

29. Related party disclosures under Accounting Standard 18

List of related parties

1) Parties where control exists

a) Wholly owned subsidiary Companies

KJMC Asset Management Company Limited
KJMC Investment Trust Company Limited

2) Other parties

a) Key Management Personnel

Girish Jain

b) Relatives of Key Management Personnel.

Inderchand Jain - Father
Chanddevi Jain - Mother
Rajesh Jain - Brother
Aditi Jain - Wife

c) Enterprises over which key management personnel/relatives are able to exercise significant influence:

KJMC Corporate Advisors (India) Limited
KJMC Shares and Securities Limited
KJMC Capital Market Services Limited
KJMC Credit Marketing Limited
KJMC Commodities Market India Limited
Puja Impex Private Limited
Prathamesh Enterprises Private Limited
KJMC Silver Properties Private Limited

d) Associates

KJMC Platinum Builders Private Limited (w.e.f 13.03.2013)
KJMC Realty Private Limited (w.e.f 22.03.2013)

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Related Parties Transactions : -

(₹ in '000)

Sr. No.	Nature of Transactions with related parties	Party where control exists		Associates		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
1	Services Received during the year						
	KJMC Capital Market Services Ltd	-	-	-	-	-	123,308
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	125	-
2	Loans and Advances Received						
	KJMC Capital Market Services Ltd	-	-	-	-	25,880	-
3	Loans and Advances Repaid						
	KJMC Capital Market Services Ltd	-	-	-	-	25,880	123,279
	KJMC Asset Management Company Ltd	-	36,500	-	-	-	-
4	Interest Expense						
	KJMC Capital Market Services Ltd	-	-	-	-	75	212
5	Deposit Repaid						
	KJMC Shares & Securities Ltd	-	-	-	-	-	10,000
	KJMC Asset Management Company Ltd	23,325	-	-	-	-	-
6	Deposit Received						
	KJMC Capital Market Services Ltd	-	-	-	12,000	-	-
	KJMC Asset Management Company Ltd	36,500	-	-	-	-	-
7	Rent Income						
	KJMC Capital Market Services Ltd	-	-	-	-	760	760
8	Rent Paid						
	KJMC Capital Market Services Ltd	-	-	-	-	293	-
9	Professional fees received						
	KJMC Shares & Securities Ltd	-	-	-	-	-	135
10	Reimbursement of Expenses received						
	KJMC Capital Market Services Ltd.	-	-	-	-	-	87
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	146
11	Reimbursement of Expenses Paid						
	KJMC Asset Management Company Ltd	1	7	-	-	-	-
	KJMC Investment Trust Co. Ltd	-	-	-	-	1	-
	KJMC Credit Marketing Ltd	-	-	-	-	-	2
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	169	248
	KJMC Capital Market Services Ltd	-	-	-	-	186	-
	Puja Impex Private Limited	-	-	-	-	5	-
12	Purchase / (Sale) of Investment						
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	(55,020)
	Puja Impex Private Limited	-	-	-	-	(740)	417
13	Investment in Shares of Associate						
	KJMC Realty Private Limited	-	-	40	-	-	-
	KJMC Platinum Builders Private Limited	-	-	653	-	-	-
14	Net Receivables						
	KJMC Shares & Securities Ltd	-	-	-	-	300	-
	KJMC Capital Market Services Ltd	-	-	-	-	-	29
15	Net Payables						
	KJMC Capital Market Services Ltd	-	-	-	-	12,000	12,000
	KJMC Asset Management Company Ltd	51,675	38,500	-	-	-	-

30. Schedule to the Balance Sheet of a Non-Deposit taking Non-Banking Financial Company [as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

Particulars		(₹ In 000's)
Liabilities side :	Amount outstanding	Amount overdue
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	-	-
Unsecured	-	-
(other than falling within the meaning of public deposits)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans (specify nature)	-	-
Secured Loans against office premises	24,321	-
Secured Loans against Shares	3,204	-

Asset Side :	Amount outstanding
2. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	(₹ In 000's)
(a) Secured	4,533
(b) Unsecured	3,241
3. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors :	NIL
(a) Financial lease	
(b) Operating lease	
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	
(b) Repossessed Assets	
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been Repossessed	
(b) Loans other than (a) above	

4. **Break-up of Investments:** (₹ in '000')

Current Investments :	
1. Quoted :	-
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Un Quoted :	-
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

Long Term Investments :	
1. Quoted : -	
(i) Shares : (a) Equity	67,266
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Un Quoted :	
(i) Shares : (a) Equity	1,16,206
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

5.	Borrower group-wise classification of assets financed as in (2) and (3) above :		Amount Net of Provisions		
	Category		Secured	Unsecured	Total
	1.	Related Parties	-	-	-
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties	-	-	-
	2.	Other than related parties	4,533	3,241	7,774
	Total		-	-	-

6. Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value / Breakup or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	1,14,763	1,14,763
(b) Companies in the same group	-	-
(c) Other related parties	693	-
2. Other than related parties	68,016	61,558
Total	1,83,472	1,76,321

Other information

Particulars	Amount
Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
Assets acquired in satisfaction of debt	-

31. The management has identified the Company's operations with a single business segment of non banking financial operations in India. All the assets of the Company are located in India.

32. Previous year figures have been regrouped or reclassified wherever necessary in order to make them comparable and shown in brackets.

As per our report of even date attached

For K.S. Aiyar & Co.
Chartered Accountants.
Registration No. 100186W

Satish K. Kelkar
Partner
Membership No. 38934

Place: Mumbai
Dated: 29th May, 2013

For and on behalf of Board of Directors

I. C. Jain **Girish Jain** **Sanjeev Singh Sengar**
Chairman Director Company Secretary

Place : Mumbai
Dated : 29th May, 2013

Statement pursuant to Section 212(3) of the Companies Act, 1956 relating to Subsidiary Companies

Sr. No.	Particulars	KJMC Asset Management Company Limited	KJMC Investment Trust Company Limited
1	Financial Period of the subsidiary ended on	31.03.2013	31.03.2013
2	Holding Company's Interest -No of Equity Shares - Extent of Holding	1,02,50,000 Equity Shares of ₹ 10/- each fully paid up 100%	1,50,000 Equity Shares Of ₹ 10/- each fully paid up 100%
3	The net aggregate amount of profit/losses so far as it concerns the members of the holding company not dealt in with in the holding company's Account (₹ '000) 1) For the Current Financial Profit /(loss) 2) For the previous Financial Year since it became subsidiary	 (481) (283)	 68 44
4	The Net aggregate amount of Profits/Losses of the subsidiary which has been dealt with in the accounts of the holding Company (₹ '000) 1) For the Current Financial Period Profit/(Loss) 2) For the previous Financial Year since it became subsidiary	 - -	 - -

The provisions of Section 212 (5) of the Companies Act 1956 are not applicable as the financial year of the subsidiary company coincides with that of the Company

For and on behalf of the Board of Directors

I. C. Jain
Director

Girish Jain
Director

Sanjeev Singh Sengar
Company Secretary

Financial Information of the Subsidiary Companies for the year ended 31st March 2013 under Section 212(8) of the Companies Act, 1956

(₹ in '000)

Particulars	Name of Subsidiary Companies	
	KJMC Asset Management Company Limited	KJMC Investment Trust Company Limited
Paid up capital	102,500	1,500
Reserves	(1,509)	(203)
Total Assets including investments	101,141	1,555
Investments	23,000	-
Total Liabilities (Excluding paid up capital & Reserves)	151	258
Turnover	177	133
Profit/(Loss) before Tax	(481)	68
Provision for Taxation	-	-
Profit/(Loss) after Tax	(481)	68
Dividend Proposed	-	-

Independent Auditors' Report

To the Board of Directors of KJMC Financial Services Limited and its Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of KJMC Financial Services Limited ("the Company") and its subsidiaries, which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) in the case of Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of certain Subsidiary and Associates, whose financial statements reflect total assets (net) of ₹ 1,01,141 (thousands) as at March 31, 2013. Company's share in revenues of ₹ 177 (thousands), in Loss of ₹ 481 (thousands) and net cash outflows of ₹ 171 (thousands) in this financial statements for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For K. S. Aiyar & Co,
Chartered Accountants
Registration No: 100186W

Place: Mumbai
Date : May 29, 2013

Satish K. Kelkar
Partner
Membership No.: 38934

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(₹ in '000')

PARTICULARS	NOTE NO.	As At 31.03.2013	As At 31.03.2012
(I) EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	39,857	39,857
(b) Reserves and Surplus	3	79,129	79,300
Non-Current Liabilities			
(a) Long Term Borrowings	4	1,609	-
(b) Other Long-Term Liabilities	5	12,247	12,247
Current Liabilities			
(a) Short-Term Borrowings	6	27,525	25,010
(b) Trade Payables	7	222	-
(c) Other Current Liabilities	8	459	399
(d) Short-Term Provisions	9	1,521	1,185
TOTAL		162,569	157,998
(II) ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		8,010	5,404
(ii) Intangible Assets	6	18	
(iii) Goodwill on Consolidation		5,314	10,762
(b) Non-Current Investments	11	74,157	61,558
(c) Deferred Tax Assets (net)	12	12,844	12,631
(d) Long-Term Loans and Advances	13	26,267	25,633
(e) Other Non-Current Assets	14	1,474	2,674
Current Assets			
(a) Current Investments	15	23,000	36,500
(b) Cash and Bank Balances	16	1,811	1,618
(c) Short-Term Loans and Advances	17	9,019	1,126
(d) Other Current Assets	18	668	74
TOTAL		162,569	157,998

Significant Accounting Policies and Notes to Accounts 1 to 31

The above notes are integral part of the financial statements

As per our report of even date attached **For and on behalf of the Board of Directors**

For K.S. Aiyar & Co.
Chartered Accountants
Registration No: 100186W

Satish K. Kelkar **Rajnish Jain** **Girish Jain** **Sanjeev Singh Sengar**
Partner Director Director Company Secretary
Membership No.38394

Place : Mumbai
Date : 29th May 2013

Place : Mumbai
Date : 29th May 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in '000')

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Revenue from Operations	19	3,344	5,384
Other Income	20	1,682	1,470
Total Income		5,026	6,854
Expenses:			
Employee Benefits Expenses	21	1,675	1,424
Finance Costs	22	635	632
Other Expenses	23	1,929	1,622
Depreciation and Amortization Expenses	10	396	459
Total Expenses		4,635	4,137
Profit before Tax		391	2,717
Tax Expense:			
(1) Current tax		125	550
(2) Deferred tax		(214)	79
(3) MAT credit Entitlement		(124)	(550)
(4) Prior Period Taxes		(409)	176
		(622)	255
Profit/(Loss) for the period		1,013	2,462
Earnings per equity share:			
(1) Basic		(0.05)	0.41
(2) Diluted		(0.05)	0.41

Significant Accounting Policies and Notes to Accounts 1 to 31

The above notes are integral part of the financial statements

As per our report of even date attached **For and on behalf of the Board of Directors**

For K.S. Aiyar & Co.
Chartered Accountants
Registration No: 100186W

Satish K. Kelkar **Rajnish Jain** **Girish Jain** **Sanjeev Singh Sengar**
Partner Director Director Company Secretary
Membership No.38394

Place : Mumbai
Date : 29th May 2013

Place : Mumbai
Date : 29th May 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in '000')

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	391	2,717
Adjustment for:		
Depreciation	396	459
(Profit)/Loss on Sale of Investments	(1,411)	(4,933)
Provision for Standard Assets	336	-
(Profit)/Loss on Sale of Assets	-	(105)
Interest and Financial Charges	635	631
Interest Income	(2,118)	(360)
Dividend Income	(612)	(454)
Operating Profit Before Working Capital Changes	(2,383)	(2,045)
Changes in Working Capital		
(Increase)/ Decrease in Trade and other receivables	(9)	(17)
(Increase)/ Decrease in Short-term loans and advances	(20,820)	2,101
(Increase)/ Decrease in Current Investments	13,500	-
(Increase)/ Decrease in Other current assets	(573)	(8)
Increase/ (Decrease) in Trade payable and other liabilities	13,511	16,498
(Increase)/ Decrease in Net Current Assets	5,609	18,574
Cash generated from Operations	3,227	16,529
Direct taxes paid (Net of refund)	952	187
Earlier year taxes	(409)	176
Cash Flow Before Extraordinary Items	2,684	16,166
Extraordinary Items	-	-
Net Cash flow from Operating Activities	2,684	16,166
Cash Flow from Investment Activities		
Purchase of Investment	(74,494)	(37,516)
Sale of investment	68,756	23,024
Purchase of Fixed Assets	(2,988)	(51)
Sale of Fixed Assets	-	375
Interest Income	2,118	360
Dividend Income	612	454
Net Cash Flow from Investing Activities	(5,996)	(13,354)
Cash Flow From Financing Activities		
Loan taken-Secured (Net of repayments)	4,124	-
Loans Given	-	(10,000)
Deposits	-	-
Interest and Finance Charges	(635)	(631)
Dividend tax paid	(165)	(165)
Dividend Paid	(1,020)	(1,020)
Net Cash Flow from Financing Activities	2,304	(11,816)
Net Increase in Cash and Cash Equivalents	(1,008)	(9,004)
Cash and Cash Equivalents at the beginning of the Year *	1,618	10,622
Cash and Cash Equivalents at the close of the Year *	611	1,618
* Cash and Cash Equivalents comprise of :		
Cash in hand	44	57
Balance in current account	567	1,561
Total	611	1,618

Note:- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

For K.S. Aiyar & Co. Chartered Accountants
 Registration No: 100186V

For and on behalf of the Board of Directors

Satish K. Kelkar Partner
 Membership No. 38394

Rajesh Jain Director
 Girish Jain Director
 Sanjeev Singh Sengar Company Secretary

Place : Mumbai
 Date : 29th May 2013

Place : Mumbai
 Date : 29th May 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2013.
Company Overview:

KJMC Financial Services Limited is a flagship company of the KJMC Group domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in non banking financial operations without accepting public deposits and is regulated by the provisions of Reserve Bank of India Act, 1934.

Note No.: 1
SIGNIFICANT ACCOUNTING POLICIES
1.1 Basis of Preparation of financial statements

The accounting financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 in material respect and to the extent applicable.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard 21 (Consolidated Financial Statements).

1.2 Principle of Consolidation

The consolidated financial statements have been prepared based on a line-by-line consolidation of the Financial Statement of KJMC Financial Services Limited and its subsidiaries KJMC Assets Management Company Limited and KJMC Investment Trust Company Limited. The effect of intercompany transactions and balances are eliminated in consolidation.

1.3 Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made which affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/ materialized.

1.4 Investments

Current Investments: Current investments are valued at the lower of cost arrived on weighted average basis or fair value.

Non Current Investments: A provision is made for diminution other than temporary in nature. These are intended to be held for a period of more than one year from the date of the investment and are valued at cost. The cost is determined on weighted average method basis.

1.5 Fixed Assets and Depreciation
(i) Tangible Fixed Assets:

Tangible Fixed Assets are stated at cost, net off accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost of capitalization and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation is provided under the written down value method, at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

(ii) Intangible Fixed Assets:

Intangible Fixed Assets are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are recognized at cost less accumulated amortization. Intangible assets are amortized systematically on straight line basis over its useful life of 3 years.

1.6 Taxation

Tax expense comprises of current and deferred tax. Current Income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.7 Revenue Recognition:

Revenue from Professional fees & Consultancy charges, Income from Brokerage & interest on loans and Inter Corporate Deposits and lease rent are recognized as and when there is reasonable certainty of its ultimate realization and on completion of the assignment.

Non Performing Assets

Income is not recognized in respect of Non Performing Assets, if any, as per prudential norms prescribed by Reserve Bank of India. (RBI)

Dividend:

Dividend Income is recognized when the Company's right to receive is established by the reporting date.

1.8 Foreign Currency Transactions

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transactions.

Foreign currency current assets and current liabilities outstanding at the year end are translated at the year end exchange rate and unrealized exchange gain or loss is recognized in the Statement of Profit and Loss.

Realized exchange gain/loss on foreign transactions during the year is recognized in the Statement of Profit and Loss.

1.9 Derivative Transactions:

In accordance with the ICAI announcement, derivatives contract, other than foreign contracts covered under AS 11, are marked to market on a portfolio basis, and the loss if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit & Loss.

1.10 Stock in Trade:

Stocks of shares are valued at the lower of cost arrived on weighted average basis or fair value.

1.11 Employee Benefits:

- Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- The company is exempted from Payment of Gratuity Act, 1972 in view of its strength of employees being less than threshold limit attracting the applicability of the said statute and as such no provision has been made for the said liability.
- Leave Encashment is not provided for on actuarial basis in view of the employees being less than 10 and the same is charged on actual basis.

1.12 Provisions, Contingent Liabilities & Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past event and it is probable that there will be outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

1.13 Earnings per Share:

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(₹ in '000')		
Particulars	As At 31.03.2013	As At 31.03.2012
Note 2 : Share Capital		
Authorised:		
Amount of Shares:		
35,000,000 (35,000,000) Equity Shares of ₹ 10/- each	350,000	350,000
1,500,000 (1,500,000) Redeemable Preference shares of ₹ 100/- each	150,000	150,000
Issued and Subscribed :		
3,135,740 (3,135,740) Equity Shares of ₹ 10/- each	31,357	31,357
85,000 (85,000) 12% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each	8,500	8,500
	<u>39,857</u>	<u>39,857</u>
Paid up:		
3,135,740 (3,135,740) Equity Shares of ₹ 10/- each fully paid up	31,357	31,357
85,000 (85,000) 12% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up redeemable after the expiry of one year but before expiry of 20 years from the date of allotment.	8,500	8,500
	<u>39,857</u>	<u>39,857</u>

(a) Reconciliation of Shares outstanding at the beginning and at the end of the year

Particulars	Equity Shares			
	2012-13		2011-12	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	3,135,740	31,357	3,135,740	31,357
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,135,740	31,357	3,135,740	31,357
Particulars	Preference Shares			
	2012-13		2011-12	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	85,000	8,500	85,000	8,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	85,000	8,500	85,000	8,500

(b) Terms and Rights attached to Equity Shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of Shareholders holding more than 5% shares in the Company:

Equity Shares of ₹10 each	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	%age of Holding	No. of Shares held	%age of Holding
Inder Chand Jain	1,008,354	32.16%	1,008,354	32.16%
I. C. Jain HUF	220,500	7.03%	220,500	7.03%
12% Non-Cumulative Redeemable Preference Shares (persons holding more than 5% of the share capital)				
KJMC Corporate Advisors (India) Limited	85,000	100.00%	85,000	100.00%

(₹ in '000)

Particulars	As At 31.03.2013	As At 31.03.2012
Note 3 : Reserves and Surplus		
Securities Premium Account :		
As per last balance sheet	4,160	4,160
Add : Received during the year	-	-
Closing Balance	4,160	4,160
General Reserve :		
As per last balance sheet	2,263	1,995
Add : Addition during the year	36	268
Less: Deduction during the year	-	-
Closing Balance	2,299	2,263
Capital Redemption Reserve :		
As per last balance sheet	49,900	49,900
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	49,900	49,900
Special Reserve :		
As per last balance sheet	6,257	5,720
Add : Addition during the year	289	537
Less : Deduction during the year	-	-
Closing Balance	6,546	6,257
Surplus/(Deficit) in the statement of profit and loss :		
Balance brought forward from last period / year	16,720	16,248
Profit for the period	1,013	2,462
Amount available for appropriation	17,733	18,710
Less : Appropriations		
a) Proposed Preference Share Dividend	1,020	1,020
b) Tax on Proposed Dividend	165	165
c) Special Reserve *	289	537
d) General Reserve	36	268
Balance carried forward	16,223	16,720
Total	79,129	79,300

Note: 20% of the Net Profit After Tax is transferred to Special Reserve as required u/s 45 IC of RBI Guidelines, 1934.

Particulars	Non-Current Portion		Current Maturities	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Note 4: Long Term Borrowings				
Term Loans:				
From Banks (Secured):				
Vehicle Loan	1,609	-	338	-
Amount disclosed under the head "Other Current Liabilities"			338	-
NET AMOUNT	1,609	-	-	-

Additional Information

Vehicle Loan

Particulars	Amount of Loan ₹ in '000s.	Interest p.a rate %	Installment amount ₹ in '000s.	No. of Outstanding Installments as on date
Secured by Vehicle bought under loan and repayable in 36 Equated monthly installments	1280	11.25	42	28

(₹ in '000)

Particulars	As At 31.03.2013	As At 31.03.2012
Note 5: Other Long Term Liabilities		
Security Deposits (Unsecured)		
Others	12,247	12,247
	12,247	12,247
Note 6 : Short Term Borrowings		
Secured :		
Loans repayable on demand		
Cash credit from bank repayable on demand (Secured)	24,321	25,010.00
(Cash credit from bank is secured against equitable mortgage of premises belonging to the Company and its associate company and Corporate guarantee given by the associate company. The cash credit is repayable on demand and carries interest @ Base Rate + 3.5%.)		
Loan from Non-Banking Financial Company (Secured)	3,204	-
Current Year Nil (Previous Year: Loans secured against pledge of shares bearing an interest rate of 13.00%, repayable on demand.)		
	27,525	25,010
Note 7: Trade Payables		
Trade payable -Others	222	0
	222	0
Note 8: Other Current Liabilities		
Current Maturities of Long Term Borrowings (Refer Note - 4)	338	0
TDS Payable	13	23
Other payables	108	376
	459	399
Note 9: Short Term Provisions		
Proposed Preference Share Dividend	1,020	1,020
Dividend Distribution Tax	165	165
Contingent provision against standard assets	336	-
	1,521	1,185

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Note -10 Fixed Assets -Tangible

(₹ in'000)

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.2012	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As on 31.03.2013	As on 01.04.2012	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2013	As on 31.03.2013	As on 31.03.2012
Building	10,849	-	-	10,849	6,312	227	-	6,539	4,311	4,537
Furniture & Fixture	6,451	196	-	6,646	6,014	80	-	6,094	552	437
Electrical Fittings	-	-	-	-	-	-	-	-	-	-
Computers	61	-	-	61	15	18	-	33	28	46
Office Equipments	2,117	-	-	2,117	1,732	54	-	1,785	332	384
Vehicles	-	2,792	-	2,792	-	5	-	5	2,787	-
Total (A)	19,479	2,987	-	22,465	14,073	384	-	14,456	8,010	5,404
Previous year	20,215	51	789	19,479	14,144	447	518	14,073	5,404	-

Fixed Assets -Intangible

Computer Software	36	-	-	36	18	12	-	30	6	18
Total (B)	36	-	-	36	18	12	-	30	6	18
Previous year	36	-	-	36	6	12	-	18	18	-
Total (A+B)	19,515	2,987	-	22,501	14,091	396	-	14,486	8,016	5,422
Previous year	20,251	51	789	19,515	14,150	459	518	14,091	5,422	-

(₹ in'000)

Sr No.	Particulars	Face Value(Rs.)	As on 31.03.2013		As on 31.03.2012	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	Note 11 : Non Current Investment					
	Non Trade -Quoted					
	Investment in Equity Shares					
1	Bajaj Corp Limited	1	-	-	29000	4,303
2	Bhartiya International Limited	10	7000	859	0	-
3	Country Club (India) Limited	2	-	-	2967	63
4	Dhanuka Agritech Limited	2	55025	6,020		
5	DQ Entertainment (International) Limited	10	5741	732	5741	732
6	Dredging Corporation Of India Limited	10	1800	1,715	1800	1,715
7	Everest Kanto Cylinder Limited	2	2000	344	2000	344
8	HBL Power Systems Limited	1	29750	1,149	29750	1,149
9	Himachal Futuristics Communications Limited	1	10000	425	10000	425
10	Hindustan Copper Limted	5	4	3	4	3
11	Hotline Glass Limited	10	37549	-	37549	-
12	IDBI Bank Limited	10	200	39	200	39
13	ICICI Bank Limited	10	1000	1,369	1000	1,369
14	Indiabulls Infrastructure and Power Limited	2	5,900	421	5,900	421
15	Indiabulls Real Estate Limited	2	2000	1,008	2000	1,008
16	Indiabulls Wholesale Services Limited	2	250	14	250.00	14
17	NHPC Limited.	10	76963	3,422	76963	3,422
18	Om Metals & Infraprojects Limited	1	5000	426	5000	426
19	MT Educare Limited	10	1000	110	0	-
20	Poly Medicare Limited	10	143809	40,431	143509	40,338
21	Reliance Infrastructure Limited	10	1150	1,625	1150	1,625
22	Reliance Industrial Infrastructure Limited	10	300	669	300	669
23	Reliance Industries Limited	10	418	634	418	634
24	Shree Ram Mills Limited.	10	5000	976	5000	976
25	Shasun Pharmaceuticals Limited	2	45000	4,877	-	-
26	Shree Vindhya Paper Mills Limited	10	1	-	1	-
27	Singer India Limited	10	-	-	3400	247
28	Srei Infrastructure Finance Limited	10	-	-	16000	740
29	Vikas Wsp Limited	1	-	-	4500	147
	SUB-TOTAL (A)			67,266		60,808
	Non-Trade -Unquoted					
	Investment in Equity Shares					
	In Associates					
1	KJMC Platinum Builders Private Limited	10	65,300	6,101	-	-
2	KJMC Realty Private Limited	10	4,000	40	-	-
				6,141		-
B	In other companies					
1	DR. Modi's Karjat Health Resort Limited	10	50,000	750	50,000	750
2	Prime Pictures Limited	10	25,000	-	25,000	-
				750		750
	SUB-TOTAL (B)			6,891		750
	TOTAL (A + B)			74,157		61,558
Aggregate amount of quoted Investment				67,266		60,808
Aggregate Market Value of quoted Investment				80,928		44,680
Aggregate amount of unquoted Investment				6,891		750
Aggregate provision for diminution in value of investments				NIL		NIL

(₹ in '000')		
Particulars	As At 31.03.2013	As At 31.03.2012
Note 12 : Deferred Taxation		
Deferred Tax Assets		
Business Loss	2,207	2,100
Unabsorbed Depreciation	212	-
Unabsorbed Long Term Capital Loss	11,388	11,467
	13,807	13,567
Deferred Tax Liability		
Fixed Assets	963	936
	963	936
Deferred tax Asset/(liability)-Net	12,844	12,631
Note 13 : Long Term Loans and Advances		
Security Deposits		
Unsecured, considered good	25,114	25,289
Advance Income Tax	2,287	2,216
Less: Provision for Taxation	(1,134)	(1,872)
Total	26,267	25,633
Note 14 : Other Non Current Assets		
Other Non Current Assets		
Other Bank Balances	1474	2674
- In Deposit Accounts with more than 12 months' maturity		
	1474	2674

(₹ in '000')					
Sr No.	Particulars	As on 31.03.2013		As on 31.03.2012	
		Qty (Nos)	Amount	Qty (Nos)	Amount
1	Note 15: Current Investments				
	Non-Trade-Quoted				
	Investment in Mutual Funds				
	SBI Premier Liquid Fund	12,495	23,000	21,443	36,500
	TOTAL		23,000		36,500
	Aggregate amount of quoted Investment	23000			36,500
	Aggregate Market Value of quoted Investment	23026			36,532
	Aggregate amount of unquoted Investment		NIL		NIL
	Aggregate provision for diminution in value of investments		NIL		NIL

Particulars	As At 31.03.2013	As At 31.03.2012
Note 16: Cash and Bank Balances		
Cash and Cash Equivalents		
Cash in Hand	44	57
Balance with Banks		
- In Current Accounts	567	1,561
	611	1,618
Other Bank Balances		
- In Deposit Accounts	1,200	-
	1,811	1,618
Note 17: Short Term Loans and Advances		
Others		
Loans and advances to employees	-	4
MAT credit Entitlement	1,179	1,060
Prepaid Expenses	22	62
Advances recoverable in cash or kind	44	-
Loans to Others	7,774	-
	9,019	1,126

(₹ in '000')		
Particulars	As At 31.03.2013	As At 31.03.2012
Note 18: Other Current Assets		
Others		
Accrued Interest	53	41
Prepaid Expenses	250	-
Others	65	33
Due from Related Parties	300	-
	668	74
Note 19: Revenue from Operations		
Interest Income	1,822	255
Processing fees Received	51	-
Profit on Sale of Investments	1,346	4,894
Professional fees Income	125	235
	3,344	5,384
Note 20: Other Income		
Dividend Income	612	455
Profit on Sale of Investments	65	39
Profit on sale of Assets	-	105
Miscellaneous Income	1,005	871
	1,682	1,470
Note 21: Employee Benefit Expenses		
Salaries and wages	1,667	1380
Contribution to provident and other funds	8	9
Staff welfare expenses	-	35
	1,675	1,424
Note 22: Finance Costs		
Interest expenses	578	556
Other borrowing costs	57	76
	635	632
Note 23: Other Expenses		
Advertisement	129	104
Auditors Remuneration (for break up refer below)	114	120
Infrastructural Support Service Expenses	293	214
Legal Expenses	1	16
Miscellaneous expenses	688	633
Professional Fees	90	285
Provision for Standard Assets	336	-
Subscription & Membership	258	250
Share in Loss of Associates	20	-
	1,929	1,622
As Auditor		
As Statutory Auditor	58	58
For Taxation matters	-	10
For Limited Review	45	38
In other capacity	-	-
Company Law Matters	-	5
Management Services	11	9
For reimbursement of expenses/Service Tax		
	114	120

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2013.

NOTES FORMING PART OF ACCOUNTS

(Note Nos : 24 to 31)

24. Contingent Liabilities not provided for: NIL

25. Earnings per Share:

Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Net Profit / (Loss) after Taxation (₹ in '000)	1,013	2,462
Less : Preference Dividend and Tax thereon	1,185	1,185
Net Profit/(Loss) for calculation of EPS	(172)	1,277
The weighted average Number of Equity Share (Nos.)	31,35,740	31,35,740
Face value (₹)	10	10
Earnings per Share (Basic)	(0.05)	0.41
Earnings per Share (Diluted)	(0.05)	0.41

26. Earnings in Foreign Currency ₹ Nil (₹ Nil)

Expenditure in Foreign Currency ₹ Nil (₹ Nil)

27. Managerial remuneration included in the Profit & Loss Account is ₹ Nil (₹ Nil)

28. Related party disclosures under Accounting Standard -18:

List of related parties:

a) Key Management Personnel

Mr. Girish Jain

b) Relatives of Key Management Personnel.

Inderchand Jain - Father
Chanddevi Jain - Mother
Rajnish Jain - Brother
Aditi Jain - Wife

c) Enterprises over which key management personnel is able to exercise significant influence:

KJMC Corporate Advisors (India) Limited
KJMC Capital Market Services Limited
KJMC Shares and Securities Limited
KJMC Credit Marketing Limited
KJMC Commodities Market India Limited
Puja Impex Private Limited
Prathmesh Enterprises Private Ltd
KJMC Platinum Builders Private Ltd (w.e.f: 13.03.2013)
KJMC Realty Private Limited (w.e.f: 22.03.2013)
KJMC Silver Properties Private Ltd
KJMC Mutual Fund

Transactions during the year with related parties

(₹ in 000's)

Sr. No.	Nature of Transactions with related parties	Associates		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012
1	Loan and Advance Received KJMC Capital Market Services Ltd	-	-	25,880	-
2	Loans and Advances Repaid KJMC Capital Market Services Ltd	-	-	25,880	123,279
3	Interest Received KJMC Capital Market Services Limited	-	-	75	212
4	Deposit Received/(Repaid) KJMC Capital Market Services Ltd	-	-	-	12,000
5	Deposit Given/Received KJMC Shares & Securities Ltd	-	-	-	10,000
6	Rent Received KJMC Capital Market Services Ltd	-	-	760	760
7	Services Received during the year KJMC Corporate Advisors (India) Ltd KJMC Capital Market Services Ltd	-	-	125	-
8	Rent Paid KJMC Capital Market Services Ltd	-	-	293	-
9	Professional fees Paid KJMC Shares & Securities Ltd	-	-	-	135
10	Reimbursement of Expenses received KJMC Capital Market Services Ltd KJMC Corporate Advisors (India) Ltd	-	-	-	87
11	Reimbursement of Expenses Paid KJMC Credit Marketing Ltd KJMC Corporate Advisors (India) Ltd KJMC Capital Market Services Ltd Puja Impex Private Ltd	-	-	169	248
12	Purchase / (Sale) of Investment KJMC Corporate Advisors (India) Ltd Puja Impex Pvt Ltd	-	-	186	-
13	Net Receivables KJMC Shares & Securities Ltd KJMC Capital Market Services Limited	-	-	5	-
14	Net Payables KJMC Capital Market Services Ltd KJMC Mutual Fund	-	-	(740)	(55,020)
		-	-	300	417
		-	-	-	29
		-	-	12,000	12,000
		-	-	246	246

29. List of Subsidiaries considered in the consolidated financial statements are:

Sr. No.	Name of Subsidiary	Country of Incorporation	Ownership Interest	
			31.03.2013	31.03.2012
1.	KJMC Asset Management Company Limited	India	100%	100%
2.	KJMC Investment Trust Company Limited	India	100%	100%

30. The management has identified the Company's operations with a single business segment of non banking financial operations in India. All the assets of the Company are located in India.

31. Previous year figures have been regrouped or reclassified wherever necessary in order to make them comparable and shown in brackets

As per our report of even date attached

For K. S. AIYAR & CO.
Chartered Accountants.
Registration No. 100186W

Satish Kelkar
Partner
Membership No. 38934
Place: Mumbai
Dated: 29th May, 2012

For and on behalf of Board of Directors

Rajnish Jain
Director

Girish Jain
Director

Sanjeev Singh Sengar
Company Secretary

Place: Mumbai
Dated: 29th May, 2012



KJMC FINANCIAL SERVICES LIMITED

KJMC FINANCIAL SERVICES LIMITED

Registered Office : 168, Atlanta, 16th Floor, Nariman Point, Mumbai - 400 021.

PROXY FORM

Reg. Folio No.

No. of Shares held

DP ID/Client ID No.

I/We

.....of.....

.....Being a Member/ Members of KJMC FINANCIAL SERVICES LIMITED

hereby appointof.....or

failing him.....of.....as

my/ our proxy to vote for me/ us on my behalf at the 25TH ANNUAL GENERAL MEETING of the Company to be held on Saturday the 28th September, 2013 at 10.45 A.M. and at any adjournment thereof.

Signed this day of, 2013

Signature

Affix
Rupee. 1
Revenue
Stamp

Note : This proxy form duly completed and signed must be deposited at the Registered office of the Company not less than 48 hours before the Meeting. The proxy need not be a member of the Company.

KJMC FINANCIAL SERVICES LIMITED

Registered Office : 168, Atlanta, 16th Floor, Nariman Point, Mumbai - 400 021.

ATTENDANCE

(To be handed over at the entrance of the Meeting Hall)

25th Annual General Meeting - 28th September, 2013

I hereby record my presence at the 25TH ANNUAL GENERAL MEETING of the company held on Saturday, 28th September, 2013 at 10.45 A.M. at S. K. Somani Memorial Hall, Hindi Vidya Bhawan, 79 - Marine Drive, "F" Road, Mumbai - 400 020.

Full name of Member (IN BLOCK LETTERS).....

Reg. Folio No./ DP ID / Client ID

No. of shares held.....

Full name of Proxy (IN BLOCK LETTERS)

.....

.....

Member's / Proxy Signature

BOOK - POST



To,



If Underlivered Please Return To:
KJMC FINANCIAL SERVICES LIMITED

Registered Office: 168, Atlanta, 16th Floor,
Nariman Point, Mumbai – 400 021.
Tel : 91-22-22832350, 22885201, 4094 5500
Fax : 91-22-22852892
Email : info@kjmc.com, Website : www.kjmc.com

KJMC FINANCIAL SERVICES LTD.

NBFC : No. B-13.01633

CIN: - L99999MH1988PLC047873



FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	KJMC Financial Services Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-Qualified
4.	Frequency of observation	N. A.

for KJMC Financial Services Limited

Inder Chand Jain

I. C. Jain
(Chairman & Director)

for KJMC Financial Services Limited

Lokesh Ranawat

Lokesh Ranawat
(Head-Finance & Accounts)

for KJMC Financial Services Limited

S. C. Aythora

S. C. Aythora
(Chairman of Audit Committee)

For K. S. Aiyar & Co.
Chartered Accountant
Registration No. 100186W

Sachin A. Negandhi

Sachin A Negandhi
(Partner)
Membership No. 112888

29/05/2014

day

Regd. office : - 168, 16th Floor, Atlanta, 209, Nariman Point, Mumbai - 400 021.

Tel.: +91-22-2283 2350, 2288 5201-2, 4094 5500 Fax: +91-22-2285 2892 Email: info@kjmc.com Website: www.kjmc.com