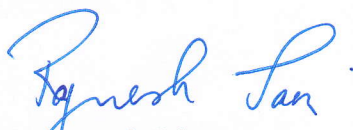


FORM A

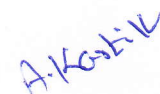
(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company	KJMC Financial Services Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-Qualified
4.	Frequency of observation	Not applicable

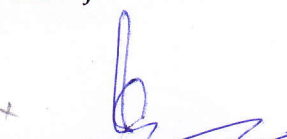
For KJMC Financial Services Limited

  
Rajnesh Jain  
(Whole Time Director)  
DIN:00151988

For KJMC Financial Services Limited

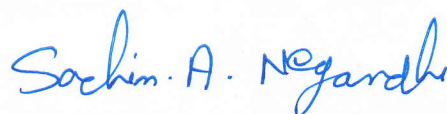
  
Kartik Konar  
(Chief Financial Officer (CFO))

For KJMC Financial Services Limited

  
Sureshchandra Chhanalal Aythora  
(Chairman of Audit Committee)  
DIN: 00085407



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

  
Sachin A. Negandhi  
(Partner)  
Membership No. 112888





**KJMC**  
ADVICE MATTERS

# **KJMC FINANCIAL SERVICES LIMITED**

**27th**  
**Annual Report**  
**2014 - 2015**

**BOARD OF DIRECTORS**

Mr. Inderchand Jain	Chairman
Mr. Rajnesh Jain	Whole Time Director
Mr. Girish Jain	Director
Mrs. Aditi Jain	Director
Mr. S. C. Aythora	Independent Director
Mr. Nitin Kulkarni	Independent Director

**CHIEF FINANCIAL OFFICER**

Mr. Kartik Konar

**COMPANY SECRETARY**

Ms. Sankari Muthuraj

**AUDITOR**

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

**BANKERS**

HDFC Bank Limited  
Union Bank of India

**REGISTRAR & TRANSFER AGENT**

Bigshare Services Pvt. Ltd.,  
E-2 & 3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai - 400072.  
Tel.No.022-4043 0200, Fax No. 022-28475207,  
E-mail id: investor@bigshareonline.com  
Counter Timings : 10.00 a.m. to 12.30 p.m. & 1.30 p.m. to 3.30 p.m.

**REGISTERED OFFICE**

162, 16th Floor, Atlanta,  
Nariman Point, Mumbai – 400 021  
Tel.No.: 022-4094 5500  
Email : investor.finance@kjmc.com  
CIN : L99999MH1988PLC047873

**GROUP BRANCH OFFICE**

<b>New Delhi</b>	<b>Jaipur</b>
221, Hans Bhavan, Bahadur Shah Zafar Marg, New Delhi - 110 002.	41, Jai Jawan Colony II, Tonk Road, Durgapur, Jaipur - 302 018.

<b>27TH ANNUAL GENERAL MEETING</b>		
<b>Date</b>	:	<b>Saturday, 19th September, 2015</b>
<b>Time</b>	:	<b>12.15 p.m.</b>
<b>Venue</b>	:	<b>S. K. Somani Memorial Hall</b> Hindi Vidya Bhawan, 79 - Marine Drive, "F" Road, Mumbai - 400 020

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**NOTICE**

Notice is hereby given that 27th Annual General Meeting of the Members of KJMC Financial Services Limited will be held on Saturday, 19th September, 2015 at 12.15 P.M. at S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 79-Marine Drive, 'F' Road, Mumbai, to transact the following businesses :-

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2015, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2015, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Girish Jain (DIN : 00151673), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, as Auditors of the Company and to fix their remuneration.

**"RESOLVED** that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. K. S. Aiyar & Co., Chartered Accountants (Registration No. 100186W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company to be held in the year 2016 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:-****4. Appointment of Mrs. Aditi Jain (DIN : 00152373) as a Director of the Company**

To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Aditi Jain (DIN: 00152373), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25th March, 2015 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director liable to retire by rotation of the Company, whose term shall be subject to retirement by rotation.

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

(Sankari Muthuraj)  
Company Secretary

Place: Mumbai

Date: 11th August, 2015

**NOTES:**

- 1) The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution/authority as applicable.
- 3) Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- 4) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 5) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- 6) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 7) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 8) The Register of Members and Share Transfer Books will remain closed from Wednesday, 16th September, 2015 to Saturday, 19th September, 2015 (both days inclusive) for the purpose of AGM.
- 9) Members whose shareholding is in the electronic mode are requested to direct change of correspondence address, e-mail id and updates of savings bank account details to their respective Depository Participant(s).
- 10) Members are requested to address all correspondence to the Registrar and Share Transfer Agents, 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, mail id: investor@bigshareonline.com.
- 11) Copies of the Annual Report, 2015 and instructions for e voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- 12) To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Bigshare Services Pvt. Ltd., / Depositories.
- 13) Members may also note that the Notice of the 27th AGM and the Annual Report 2015 will be available on the Company's website, www.kjmc.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e communication, or have any other queries, may write to us at: investor.finance@kjmc.com.
- 14) The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company/RTA.
- 15) All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

- 16) The Company has appointed M/s. S. S. Rauthan & Associates, a firm of company secretaries in practice, as a scrutinizer for conducting the e-voting and polling process at the Annual General meeting in a fair and transparent manner.
- 17) The scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 18) In the event of a poll at the meeting, please note that the members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules.
- 19) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 27th annual general meeting of the Company scheduled to be held on Saturday, 19th September, 2015. The results along with the scrutinizer's report shall be placed on the Company's website [www.kjmc.com](http://www.kjmc.com), within two days of the passing of the resolutions at the 27th annual general meeting of the Company and shall also be communicated to the stock exchanges.
- 20) Information required to be provided, pursuant to Clause 49 of the Listing Agreement in respect of the Directors seeking appointment / re appointment at the AGM are given hereunder. The Directors have furnished the requisite consents / declarations for their appointment/re appointment.

(i) **Mr. Girish Jain**

<b>Name &amp; Designation</b>	Mr. Girish Jain, Director
<b>Date of Birth</b>	7th May, 1971
<b>Qualifications</b>	B.E. (Electronics), MBA (Finance)
<b>Expertise</b>	He is having over 17 years experience in Corporate Finance, Fund raising through loan syndication, Asset Management, Merchant Banking, Financial Restructuring, Stock Broking, Distribution of financial products.
<b>Director of the Company since</b>	21st September, 1994

Directorships / Committee Membership of Mr. Girish Jain in the other companies:

Name of the Company	Committee Chairmanship/ Membership
KJMC Corporate Advisors (India) Limited	Member - Share Transfer and stakeholders Relationship Committee. Member – Credit & Investment Committee.
KJMC Capital Market Services Limited	—
KJMC Asset Management Company Limited	Member-Audit Committee. Member- Nomination and Remuneration Committee.
KJMC Shares & Securities Limited	—
KJMC Commodities Market India Limited	—
KJMC Credit Marketing Limited	—
KJMC Platinum Builders Private Limited	—

(ii) **Mrs. Aditi Jain:**

<b>Name &amp; Designation</b>	Mrs. Aditi Jain, Director
<b>Date of Birth</b>	29th August, 1974
<b>Qualifications</b>	B.E (Computers) & PGDBM (Finance)
<b>Expertise</b>	She is having experience in Corporate, Finance and Capital Market.
<b>Director of the Company since</b>	25th March, 2015

Directorships / Committee Membership of Ms. Aditi Jain in the other companies:

Name of the Company	Committee Chairmanship/Membership
KJMC Capital Market Services Limited	—
KJMC Credit Marketing Limited	---
Prathamesh Enterprises Private Limited	---
KJMC Realty Private Limited	---
AKIP Ventures Private Limited	---
KJ Golden real Estate Private Limited	---
KJ Diamond real Estate Private Limited	---
Puja Impex Private Limited	---
KJMC e.Business Ventures Private Limited	---

- 21) In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Equity Listing Agreement, the company is pleased to offer e-voting facility as an alternate to all the members of the company to enable them to cast their votes electronically instead of voting at the AGM.

The instructions for e-voting are as under:

The procedure and instructions for e-voting are as under:-

- (i) The voting period begins on 16th September, 2015 (10:00 a.m.) and ends on 18th September, 2015 (06.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 07th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Now click on "Shareholders" tab.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For members holding shares in D-mat Form and Physical Form
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/mail) in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.</li> </ul>



<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
-----------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- (ix) After entering these details appropriately, click on "SUBMIT".
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the "KJMC Financial Services Limited" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

**(Sankari Muthuraj)**  
Company Secretary

Place: Mumbai  
Date: 11th August, 2015

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 4

Mrs. Aditi Jain (Din : 00152373), was appointed as an Additional Director by the Board with effect from 25th March, 2015.

In terms of Section 161(1) of the Companies Act, 2013, Mrs. Aditi Jain (Din : 00152373) holds office as Director only till the date of the forthcoming Annual General Meeting, but she is eligible for appointment. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from a member signifying his intention to propose the candidature of Mrs. Aditi Jain (Din : 00152373) as a Director.

Further details of Mrs. Aditi Jain have been given in the notes to this Notice.

Your Directors therefore recommend the resolution for your approval. Mrs. Aditi Jain herself and her relatives viz. Mr. Girish Jain, Mr. Inderchand Jain and Mr. Rajnesh Jain are concerned or interested in this Resolution.

By Order of the Board  
For KJMC Financial Services Limited

**(Sankari Muthuraj)**  
Company Secretary

Place: Mumbai  
Date: 11th August, 2015

## DIRECTORS REPORT

To,

The Members of

### KJMC Financial Services Limited

Your Directors have pleasure in presenting the 27th Annual Report, together with the audited financial statement of the Company for the financial year ended 31st March, 2015.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2015 is summarized below:

Particulars	Standalone		Consolidated	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Total Income	13,379	7,188	14,799	7,655
Total Expenses	12,289	6,517	13,287	7,225
Profit before Tax	1,090	671	1,512	430
Less: Provision for Tax				
- Current Tax	-	-	41	10
- Deferred Tax	(1,193)	(366)	(1,193)	(366)
- MAT Credit	-	-	(40)	(10)
- Prior period taxes	472	-	456	-
Profit for the Year before Share in Associates' profit / Loss	1,811	1,037	2,248	796
Share in Associates' Loss	NA	NA	(56)	(42)
Profit / (Loss) After Tax	1,811	1,037	2,192	754
Add : Surplus b/f	18,756	17,952	16,739	16,218
Fixed Assets not having remaining useful life as on 1st April, 2014	(208)	-	(208)	-
Disposable Profits	20,358	18,989	18,723	16,972
Appropriations towards :				
Special Reserve	362	207	362	207
General Reserve	45	26	45	26
Balance carried forward	19,951	18,756	18,316	16,739
EPS				
- Basic	0.48	0.31	0.58	0.23
- Diluted	0.39	0.25	0.47	0.18

### PERFORMANCE REVIEW

On standalone basis, your Company earned the gross income of ₹ 133.79 Lakhs as against ₹ 71.88 Lakhs in the previous year. The total expenditure during the year under review was ₹ 122.89 Lakhs as against ₹ 65.17 Lakhs in the previous year. The Net Profit after tax was ₹ 18.11 Lakhs as against ₹ 10.37 Lakhs in the previous year.

On consolidated basis, your Company earned the gross income of ₹ 147.99 Lakhs as against ₹ 76.55 Lakhs in the previous year. The total expenditure during the year under review was ₹ 132.87 Lakhs as against ₹ 72.25 Lakhs in the previous year. The Net Profit after tax was ₹ 21.92 Lakhs as against ₹ 7.54 Lakhs in the previous year.

### TRANSFER TO RESERVES

The Company proposes to transfer ₹ 0.45 Lakhs to the general reserve and

₹ 3.62 Lakhs to Special Reserves out of the amount available for appropriation and an amount of ₹ 199.51 Lakhs is proposed to be retained in the profit and loss account.

### SHARE CAPITAL

During the reporting period, your Company has allotted 45000, 0% Compulsory Convertible Preference Shares of ₹ 100/- each (CCPS) at a price of ₹ 250/- per share to Promoter and Part of the Promoters Group of the Company on Preferential basis in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 pursuant to approval of members on special resolution passed through postal ballot on 19th March, 2015. As a result of this, the issued, subscribed and paid up capital of the Company has increased from ₹ 433.57 lacs to ₹ 478.57 lacs.

The 45,000 CCPS are convertible into 450,000 equity shares within 18 months from the date of allotment of CCPS i.e. 25th March, 2015 at an offer price ₹ 25/- per share.

### DIVIDEND

In order to conserve the resources for operations, your Directors regret their inability to recommend any dividend for the year under review.

### 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 AND KEY MANAGERIAL PERSONNEL

Mr. Raghunath Mohanlal Kumar (Din: 00261227), Independent Director of the Company, stepped down from the Board of the Company on 10th November, 2014 due to his ill health. He was associated with the Company since 5th October, 1994.

Mr. Sanjeev Singh Sengar, Company Secretary and Compliance Officer of the Company resigned w.e.f. 15th November, 2014.

The Board places on record their appreciation for the valuable services rendered by Mr. Raghunath Mohanlal Kumar and Mr. Sanjeev Singh Sengar.

Pursuant to the requirement of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has also inducted Mrs. Aditi Jain (Din: 00152373), as an Additional Director of the Company with effect from 25th March, 2015. She is B.E (Computers) & PGDBM (Finance) and has experience in corporate finance, capital market and general administration besides technology related issues.

Necessary resolutions are being proposed in the notice of the ensuing annual general meeting for the approval of the members for appointment of Mrs. Aditi Jain, as a Director of the Company. The Company has received a notice from a member pursuant to Section 160 of the Companies Act 2013 proposing her appointment as a Director.

According to the Companies Act, 2013, at least two-thirds of the total number of Directors (excluding Independent Directors) shall be liable to retire by rotation. For this purpose, considering the composition of the Board of Directors, Mr. Girish Jain, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment. Necessary resolution for this purpose is being proposed in the notice of the ensuing annual general meeting for the approval of the members.

The Independent Directors have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided in sub-section (6).

The Board has appointed Mr. Kartik Konar as Chief Financial Officer of the Company with effect from 11th August, 2014.

The Board has appointed Ms. Sankari Muthuraj as Company Secretary of the company with effect from 25th March, 2015 within a meaning of Section 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. She has been designated as Compliance Officer of the Company pursuant to Clause 47 of the Listing Agreement.

### NUMBER OF BOARD MEETING

The Board of Directors met six (6) times in the financial year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to the

provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive Directors.

#### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance report, which forms part of the Directors' report.

#### ADEQUACY OF INTERNAL CONTROL

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

#### PUBLIC DEPOSITS

The Company being a Non-Deposit Accepting Non-Banking Finance Company has not accepted any deposits from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India (RBI).

#### AUDITORS

In accordance with Section 139 of the Companies Act, 2013 and the rules made there under, M/s. K. S. Aiyar & Co., Mumbai, the Statutory Auditors of your Company has been appointed as the Statutory Auditors of the Company in the 26th Annual General Meeting of the Company, for a period of five years (subject to ratification of their appointment at every AGM).

They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for appointment as Auditors of the Company.

The Auditors Report for the year under review does not contain any qualification.

#### AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

#### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. S. Rauthan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed and forms part of this report.

#### SUBSIDIARY COMPANIES

The Company has two wholly owned subsidiaries namely KJMC Asset Management Company Limited and KJMC Investment Trust Company Limited and two associate companies namely KJMC Realty Private Limited and KJMC Platinum Builders Private Limited within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries and associates.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is annexed and forms part of this report.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone

and the consolidated financial statements has been placed on the website of the Company, www.kjmc.com. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, www.kjmc.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

#### DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors hereby confirm that:

- that in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies have been selected and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### CORPORATE GOVERNANCE

In terms of SEBI Circular No: CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014, compliance of Clause no. 49 of the Equity Listing Agreement is not applicable to your Company as the Company's paid up Equity Share Capital does not exceed of Rs. 10 Crores and net worth does not exceed of Rs. 25 Crores as on 31st March, 2015.

To maintain highest standards of Corporate Governance, a separate section on Corporate Governance, is annexed and forms part of this report.

#### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as provided under sub-section (3) of Section 92 in the Form MGT 9 for the financial year under review is annexed and forms part of this report.

#### RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed on a quarterly basis before the Audit Committee and also before the Board for approval.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is annexed and forms part of this report.

#### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

#### MANAGEMENT DISCUSSION AND ANALYSIS

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

#### LISTING OF SHARES

Equity Shares of the Company are listed with BSE Limited. The Annual listing fee for the financial year 2015-16 has been paid to the BSE Limited (BSE). The Company has complied with the delisting formalities with the Bhubaneswar Stock Exchange Association Limited and the Calcutta Stock Exchange Association Limited. Delisting approval from these exchanges are awaited.



## FUTURE BUSINESS PLAN

The Board of Directors of your Company are looking continuously to increase and grow the business of the Company and also considering the new business proposal to start a Housing finance business through its subsidiary company as a special purpose vehicle (SPV).

## PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i. **The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;**

Non-executive Directors	Ratio to median remuneration
Mr. Inderchand Jain	-
Mr. S.C. Aythora	0.12
Mr. R.R. Kumar ( up to 10.11.2015) *	-
Mr. Nitin Kulkarni	0.12
Mr. Girish Jain	-
Mrs. Aditi Jain (Appointed w.e.f. 25th March, 2015) *	-
<b>Executive Directors</b>	
Mr. Rajnesh Jain*	-

\*Since this information is for part of the year, the same is not comparable.

- ii. **The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, if any, in the financial year;**  
Whole Time Director, Chief Financial Officer & Company Secretary : Nil
- iii. **The percentage increase in the median remuneration of employees in the financial year:** Nil
- iv. **The number of permanent employees on the rolls of Company as on 31st March, 2015:** 8
- v. **The explanation on the relationship between average increase in remuneration and Company performance:**  
On an average, employees received an annual increase of 6%. The individual increments varied from 5% to 8% based on individual performance.
- vi. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

(₹ in '000")

Aggregate remuneration of key managerial personnel (KMP) in FY15	2,517
Revenue	13,379
Remuneration of KMPs (as % of revenue)	18.81
Profit before Tax (PBT)	1,090
Remuneration of KMP (as % of PBT)	230.92

- vii. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	31st, March 2015	31st, March 2014	% Change
No. of Equity Share	39,10,740	34,85,740	12.19
Market price per share ₹	12.55	16.35	(23.24)
Market Capitalisation ₹	4,90,79,787	5,69,91,849	(13.88)
Earning per share ₹	0.48	0.31	54.84
Price Earnings Ratio	26.15	52.74	(50.42)

- viii. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	31st March, 2015	March, 1995 - IPO	% Change
Market Price	12.55	60 & 70*	(79.08)

\* Equity Shares of ₹10/- each were offered at a premium of ₹ 50/- per share to the Financial Institutions and Indian Public and at a premium of ₹ 60/- per share to Mutual Funds.

- ix. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase of employees was around 6%. However, during the course of the year, managerial remuneration was not increased.

- x. **Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

(₹ in '000")

	Mr. Rajnesh Jain (Whole time Director appointed w.e.f. 11.08.2014)	Mr. Kartik Konar (Chief Financial Officer appointed w.e.f. 11.08.2014)	Mr. Sanjeev Sengar (Company Secretary resigned w.e.f. 15.11.2014)	Sankari Muthuraj (Company Secretary appointed w.e.f. 25.03.2015)
Remuneration in FY15 (Rs. '000)	1,474	202	831	11
Revenue	13,379			
Remuneration as % of revenue	11.02	1.51	6.21	0.08
Profit before Tax (PBT)	1,090			
Remuneration (as % of PBT)	135.23	18.53	76.24	1.01

- xi. **The key parameters for any variable component of remuneration availed by the Directors:** None
- xii. **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:** None
- xiii. **Affirmation that the remuneration is as per the remuneration policy of the Company:**  
The Company affirms remuneration is as per the remuneration policy of the Company.
- xiv. **There are no employees falling within the purview of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 134 of the Companies Act, 2013 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.

## RISK MANAGEMENT

The details in respect of risks and concerns are included in the Management Discussion & Analysis, which forms part of this report.

## ACKNOWLEDGMENT

The Board of Directors takes the opportunity to express its sincere appreciation for the support and co-operation from its members, Reserve Bank of India, banks and Statutory and Regulatory Authorities.

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

For and on behalf of the Board of Directors

(I. C. Jain)  
Chairman

Place: Mumbai  
Date: 27th May, 2015

## 27TH ANNUAL REPORT 2014-2015

### FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries & associate companies.

#### Part "A": SUBSIDIARIES

(₹ in '000')

Sr. No.	1	2
Name of the subsidiary	KJMC Asset Management Company Ltd	KJMC Investment Trust Co Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding Company (i.e. 1st April to 31st March)	Same as holding Company (i.e. 1st April to 31st March)
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR
Share capital	1,02,500	1,500
Reserves & surplus	(1411)	(105)
Total assets	1,01,217	1,653
Total Liabilities	128	258
Investments	13,800	108
Turnover	-	-
Profit before taxation	391	31
Provision for taxation	1	(16)
Profit after taxation	390	47
Proposed Dividend	-	-
% of shareholding	100%	100%
Country	India	India

#### PART "B": ASSOCIATES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies.

Name of Associates	KJMC Realty Pvt Ltd	KJMC Platinum Builders Pvt Ltd
1. Latest audited Balance Sheet Date	31-03-2015	31-03-2015
2. Shares of Associate held by the company on the year end No.	4,000	65,300
Amount of Investment in Associates	40	653
Extend of Holding %	24.02	27.86
3. Description of how there is significant influence	Holding more than 20% of Equity	Holding more than 20% of Equity
4. Reason why the associate is not consolidated		
5. Networth attributable to Shareholding as per latest audited Balance Sheet	-	574
6. Profit / Loss for the year		
i. Considered in Consolidation	(28)	(28)
ii. Not Considered in Consolidation	-	-

As per our report of even date attached

for and on behalf of Board of Directors

For K.S. Aiyar & Co.

Chartered Accountants.

ICAI Firm Registration No. 100186W

Sachin A Negandhi

Partner

Membership No. 112888

Place: Mumbai

Dated: 27th May, 2015

I. C. Jain

Chairman

Din No:

00178901

Girish Jain

Whole Time Director

DIN:

00151673

Kartik Konar

Chief

Financial Officer

Place: Mumbai

Dated: 27th May, 2015

Sankari Muthuraj

Company Secretary

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

- Details of contracts or arrangements or transactions not at arm's length basis: Nil
- Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	KJMC Corporate Advisors (India) Limited	Leave and License Agreement	10 years	Leasing of part of the premises bearing office no. 162, Atlanta, 16th Floor, Nariman Point, Mumbai-400021 at a monthly lease rental of Rs. 2500/- p.m.	29.05.2014	Nil

For and on behalf of the Board of Directors

(I. C. Jain)

Chairman

Place: Mumbai

Date: 27th May, 2015

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

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

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L99999MH1988PLC047873
ii.	Registration Date	29.06.1988
iii.	Name of the Company	KJMC Financial Services Limited
iv.	Category /Sub-Category of the Company	Public Company limited by shares
v.	Address of the Registered office and contact details	162, Atlanta, 16th Floor, Nariman Point, Mumbai - 400021.
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. E-2 &3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400072. Tel.No. 022-40430200, Fax.No. 022-28475207 E-mail id: investor@bigshareonline.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Credit and investment	99715990	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary of the Company	% of shares	Applicable Section
1	KJMC Asset Management Company Limited	U74140MH1998PLC220222	Subsidiary	100	2(87)
2	KJMC Investment Trust Company Limited	U74899MH1998PLC213839	Subsidiary	100	2(87)
3	KJMC Realty Private Limited	U70102MH2008PTC183258	Associate	24.02	2(6)
4	KJMC Platinum Builders Private Limited	U45200MH2008PTC181980	Associate	27.86	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2006977	-	2006977	57.78	2006977	-	2006977	51.32	(6.46)
b) Central Govt	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	-	-	-	425000	-	425000	10.87	10.87
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any Other....	-	-	-	-	-	-	-	-	
Sub-total (A) (1):-	2006977	-	2006977	57.78	2431977	-	2431977	62.19	4.41
(2) Foreign	-	-	-	-	-	-	-	-	
a) NRIs - Individuals	-	-	-	-	-	-	-	-	
b) Other - Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	
e) Any Other....	-	-	-	-	-	-	-	-	
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2006977	-	2006977	57.78	2431977	-	2431977	62.19	4.41
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks / FI	-	65400	65400	1.88	-	65400	65400	1.67	(0.21)
c) Central / State Govt (s)	-	7050	7050	0.20	-	7050	7050	0.18	(0.02)
d) Venture Capital Funds	-	-	-	-	-	-	-	-	
e) Insurance Companies	-	-	-	-	-	-	-	-	
f) FIs	-	-	-	-	-	-	-	-	
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	

h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	72450	72450	2.08	-	72450	72450	1.85	-
2.Non-Institutions					-	-	-	-	
a) Bodies Corp.	592195	20850	613045	17.59	592074	20850	612924	15.67	(1.92)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	256068	203131	459199	13.17	257485	201831	459316	11.74	(1.43)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	317600	15300	332900	9.55	317600	15300	332900	8.51	(1.04)
c) Others (specify)									
i) Non Resident Indians	518	0	518	0.01	523	-	523	0.01	-
ii) Clearing Members	51	0	51	0.00	50	-	50	0.00	-
iii) Directors & their Relatives & Friends	350	250	600	0.02	350	250	600	0.02	-
Sub-total (B)(2):-	1166782	239531	1406313	40.34	1168082	238231	1406313	35.96	(4.38)
Total Public Shareholding (B)=(B)(1)+(B)(2)	1166782	311981	1478763	42.42	1168082	310681	1478763	37.81	(4.61)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3173759	311981	3485740	100	3600059	310681	3910740	100	

**(ii) Shareholding of Promoters**

Sr. No	Shareholder's Name	Share holding at beginning of the year i.e. 01.04.2014			Share holding at the end of the year i.e. 31.03.2015			% change In share Holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Inder Chand Jain	1221354	35.04	0.00	1221354	31.23	0.00	-3.81
2	I C Jain HUF	267065	7.66	0.00	267065	6.83	0.00	-0.83
3	Mrs. Chanddevi Jain	151553	4.35	0.00	151553	3.88	0.00	-0.47
4	Mr. Rajnesh Jain	122335	3.51	0.00	122335	3.13	0.00	-0.38
5	Mr. Pankaj Jain	122335	3.51	0.00	122335	3.13	0.00	-0.38
6	Mr. Girish Jain	122335	3.51	0.00	122335	3.13	0.00	-0.38
7	KJMC Corporate Advisors (India) Ltd	0	0.00	0.00	425000	10.87	0.00	10.87

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

Sr. No.	Shareholder's Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Mr. Inderchand Jain	01.04.2014 31.03.2015	1221354	35.04	1221354 1221354	35.04 31.23
2	I C Jain Huf	01.04.2014 31.03.2015	267065	7.66	267065 267065	7.66 6.83
3	Mrs. Chanddevi Jain	01.04.2014 31.03.2015	151553	4.35	151553 151553	4.35 3.88
4	Mr. Rajnesh Jain	01.04.2014 31.03.2015	122335	3.51	122335 122335	3.51 3.13
5	Mr. Pankaj Jain	01.04.2014 31.03.2015	122335	3.51	122335 122335	3.51 3.13
6	Mr. Girish Jain	01.04.2014 31.03.2015	122335	3.51	122335 122335	3.51 3.13
7	KJMC Corporate Advisors (India) Ltd	01.04.2014 29.05.2014 11.08.2014 31.03.2015	0 125000 425000 425000	0.00 3.46 10.87 10.87		

\* changes due to allotment of equity shares pursuant to conversion of 0% compulsory convertible preference shares into equity shares.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of G DRs and ADRs):

Sr. No	Top Ten Shareholders	Shareholding at the beginning of the year i.e. 01.04.2014		No. of Shares held at the end of the year i.e. 31.03.2015	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Apex Enterprises (India) Ltd	50000	1.43	50000	1.28
2	Dena Bank	64300	1.84	64300	1.64
3	Frontline Venture Services Private Limited	111370	3.20	111370	2.85
4	Optus Impex (P) Ltd	83350	2.39	83350	2.13
5	Oricon Properties Private Limited	106420	3.05	106420	2.72
6	Rajesh Patni	125000	3.59	125000	3.20
7	Ravindra Kala	86400	2.48	86400	2.21
8	TCK Finance & Leasing Pvt Ltd	75000	2.15	75000	1.92
9	Usha Kala	58250	1.67	58250	1.49
10	Yashodham Merchants Pvt Ltd	32450	0.93	32450	0.83

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholder's Name	Date	Shareholding at the beginning of the year i.e. 01.04.2014		Cumulative Shareholding during the year 2014-15	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Mr. Inderchand Jain	01.04.2014 31.03.2015	1221354	35.04	1221354 1221354	35.04 31.23
2	Mr. Rajnesh Jain	01.04.2014 31.03.2015	122335	3.51	122335 122335	3.51 3.13
3	Mr. Girish Jain	01.04.2014 31.03.2015	122335	3.51	122335 122335	3.51 3.13
4	Mr. Nitin V Kulkarni	01.04.2014 31.03.2015	250	0.01	250 250	0.01 0.01
5	Mr. Sureshchandra C Aythora	01.04.2014 31.03.2015	350	0.01	350 350	0.01 0.01

V. INDEBTEDNESS

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

(₹ in '000')

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. 01.04.2014			
i) Principal Amount	31,571	-	31,571
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	9	-	9
Total(i+ii+iii)	31,580	-	31,580
Change in Indebtedness during the financial year			
• Addition	18,000	-	18,000
• Reduction	31,668	-	31,668
Net Change	(13,668)	-	(13,668)
Indebtedness at the end of the financial year 31.03.2015			
i) Principal Amount	17,903	-	17,903
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	100	-	100
Total(i+ii+iii)	18,003	-	18,003

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Whole-time Directors : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. Rajnesh Jain (Whole Time Director)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,74,646	11,74,646
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,58,410	1,58,410
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil

3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	_ as % of profit		
	_ others, specify...		
5.	Others - Contribution to provident fund	1,40,958	1,40,958
	Total(A)	14,74,014	14,74,014
	Ceiling as per section II of part II of schedule V of the Companies Act, 2013	84,00,000 p.a.	

## SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,  
**KJMC Financial Services Limited**  
162, 16th Floor, Atlanta,  
Nariman Point, Mumbai-400021

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by KJMC Financial Services Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during audit period covering the financial year ended 31st March, 2015 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- During the Audit Period there was no transactions relating to Foreign Direct Investment and Overseas Direct investment and External Commercial Borrowings observed under Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - The Company till the date of Audit Period has not offered Employee Stock Option Scheme and Employee Stock Purchase Scheme under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 notified on 28th October, 2014;
  - During the audit period the Company has not issued or allotted any debt securities under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - During the Audit Period the Company has not applied/delisted any Securities under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; however previously the Company has complied with the delisting formalities with the Bhubaneswar Stock Exchange Association Limited and The Calcutta Stock Exchange Association Limited. Delisting approval from these exchanges is awaited.

### B. Remuneration to other Directors:

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Mr. S. C. Aythora	Mr. Nitin Kulkarni	Mr. R. R. Kumar	
•	Fee for attending board / committee meetings	33,000	33,000	4,000	70,000
•	Commission	Nil	Nil	Nil	Nil
•	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	33,000	33,000	4,000	70,000
2.	Other Non-Executive Directors				
•	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil
•	Commission	Nil	Nil	Nil	Nil
•	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	33,000	33,000	4,000	70,000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Rs. 1 lac per meeting of the Board or committee thereof.			

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(Amount in ₹)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Sanjeev Sengar, CS (Resigned w.e.f. 15.11.2014)	Mr. Kartik Konar (appointed w.e.f. 11.08.2014)	Ms. Sankari Muthuraj (appointed w.e.f. 25.03.2015)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,30,710	2,01,518	10,711	10,42,939
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary Under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission _ as % of profit _ others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	8,30,710	2,01,518	10,711	10,42,939

### VII. PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES (Under the Companies Act):

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2015.



- h) During the Audit Period the Company has not bought back any securities under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the Audit Period); and
- b) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

We have also examined compliance with the applicable Laws, Act, Rules, Regulations, Guidelines, Standards, etc., complied by KJMC Asset Management Company Limited and KJMC Investment Trust Company Limited, the subsidiaries of the Company.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a) Regulatory Guidelines and Regulations issued by Reserve Bank of India (RBI) to Non-Banking Finance Companies (NBFCs) and rules made thereunder;
- b) SEBI (Mutual Funds) Regulation 1996 as amended from time to time (applicable to Company's Subsidiaries).
- c) Labour Laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report** that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except issue and allotment of 45000 0% Compulsory Convertible Preference Shares, having nominal value of Rs. 100/- each at a premium of Rs 150/- per shares to the promoters and promoter group entity on preferential basis.

For S. S. Rauthan & Associates,  
Company Secretaries

**Surjan Singh Rauthan**  
Proprietor  
FCS No.: 4807  
COP No.: 3233  
Mumbai  
Dated: 27th May, 2015

## **MANAGEMENT DISCUSSION & ANALYSIS**

This report covers the operations and financial performance of the Company for the year ended 31st March 2015 along with future outlook and forms part of the Directors Report.

### **OVERVIEW**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, 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.

### **INDIAN ECONOMY**

The Indian economy in 2014 -15 has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, higher growth, stable currency, huge foreign inflows, rise in domestic demand, increase in investments, decline in oil prices and reforms among others. India is set to become the world's fastest-growing major economy by 2016 ahead of China. The Indian economy grew at 7.3 per cent in 2014-15 due to improvement in the performance of both services as well as manufacturing sectors.

### **NBFC SECTOR**

NBFCs have been regarded as important financial intermediaries particularly for the small-scale and retail sectors. There are two broad categories of NBFCs based on whether they accept public deposits, namely deposit taking NBFCs (NBFC-D) and non-deposit taking NBFCs (NBFC-ND). They play a very important role both from the macroeconomic perspective and the structure of the Indian financial system. NBFCs are emerging as an alternative to mainstream banking. Besides, they are also emerging as an integral part of Indian Financial System and have commendable contributions towards Government's agenda of financial inclusion. They have been to some extent successful in filling the gap in offering credit to retail customers in underserved and unbanked areas.

Due to subdued economic growth, last two years, have been challenging period for the NBFCs with moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalisation levels and conservative liquidity management, continues to provide comfort to the credit profile of NBFCs in spite of impact on profitability.

### **BUSINESS AND INDUSTRY REVIEW**

During the reporting period, your Company has raised funds by issue of Compulsory Convertible Preference Shares through Private Placement to improve its net owned fund and also make available larger resources to take advantage of the improved business environment and opportunities for funding the needs of Indian Corporate, Institutions, SME's etc.

### **BUSINESS OUTLOOK**

We expect more Companies to enter Capital Market to garner resources for investment resulting in an opportunity to provide short term fund to investors thereby improving company's lending portfolio.

There is a clearly defined set of procedures for evaluating the creditworthiness of customers that extends from initial evaluation to loan approval. Funds are advanced after due process of evaluation and upon providing the necessary documentation. Your Company's focus is on improving profitability with good asset quality.

As far as Subsidiary Companies are concerned, we feel that with the improved market sentiments and buoyant stock market we would be able to enter into an alliance with a strategic partner for our Asset Management Company, which as per the revised norms required a minimum capital of Rs 50 crs.

### **RISKS AND CONCERNS**

The Company is exposed to specific risks that are inherent to its business model and the environment within which it operates. The Company manages these risks by maintaining a conservative yet aggressive profile and by

following prudent business and risk practices.

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.

#### **OPPORTUNITIES AND THREATS**

##### **Opportunities:**

With the macroeconomic improvement in the outlook of the Indian economy and growth prospects with expected thrust to investment in the infrastructure projects and stable Government at the centre, with easing of crude oil prices the Indian economy and capital market in particular is expected to perform well as is visible in the current rally on the stock markets which has taken the markets to all time high levels. This should present your Company with more opportunities in the area of .

- Promoter Funding
- leveraging Corporate Relationship
- Margin Funding to traders and manufacturing units
- Investing in private equity of growing concerns

##### **Threats:**

- Attraction and retention of human capital
- Increased competition from local and global players operating in India
- Regulatory changes
- Volatile Economic Environment in Europe & Slowing down in China

#### **ADEQUACY OF INTERNAL CONTROLS**

Your Company has in place, an adequate internal control and internal audit system managed by qualified and experienced people. Main objective of the system is to safeguard the Company's assets against loss through unauthorised use and pilferage, to ensure that all transactions are authorised, recorded and reported correctly and timely, to ensure various compliances under statutory regulations and corporate policies are made on time and to figure out the weaknesses persisting in the system and suggest remedial measure for the same. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

Your Company has engaged senior qualified professionals in each of the areas of operations to control and ensures 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 endeavor 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.

#### **CAUTIONARY STATEMENT**

Management discussion and analysis report contains Statements which are forward looking based on various assumptions. Actual results may differ from those expressed or implied due to risk and uncertainties which have been detailed in this report. Several factors as listed in this report could make significant difference to the Company's operations. Investors, therefore, are requested to make their own independent judgments and seek professional advice before taking any investment decisions.

## **REPORT ON CORPORATE GOVERNANCE**

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.

In terms of the SEBI Circular No: CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 compliance of Clause no. 49 of the Equity Listing Agreement is not applicable to your Company as Company's paid up equity share capital does not exceed ₹10 Crores and net worth does not exceed ₹25 Crores till 31st March, 2015.

To maintain highest standards of Corporate Governance, 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**

#### **(a) Composition & Meetings:**

The composition of the Board complies with the provisions of the Companies Act, 2013. As on 31st March 2015 the Board consists of six Directors comprising of three Non-Executive Directors including a woman Director, two Independent Directors and one Executive Director. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Chairman of the company is Non-Executive Director.

The Board met six (6) times during the year on 29th May, 2014, 11th August, 2014, 27th September, 2014, 10th November, 2014, 9th February, 2015 and 25th March, 2015 and the gap between two meetings did not exceed one hundred twenty days. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on 31st March, 2015 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India.

Name of the Director	Category	Number of Board meetings during the year 2014-15		Whether attended last AGM held on 27th September, 2014	Number of directorships in other Public Companies	Number of committee positions held in other public companies	
		Held	Attended			Chairman	Member
Mr. Inderchand Jain (Chairman) DIN:00178901	Promoter & Non Executive Director	6	6	Yes	3	2	1
Mr. Rajnesh Jain DIN:00151988	Promoter & Executive Director	6	5	Yes	5	-	5
Mr. Girish Jain DIN:00151673	Promoter & Non Executive Director	6	6	Yes	6	-	4
Mr. S.C. Aythora DIN:00085407	Independent Director	6	6	Yes	9	1	3
Mr. Nitin Kulkarni DIN: 02297383	Independent Director	6	6	Yes	2	4	1
*Mr. R.R. Kumar DIN : 00261227	Independent Director	3	1	No	NA	NA	NA
**Mrs. Aditi Jain DIN : 00152373	Promoter & Non Executive Director	1	1	NA	2	-	-

\* Resigned from the Directorship of the Company w.e.f 10th November, 2014

\*\* Appointed as an Additional and Non-Executive Director w.e.f 25th March, 2015

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies.

**(b) 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 additions to the information required under 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**

The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 177 of the Companies Act, 2013.

**(a) Terms of Reference:**

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 terms of reference of the audit committee are as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- Reviewing with the Management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by Management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.

- Reviewing with the Management, the quarterly financial statements before submission to the board for approval;

- Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;

- xi. Evaluation of internal financial controls and risk Management systems;
- xii. Reviewing with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Vigil/Whistle Blower Mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other functions as specified in the terms of reference, as amended from time to time.

**(b) Composition & Meetings:**

The Committee met four (4) times during the year on 29th May, 2014, 11th August, 2014, 10th November, 2014 and 9th February, 2015 and the gap between two meetings did not exceed four months. The necessary quorum was present for all the meetings.

The composition of the audit committee and the details of meetings attended by its members are given below:

Name of Director	Category	No. of meetings during the financial year	
		Held	Attended
Mr. S. C. Aythora	Chairman -Independent Director	4	4
Mr. Inderchand Jain	Non Executive Director	4	4
Mr. Nitin Kulkarni	Independent Director	4	4

The audit committee invites executives, as it considers appropriate particularly the head of the finance function, representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the audit committee.

The previous Annual General Meeting (AGM) of the Company was held on 27th September, 2014 and was attended by Mr. S.C. Aythora, Chairman of the audit committee.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

In accordance with Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement the Board of Directors of the Company at their meeting held on 29th May, 2014, have approved the change in nomenclature of the Remuneration Committee to "Nomination and Remuneration Committee".

**(a) Terms of Reference:**

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 role of the committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**(b) Composition & Meetings:**

The Committee met one (1) time during the year on 11th August, 2014. The necessary quorum was present at the meetings.

The composition of the Nomination & Remuneration Committee and the details of meetings attended by its members are given below:

Name of Director	Category	No. of meetings during the financial year	
		Held	Attended
Mr. S. C. Aythora	Chairman -Independent Director	1	1
Mr. Nitin Kulkarni	Independent Director	1	1
Mr. Girish Jain	Non-Executive Director	1	1

**(c) Remuneration Policy:**

The Nomination and Remuneration Committee is fully empowered to determine/approve and revise, subject to necessary approvals, the remuneration of managerial personnel after taking into account the financial position of the Company, trends in the industry, qualifications, experience, past performance and past remuneration, etc.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

The Independent Director shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings.

An Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

In determining the remuneration of Whole Time Director, Senior Management Employees and Key Managerial Persons the Committee shall ensure/consider the following:

- a) the relationship of remuneration and performance benchmark is clear;
- b) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- c) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- d) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual achievement, individuals' performance vis-à-vis KRAs / KPIs,



industry benchmark and current compensation trends in the market.

Board Governance, Nomination and Remuneration Committee recommend the remuneration for the Whole Time Director, Senior Management and Key Managerial Personnel. The payment of remuneration to Executive Directors is approved by the Board and Shareholders. Prior approval of shareholders is also obtained in case of remuneration to Non-Executive Directors.

**(d) Details of sitting fees paid to the Directors for the year ended 31st March, 2015:**

Independent Directors are paid sitting fees of Rs. 4000/- for every meeting of the Board of Directors and Independent Directors meeting and Rs. 1000/- for every meeting of the Audit Committee and Nomination & Remuneration Committee.

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

(Amount in ₹)

Name of Director	Sitting Fees			
	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Independent Directors Meeting
Mr. R.R. Kumar	4000	-	-	--
Mr. S.C. Aythora	24000	4000	1000	4000
Mr. Nitin Kulkarni	24000	4000	1000	4000

**(e) Details of remuneration paid to the Executive Directors for the year ended 31st March, 2015:**

(Amount in ₹)

Name of Director	Salary Basic and allowances	Benefits perquisites	Contribution to provident fund	Total	Service contract / Notice period
Mr. Rajnesh Jain	11,74,646	1,58,410	1,40,958	14,74,014	Three years contract w.e.f. 11th August, 2014.

**(f) Details of equity shares of the Company held by the Directors as on 31st March, 2015 are given below:**

Name	Number of equity shares
Mr. Inderchand Jain	1221354
Mr. Rajnesh Jain	122335
Mr. Girish Jain	122335
Mr. S. C. Aythora	350
Mr. Nitin Kulkarni	250

**5. SHARE TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE**

In accordance with Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement the Board of Directors of the Company at their meeting held on 29th May, 2014, have approved the change in nomenclature of the Share Transfer and Investor Grievance Committee to "Share Transfer and Stakeholders Relationship Committee".

The role and functions of the Share Transfer and Stakeholders Relationship Committee are the effective redressal of grievances of

shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. The Committee oversees the steps to be taken for further value addition in the quality of service to the investors.

During the year, the Company has not received any complaint from the shareholders. As on 31st March, 2015, no transfer was pending. The Board has delegated the powers to approve transfer of securities allotted by the Company to this Committee.

The Committee is headed by Mr. Inderchand Jain, Non-Executive Director and consists of the members as stated below. During the year ended on 31st March, 2015, three (3) meetings were held on 16th September, 2014, 27th February, 2015 and 5th March, 2015.

The composition of the Share Transfer and Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of Director	Category	No. of meetings during the financial year 2014-15	
			Held	Attended
1.	Mr. Inderchand Jain	Chairman (Non-Executive Director)	3	2
2.	Mr. Nitin Kulkarni	Member (Independent Director)	3	3
3.	Mr. Rajnesh Jain	Member (Executive Director)	3	3
4.	Mr. Girish Jain	Member (Non-Executive Director)	3	3

**Name, designation and address of Compliance Officer:**

Ms. Sankari Muthuraj  
Company Secretary and Compliance Officer  
KJMC Financial Services Limited  
162, Atlanta, 16th Floor,  
Nariman Point, Mumbai 400 021  
Telephone: 022-40945500 Ext: 105  
Fax: 91 22 22852892

**6. CREDIT AND INVESTMENT COMMITTEE**

In addition to the above referred Committees which are mandatory under the Companies Act, the Listing Agreement and under the SEBI Guidelines, the Board of Directors has constituted Credit and Investment committee w.e.f. 10th November, 2014 for considering and approving the proposals of investing the funds of the Company and to provide loan. The committee comprises of Mr. Inderchand Jain, Chairman, Mr. Girish Jain and Mr. Rajnesh Jain as the members.

Credit and Investment Committee met two (2) times during the year on 11th November, 2014 and 26th March, 2015.

The composition of the Credit and Investment Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of Director	Category	No. of meetings during the financial year	
			Held	Attended
1.	Mr. Inderchand Jain	Chairman - Non-Executive Director	1	1
2.	Mr. Girish Jain	Non-Executive Director	1	1
3.	Mr. Rajnesh Jain	Executive Director	1	1

**7. GENERAL BODY MEETINGS:**

**i. (a) Annual General Meeting:**

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



Year	AGM	Location	Date	Time
2013-14**	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	27/09/2014	10.45 A.M.
2012-13*	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	28/09/2013	10.45 A.M.
2011-12	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	20/09/2012	2.00 P.M.

**(b) Extra Ordinary General Meeting:**

No extraordinary general meeting of the members was held during the year 2014-15.

ii. Special resolutions:

\*Special Resolution u/s 81(1A) of the Companies Act, 1956 for preferential allotment of 3,50,000 equity shares to the promoters of the Company were passed in the AGM held on 28th September, 2013.

\*\* Special Resolutions u/s 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and rules made there under for appointment of Mr. Rajnesh Jain (DIN:00151988) as Whole-time Director of the Company, for a period of 3 (three) years with effect from 11th August, 2014 were passed in AGM held on 27th September, 2014.

iii. Postal Ballot:

The Company successfully completed the process of obtaining approval of its Members on the following special resolution through Postal Ballot on 19th March, 2015:

- Special Resolution u/s 13 and 16 of Companies Act, 2013 read with rules made there under for alteration in capital clause of Memorandum of Association by insertion of new clause 'V' in place of existing clause 'V' thereof.
- Special Resolution u/s 62(1)(c) of Companies Act, 2013 read with rules made there under for preferential allotment of 45,000, 0% Compulsory Convertible Preference Shares to the promoter and part of promoter group.

Voting Pattern and Procedure for Postal Ballot:

- The Board of Directors of the Company at its meeting held on 9th February, 2015, had appointed Mr. Surjan Singh Rauthan, Proprietor of M/s. S.S. Rauthan & Associates, Company Secretaries, as the Scrutinizer for conducting voting process through e-voting and postal ballot.
- The Company had completed the dispatch of the Postal Ballot Notice dated 9th February, 2015 together with the Explanatory Statement on 16th February, 2015, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members as on 30th January, 2015.
- The voting under the postal ballot was kept open from 17th February, 2015 (10:00 hrs) to 18th March, 2015 (18:00 hrs) (either physically or through electronic mode).
- Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
- The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- All postal ballot forms received up to the close of 18:00 hrs on 18th March, 2015 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- Envelopes containing postal ballot forms received after close of 18:00 hrs on 18th March, 2015 had not been considered for his scrutiny.
- On 19th March, 2015, Mr. Inderchand Jain, Chairman announced the following results of the postal ballot as per the Scrutinizer's Report:

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast the Resolution	Votes Dissenting Cast	% of Votes
Votes cast through physical Postal Ballots	427837	427832	99.99	5	0.01
Votes cast through Electronic Mode	2006977	2006977	100	0	0
Total	2434814	2434809	99.99	5	0.01

No special resolution proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

**8. DISCLOSURES**

- None of the transactions with any of the related party are in conflict with the interest of the Company at large. The board has approved a policy for related party transactions which has been uploaded on the Company's website.
- 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 adopted Whistle Blower Policy/Vigil Mechanism for Directors and Employees to report concerns about unethical behavior. No person has been denied access to the audit committee. The said policy has been also put up on the website of the Company.

**9. 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 quarterly, half-yearly and annual results of the Company are published in national and regional newspapers in India which include Free Press Journal and Nav Shakti. The Company also sends the financial results to the Stock Exchange immediately after its approval by the Board. These results are simultaneously posted on the website of the Company. 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.

**10. GENERAL SHAREHOLDER'S INFORMATION**

i. **Annual General Meeting scheduled to be held:**

Date : 19th September, 2015  
Time : 12.15 P.M.  
Venue : S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai – 400 020.

ii. **Financial year:**

The Company follows the period of 1st April to 31st March, as the Financial Year. Tentative Financial calendar for the financial year 2015-16 is as under:

Financial Reporting for the Financial Year 2015-16	Tentative month of reporting
Un-audited Financial Results for the quarter ending 30th June, 2015	On or before 14th August, 2015
Un-audited Financial Results for the half year ending 30th September, 2015	On or before 14th November, 2015
Un-audited Financial Results for the quarter ending 31st December, 2015	On or before 14th February, 2016
Audited Financial Results for the year ending 31st March, 2016	On or before 30th May, 2016

iii. **Book Closure:**

The Register of Members and Share Transfer Books will remain closed from Wednesday, 16th September, 2015 to Saturday, 19th September, 2015 (both days inclusive) for the purpose of AGM.

iv. **Dividend Payment Date**

No dividend recommended on the Equity Shares of the Company.

v. **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 2014-2015 has been paid to the BSE Limited, Mumbai.

vi. **Stock Code:**

(i) BSE Limited, Mumbai (BSE): B-530235

(ii) ISIN - INE533C01018

vii. **Stock Price Data:**

Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2014 to March, 2015 are as under:

Month	BSE Limited (BSE)	
	High (₹)	Low (₹)
April, 2014	17.00	16.25
May, 2014	17.00	15.35
June, 2014	15.75	15.00
July, 2014	-	-
August, 2014	17.30	13.80
September, 2014	15.15	14.30
October, 2014	15.00	15.00
November, 2014	15.90	14.40
December, 2014	14.00	14.00
January, 2015	15.45	14.00
February, 2015	15.45	14.70
March, 2015	14.75	12.01

viii. **Performance of the share price of the Company in comparison to the BSE SENSEX:**ix. **Registrar & Transfer Agent:**

Bigshare Services Pvt. Ltd., E-2 &3, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka, Andheri (East), Mumbai – 400072, Tel.No.022-4043 0200, Fax No. 022-2847 5207, email id: investor@bigshareonline.com.

x. **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 as and when required basis to consider the transfer proposals. All requests for dematerialization /rematerialisation of shares are processed by R&T Agent within 15 days.

xi. **Shareholding as on 31st March, 2015:**a. **Distribution of shareholding as on 31st March, 2015.**

Range in rupees	Number of Shareholders	% of Total Holders
Upto 5000	3628	96.77
5001 to 10000	39	1.04
10001 to 20000	23	0.61
20001 to 30000	6	0.16
30001 to 40000	8	0.21
40001 to 50000	8	0.21
50001 to 100000	10	0.27
100001 and above	27	0.73
<b>TOTAL</b>	<b>3749</b>	<b>100</b>

b. **Shareholding pattern as on 31st March, 2015**

The shareholding of different categories of the shareholders as on 31st March, 2015 is given below:

Category	Number of shares	Percentage %
Promoter and Promoters Group	2431977	62.19
Directors, their Relatives	600	0.02
Central / State Govt (s)	7050	0.18
Bodies Corporate	612924	15.67
Financial Institutions/Banks	65400	1.67
Foreign Investors (FIIs/NRIs/OCBs/Foreign Bank/ Foreign Corporate Bodies)	523	0.01
others	792266	20.26
<b>TOTAL</b>	<b>3910740</b>	<b>100</b>

xii. **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, 2015, out of total Equity Capital 3910740 Equity Shares, 3600059 Equity Shares representing 92.06 % of the total Equity Shares are held in de-materialized form with NSDL and CDSL.

xiii. **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs / ADRs or any Warrants in the past and hence as on 31st March, 2015, the Company does not have any outstanding GDRs / ADRs or any Warrants.

The Company had issued 85000, 0% Compulsory Convertible Preference Shares (CCPS) in the financial year 2013-14 and 45000, CCPS in the financial year 2014-15. The details of outstanding CCPS as on 31st March, 2015 are as under:

Particulars	85000 CCPS	45000 CCPS
Date of approval by shareholders Through Postal Ballot	20.02.2014	19.03.2015
Date of allotment of CCPS	28.02.2014	25.03.2015
No. of CCPS issued	85000	45000
No. of CCPS already converted during F.Y. 2014-15	42500	0
No. of CCPS outstanding as on 31st March, 2015.	42500	45000

The resultant equity shares on conversion shall rank pari-passu with the existing equity shares of the company in all respects.

**xiv. Plant Locations:**

In view of the nature of the Company's business viz. finance services, the Company operates from offices in Mumbai-India.

**xv. Address for correspondence:**

KJMC Financial Services Limited

162, Atlanta, 16th Floor, Nariman Point, Mumbai - 400 021.

Tel: 022-40945500 Fax: 022-22852892

Email: investor.finance@kjmc.com

**10. OTHER INFORMATION**

**i. Prevention of Insider Trading Code:**

As per regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, at its meeting held on 27th May, 2015, has approved and adopted the "Code of practices and procedures for fair disclosure of unpublished price sensitive information" and "Code of conduct to regulate, monitor and report trading by insiders".

All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company shall be governed by this code.

**ii. CEO/CFO Certification**

Whole Time Director/Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Clause 49 of the listing agreement certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the financial year ended on 31st March, 2015.

Place : Mumbai

Date : 27th May, 2015

**Rajnish Jain**

**Whole Time Director**

**Independent Auditor's Report**

**To The Members of KJMC Financial Services Limited**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of KJMC Financial Services Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. **As required by Section 143 (3) of the Act, we report that:**
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 23.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

**Sachin A. Negandhi**  
Partner  
Membership No.: 112888

Place: Mumbai  
Date : May 27, 2015

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the standalone financial statements for the year ended on March 31, 2015, of KJMC Financial Services Limited)

- (i) (a) The Company is maintaining 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 during the year. No material discrepancies were noticed on such verification.
- (ii) The Company does not have inventory. Accordingly, clause 3 (ii) (a), (b) and (c) of the Order are not applicable.
- (iii) (a) The Company has granted unsecured loan to companies covered in the register maintained under section 189 of the Companies Act, 2013.
- (b) The receipt of the principal amount and interest from the said companies are regular.
- (c) There are no overdue amounts more than rupees one lakh.
- (iv) There is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. There is a no continuing failure to correct major weaknesses in internal control system.
- (v) The Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, with regard to the deposits accepted from the public are not applicable to the Company.
- (vi) We are informed that the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013, which has been relied upon.
- (vii) (a) According to the records of the Company, it is generally regular in depositing with the appropriate authorities undisputed statutory dues applicable to it, including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.  
According to the information and explanations given to us, no undisputed amounts payable in respect of above which were outstanding, as at March 31, 2015 for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanations given to us, dues in respect of income tax which have not been deposited with appropriate authorities on account of disputes are as under:

Name of the Statute	Nature of dues	Amount not deposited (₹ in thousands)	Assessment Year to which it relates	Forum where dispute is pending
Income Tax Act	Income Tax	400	2012-13	CIT(A)

- (c) There is no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) 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.
- (ix) 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 financial institution or bank. The Company does not have any outstanding debentures.
- (x) 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.
- (xi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans were applied for the purpose for which the loans were obtained.
- (xii) 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 year.

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

**Sachin A. Negandhi**  
Partner  
Membership No.: 112888

Place: Mumbai  
Date : May 27, 2015

**BALANCE SHEET AS AT MARCH 31, 2015**

CIN No.: L99999MH1988PLC047873

(₹ in '000')

PARTICULARS	NOTE NO.	As at 31.03.2015	As at 31.03.2014
<b>(I) EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	47,857	43,357
(b) Reserves and Surplus	3	93,751	85,399
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	826	1,236
(b) Other Long Term Liabilities	5	74,755	45,755
<b>Current Liabilities</b>			
(a) Short Term Borrowings	6	16,666	29,962
(b) Trade Payables	7	208	128
(c) Other Current Liabilities	8	1,063	713
(d) Short Term Provisions	9	24	234
<b>TOTAL</b>		<b>235,150</b>	<b>206,784</b>
<b>(II) ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		4,716	6,899
(b) Non-Current Investments	11	201,988	181,547
(c) Deferred Tax Assets (Net)	12	14,495	13,210
(d) Long-term Loans and Advances	13	3,665	2,807
<b>Current Assets</b>			
(a) Current Investments	14	-	1,400
(b) Cash and Bank Balances	15	619	682
(c) Short-term Loans and Advances	16	9,667	155
(d) Other Current Assets	17	-	84
<b>TOTAL</b>		<b>235,150</b>	<b>206,784</b>

Significant Accounting Policies and Notes to Accounts  
The above notes are integral part of the financial statements

1 to 33

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

Chartered Accountants

ICAI Firm Registration No: 100186W

**Sachin A Negandhi**

Partner

Membership No. 112888

Place : Mumbai

Date : 27th May 2015

**For and on behalf of the Board of Directors**

**I.C.Jain**

Chairman

DIN: 00178901

**Rajnesh Jain**

Whole Time Director

DIN: 00151988

**Kartik Konar**

Chief Financial Officer

Place : Mumbai

Date : 27th May 2015

**Sankari Muthuraj**

Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

CIN No.: L99999MH1988PLC047873

('₹ in '000')

PARTICULARS	NOTE NO.	For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from Operations	18	12,525	6,134
Other Income	19	854	1,054
<b>Total Revenue</b>		<b>13,379</b>	<b>7,188</b>
<b>Expenses:</b>			
Employee Benefits Expenses	20	4,152	2,256
Finance Costs	21	1,642	924
Depreciation and Amortization Expenses	10	1,905	1,089
Other Expenses	22	4,590	2,248
<b>Total Expenses</b>		<b>12,289</b>	<b>6,517</b>
<b>Profit Before Tax</b>		<b>1,090</b>	<b>671</b>
<b>Tax Expense:</b>			
(1) Deferred tax		(1,193)	(366)
(2) Prior period Taxes		472	-
		(721)	(366)
<b>Profit for the Year</b>		<b>1,811</b>	<b>1,037</b>
<b>Earnings per Equity Share: (₹)</b>			
(1) Basic		0.48	0.31
(2) Diluted		0.39	0.25

Significant Accounting Policies and Notes to Accounts  
The above notes are integral part of the financial statements

1 to 33

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

Chartered Accountants  
ICAI Firm Registration No: 100186W

**Sachin A Negandhi**

Partner  
Membership No. 112888  
Place : Mumbai  
Date : 27th May 2015

**For and on behalf of the Board of Directors**

**I.C.Jain**  
Chairman  
DIN: 00178901

**Rajnish Jain**  
Whole Time Director  
DIN: 00151988

**Kartik Konar**  
Chief Financial Officer  
Place : Mumbai  
Date : 27th May 2015

**Sankari Muthuraj**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

CIN No.: L99999MH1988PLC047873

(₹ in '000')

PARTICULARS		For the year ended 31.03.2015	For the year ended 31.03.2014
<b>A</b>	<b>Net Profit Before Tax and Extraordinary Items</b>	<b>1,090</b>	<b>671</b>
	Adjustment for:		
	Depreciation	1,905	1,089
	(Profit)/Loss on Sale of Investments	(8,352)	(4,457)
	Reversal of Provision of Standard/Sub -Standard Assets	(69)	(267)
	Provision for Standard Assets	24	-
	Interest and Financial Charges	1,642	924
	Interest Income	(919)	(608)
	<b>Operating Profit Before Working Capital Changes</b>	<b>(4,679)</b>	<b>(2,648)</b>
	<b>Changes in Working Capital :</b>		
	(Increase)/Decrease in Loans and Advances	(10,843)	7,472
	(Increase)/Decrease in Other current and non current assets	84	341
	Increase/( Decrease) in Trade Payable and Other Liabilities	29,266	(18,672)
	<b>(Increase)/ Decrease in Working Capital</b>	<b>18,507</b>	<b>(10,859)</b>
	<b>Cash generated from Operations</b>	<b>13,828</b>	<b>(13,507)</b>
	Direct Taxes Paid (Net of Refund)	-	-
	<b>Cash Flow Before Extraordinary Items</b>	<b>13,828</b>	<b>(13,508)</b>
	Extraordinary Items	-	-
	<b>Net Cash flow from Operating Activities</b>	<b>13,828</b>	<b>(13,508)</b>
<b>B</b>	<b>Cash Flow from Investment Activities</b>		
	Purchase of Fixed Assets	(23)	-
	Purchase of Mutual fund & other Investments	(82,993)	(39,040)
	Redemption of Mutual Fund & Sale of other Investments	72,685	44,021
	Loss on Futures & Options	(380)	-
	Interest Income	919	608
	<b>Net Cash Flow from Investing Activities</b>	<b>(9,792)</b>	<b>5,589</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Loan Taken-Secured	18,000	5,642
	Loan Repaid-Secured	(31,707)	(3,576)
	Issue of Equity Shares	-	7,000
	Issue of 0% Compulsorily Convertible Preference Shares	11,250	17,000
	Redemption of 12% Non Cumulative Redemable Preference Shares	-	(17,000)
	Interest and Financial Charges	(1,642)	(924)
	<b>Net Cash Flow from Financing Activities</b>	<b>(4,099)</b>	<b>8,142</b>
	Net Increase in Cash and Cash Equivalents	(63)	223
	Cash and Cash Equivalents at the beginning of the Year *	682	459
	Cash and Cash Equivalents at the close of the Year *	619	682
<b>*</b>	<b>Cash and Cash Equivalents comprise of :</b>		
	Cash in hand	344	32
	Balance in current account	275	650
	<b>Total</b>	<b>619</b>	<b>682</b>

Note : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements.

As per our report of even date attached  
For K.S. Aiyar & Co.  
Chartered Accountants  
ICAI Firm Registration No: 100186W

Sachin A Negandhi  
Partner  
Membership No. 112888  
Place : Mumbai  
Date : 27th May 2015

For and on behalf of the Board of Directors

I.C.Jain  
Chairman  
DIN: 00178901

Kartik Konar  
Chief Financial Officer  
Place : Mumbai  
Date : 27th May 2015

Rajesh Jain  
Whole Time Director  
DIN: 00151988

Sankari Muthuraj  
Company Secretary

## NOTE TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

### 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 -1

#### SIGNIFICANT ACCOUNTING POLICIES:

##### a. Basis of Accounting:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### 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 II of the Companies Act, 2013.

###### (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 denominated monetary assets & 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 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.

(₹ in '000')

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note - 2: Share Capital</b>		
<b>Authorised:</b>		
3,50,00,000 (Previous Year: 3,50,00,000) Equity Shares of ₹ 10/- each	350,000	350,000
85,000 (Previous Year: 85,000) Redeemable Preference shares of ₹ 100/- each	8,500	8,500
1,15,000 (Previous Year: 85,000) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each	11,500	8,500
13,00,000 (Previous Year: 13,30,000) Preference Shares of ₹ 100/- each	130,000	133,000
	500,000	500,000
<b>Issued,Subscribed and Paid up:</b>		
39,10,740 (Previous Year: 34,85,740) Equity Shares of ₹ 10/- each fully paid up	39,107	34,857
87,500 (Previous Year: 85,000) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each fully paid up	8,750	8,500
0% Compulsorily Convertible Preference Shares of ₹ 100/- are convertible within Eighteen months from the date of allotment.		
	<b>47,857</b>	<b>43,357</b>

**Additional Information:**

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

(₹ in '000')

Equity Shares of ₹ 10 each	2014-15		2013-14	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	3,485,740	34,857	3,135,740	31,357
Add: Issued during the year	-	-	350,000	3,500
Add: Shares Issued out of conversion of Preference shares during the year	425,000	4,250	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,910,740	39,107	3,485,740	34,857

0% Compulsorily Convertible Preference Shares of ₹ 100 each	2014-15		2013-14	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	85,000	8,500	-	-
Add: Shares Issued during the year	45,000	4,500	85,000	8,500
Less: Shares converted to Equity Shares during the year	42,500	4,250	-	-
Shares outstanding at the end of the year	87,500	8,750	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) Terms and Rights attached to Preference Shares:**

The Company has issued only one class of Preference Shares, namely 0% Compulsorily Convertible Preference Shares having par value of ₹ 100 each per share. No voting rights are attached to Preference Shares. On conversion of these Preference Shares into Equity Shares, the shareholder shall be entitled to one vote per share. One Preference Share is convertible into Ten Equity Shares.

42,500 0% Compulsorily Convertible Preference Shares issued in the Financial Year 2013-14 are convertible into Equity Shares within eighteen months from the date of allotment i.e. 28th February, 2014.

45,000 0% Compulsorily Convertible Preference Shares issued in the Financial Year 2014-15 are convertible into Equity Shares within eighteen months from the date of allotment i.e. 25th March, 2015.

## (d) Details of Shareholders holding more than 5% shares of the Company:

Equity Shares of ₹ 10 each	As at 31-03-2015		At at 31-03-2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Inder Chand Jain	1,221,354	31.23%	1,221,354	35.04%
KJMC Corporate Advisors (I) Ltd.	425,000	10.87%	-	-
I. C. Jain HUF	267,065	6.83%	267,065	7.66%
<b>0% Compulsorily Convertible Preference Shares of ₹ 100 each</b>				
KJMC Corporate Advisors (India) Ltd.	52,500	60.00%	85,000	100.00%
KJMC Shares & Securities Ltd.	24,500	28.00%	-	-
Chand Devi Jain	10,500	12.00%	-	-

(₹ in '000')

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note - 3 : Reserves and Surplus</b>		
<b>Securities Premium Reserve</b>		
As per last balance sheet	7,660	4,160
Add : Received during the year	6,750	12,000
Less: Deduction during the year	-	8,500
<b>Closing Balance</b>	<b>14,410</b>	<b>7,660</b>
<b>General Reserve :</b>		
As per last balance sheet	2,327	2,301
Add : Addition during the year	45	26
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>2,372</b>	<b>2,327</b>
<b>Capital Redemption Reserve :</b>		
As per last balance sheet	49,900	49,900
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>49,900</b>	<b>49,900</b>
<b>Special Reserve</b>		
As per last balance sheet	6,756	6,549
Add : Addition during the year	362	207
Less : Deduction during the year	-	-
<b>Closing Balance</b>	<b>7,118</b>	<b>6,756</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance brought forward from last year	18,756	17,952
Less :		
Fixed Assets not having remaining useful life as on 1st April, 2014 (Refer Note - 32)	(208)	-
Add:		
Profit for the Year	1,811	1,037
<b>Amount available for appropriation</b>	<b>20,358</b>	<b>18,989</b>
Less : Appropriations		
a) Special Reserve *	362	207
b) General Reserve	45	26
<b>Balance carried forward</b>	<b>19,951</b>	<b>18,756</b>
<b>Total</b>	<b>93,751</b>	<b>85,399</b>

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



(₹ in '000')

Particulars	Non-Current Maturities		Current Maturities	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>Note - 4: Long Term Borrowings</b>				
<b>Term Loans:</b>				
<b>From Banks (Secured):</b>	-	-	-	-
<b>From other (Secured):</b>				
Vehicle Loan	826	1,236	411	373
(Refer Additional Information below)				
Amount disclosed under the head "Other Current Liabilities"			(411)	(373)
(Refer Note-8)				
<b>NET AMOUNT</b>	<b>826</b>	<b>1,236</b>	<b>-</b>	<b>-</b>

**Additional Information:**

**Vehicle Loan**

Particulars	Amount of Loan (₹ In '000)	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	33

(₹ in '000')

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note - 5: Other Long Term Liabilities (Unsecured)</b>		
Security Deposits from Related Parties :	74,755	45,755
	<b>74,755</b>	<b>45,755</b>
<b>Note - 6: Short Term Borrowings</b>		
Cash credit from bank repayable on demand (Secured) (Cash credit from bank is secured against equitable mortgage of premises belonging to the Company and a related party and Corporate Guarantee given by the related party. The cash credit is repayable on demand and carries interest @ Base Rate + 3.00%.) (Refer Note - 30)	15,666	29,962
Loan from Non-Banking Financial Company (Secured) (Loans secured against pledge of shares bearing an interest rate of 12.50%, repayable on demand.) - (Refer Note -11)	1,000	-
	<b>16,666</b>	<b>29,962</b>
<b>Note - 7: Trade Payables</b>		
Due to Micro, Small & Medium Enterprises ( Refer Note - 25)	-	-
Others	208	128
<b>Total</b>	<b>208</b>	<b>128</b>
<b>Note - 8: Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings (Refer Note - 4)	411	373
TDS Payable	90	16
Others	562	324
<b>Total</b>	<b>1,063</b>	<b>713</b>
<b>Note - 9: Short Term Provisions</b>		
Dividend Distribution Tax	-	165
Contingent Provision against Standard/Sub - Standard Assets	24	69
<b>Total</b>	<b>24</b>	<b>234</b>

**Note - 10 : Fixed Assets -Tangible**

(₹ in '000')

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2014	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31.03.2015	As at 01.04.2014	Provided during the year	Deductions/ Adjustments during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Building	10,849	-	-	10,849	6,754	748	-	7,502	3,347	4,095
Computers	10	-	-	10	10	-	-	10	-	-
Furniture & Fixtures	6,646	-	-	6,646	6,194	273	-	6,467	179	453
Office Equipments	2,117	23	-	2,140	1,831	226	-	2,057	83	285
Vehicles	2,792	-	-	2,792	726	959	-	1,685	1,107	2,065
<b>Total (A)</b>	<b>22,414</b>	<b>23</b>	<b>-</b>	<b>22,437</b>	<b>15,515</b>	<b>2,206</b>	<b>-</b>	<b>17,721</b>	<b>4,716</b>	<b>6,899</b>
Previous Year	22,414	-	-	22,414	14,432	1,083	-	15,515	6,899	

**Fixed Assets - Intangible**

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2014	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31.03.2015	As at 01.04.2014	Provided during the year	Deductions/ Adjustments during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Computer Software	36	-	-	36	36	-	-	36	-	-
<b>Total (B)</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>
Previous Year	36	-	-	36	30	6	-	36	-	
<b>Total (A+B)</b>	<b>22,450</b>	<b>23</b>	<b>-</b>	<b>22,473</b>	<b>15,551</b>	<b>2,206</b>	<b>-</b>	<b>17,757</b>	<b>4,716</b>	<b>6,899</b>
Previous Year	22,450	-	-	22,450	14,462	1,089	-	15,551	6,899	

(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2015		As at 31.03.2014	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	<b>Note - 11 : Non-Current Investments</b>					
	<b>Non- Trade-Quoted</b>					
	<b>Investment in Equity Shares</b>					
1	Bajaj Finserv Ltd	5	250	330	-	-
2	Dhanuka Agritech Ltd *	2	4,500	894	4,500	894
3	Dena Bank Ltd	10	-	-	10,000	617
4	DQ Entertainment (International) Ltd	10	-	-	5,166	658
5	Dredging Corporation Of India Ltd	10	-	-	1,800	1,715
6	Dynamatic Technologies Ltd	10	35	51	-	-
7	Everest Kanto Cylinder Ltd	2	2,000	344	2,000	344
8	Essel Propack Ltd *	2	9,000	655	-	-
9	Federal Mogul Goetze (India) Ltd	10	2,000	395	2,750	543
10	Finolex Cables Ltd	2	28,000	1,492	81,991	4,370
11	Global Offshore Services Ltd	10	3,657	322	6,500	572
12	HBL Power Systems Ltd	1	-	-	29,750	1,149
13	Hindustan Copper Ltd	5	-	-	4	3
14	Hotline Glass Ltd	10	37,549	-	37,549	-
15	IL&FS Engineering and Construction Company Ltd	10	2,000	80	2,000	80
16	Indiabulls Infrastructure and Power Ltd	2	-	-	5,900	421
17	Indiabulls Real Estate Ltd	2	-	-	2,000	1,008
18	Indiabulls Wholesale Services Ltd	2	-	-	250	14
19	IPCA Laboratories Ltd	2	-	-	1,500	1,270
20	KDL Biotech Ltd	10	10	-	10	-
21	Lakshmi Vilas Bank Ltd	10	-	-	20,000	1,239
22	Muthoot Finance Ltd.	10	25,000	4,767	-	-
23	Multi Commodity Exchange Ltd. *	10	1,000	759	-	-
24	NHPC Ltd.	10	-	-	31,082	1,382
25	Om Metals & Infraprojects Ltd	1	5,000	426	5,000	426
26	Poly Medicure Ltd	10	613,083	68,659	275,119	38,674

(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2015		As at 31.03.2014	
			Qty (Nos)	Amount	Qty (Nos)	Amount
27	Pennar industries Ltd	5	2,500	117	-	-
28	Radico Khaitan Ltd	2	-	-	2,000	331
29	Radha Madhav Corporation Ltd	10	20,498	525	-	-
30	Reliance Infrastructure Ltd *	10	1,150	1,625	1,150	1,625
31	Reliance Industrial Infrastructure Ltd	10	-	-	300	669
32	Reliance Industries Ltd	10	-	-	418	634
33	Sanghi Industries Ltd	10	1,865	115	-	-
34	Shree Ram Mills Ltd.	10	-	-	5,000	976
35	Shasun Pharmaceuticals Ltd	2	28,000	3,034	45,000	4,877
36	Shree Vindhya Paper Mills Ltd	10	1	-	1	-
37	Styrolution ABS (I) Ltd *	10	3,378	1,313	3,378	1,313
38	Ujaas Energy Ltd	1	20,000	629	-	-
39	Wockhardt Ltd	5	-	-	650	290
	<b>SUB-TOTAL (A)</b>			<b>86,532</b>		<b>66,091</b>
	<b>Non-Trade -Unquoted Investment in Equity Shares</b>					
<b>A</b>	<b>In Subsidiaries</b>					
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
				<b>114,763</b>		<b>114,763</b>
<b>B</b>	<b>In Associates</b>					
1	KJMC Platinum Builders Private Limited	10	65,300	653	65,300	653
2	KJMC Realty Private Limited	10	4,000	40	4,000	40
				<b>693</b>		<b>693</b>
<b>C</b>	<b>In other companies</b>					
1	Prime Pictures Limited	10	25,000	-	25,000	-
				-		-
	<b>SUB - TOTAL (B)</b>			<b>115,456</b>		<b>115,456</b>
	<b>TOTAL (A + B)</b>			<b>201,988</b>		<b>181,547</b>
	Aggregate amount of quoted Investment			<b>86,532</b>		<b>66,091</b>
	Aggregate Market Value of quoted Investment			<b>343,770</b>		<b>148,864</b>
	Aggregate amount of unquoted Investment			<b>115,456</b>		<b>115,456</b>
	Aggregate provision for diminution in value of investments			<b>NIL</b>		<b>NIL</b>

\* These Investments are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 6)

(₹ in '000')

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note - 12: Deferred Taxation</b>		
<b>Deferred Tax Assets</b>		
Business Loss	2,910	2,424
Unabsorbed Depreciation	409	217
Unabsorbed Long Term Capital Loss	11,388	11,388
	<b>14,707</b>	<b>14,029</b>
<b>Deferred Tax Liability</b>		
Fixed Assets	212	819
	<b>212</b>	<b>819</b>
<b>Deferred tax Asset/(Liability)-Net</b>	<b>14,495</b>	<b>13,210</b>

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(₹ in '000')

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note 13 : Long Term Loans and Advances</b>		
Advances recoverable in cash or kind or for value to be received Unsecured, considered good	2	-
Security Deposits Unsecured, considered good	1,529	368
Advance Income Tax Less: Provision for Taxation	2,061 (1,035)	2,402 (1,135)
MAT credit Entitlement	1,108	1,171
<b>Total</b>	<b>3,665</b>	<b>2,807</b>

(₹ in '000')

Particulars	As at 31.03.2015		As at 31.03.2014	
	Qty (Nos)	Amount	Qty (Nos)	Amount
<b>Note - 14 Current Investments</b>				
<b>Non Trade-Quoted</b>				
<b>Investment in Mutual Fund</b>				
SBI - Premier Liquid Growth Fund	-	-	701.91	1,400
<b>Total</b>		-		<b>1,400</b>
Aggregate amount of quoted Investment		-		1,400
Aggregate Market Value of quoted Investment		-		1,415
Aggregate amount of unquoted Investment		-		NIL
Aggregate provision for diminution in value of investments		-		NIL

(₹ in '000')

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note - 15: Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Cash in Hand	344	32
Balance with Banks		
- In Current Accounts	275	650
- On Deposit Accounts		
With Less than 12 month's maturity	-	84
Amount disclosed under the head "Other Current Assets" (Refer Note - 17)	-	(84)
<b>Total</b>	<b>619</b>	<b>682</b>
<b>Note - 16: Short Term Loans and Advances</b>		
Advances recoverable in cash or kind or for value to be received Unsecured, considered good	67	67
<b>Related Parties :</b>		
- Unsecured		
Loans to Related Party	4,100	9
<b>Others</b>		
Loans and advances to employees	-	10
Loans to Others (Unsecured)	5,500	69
<b>Total</b>	<b>9,667</b>	<b>155</b>

(₹ in '000')

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Note - 17: Other Current Assets</b>		
<b>Unsecured</b>		
Other Bank Balances		
- In Deposit Accounts with less than 12 months' maturity (Refer Note - 15)	-	84
<b>Total</b>	<b>-</b>	<b>84</b>
<b>Note -18: Revenue from Operations</b>		
Interest Income	919	608
Professional Fees Income	-	125
Profit on Sale of Investments, Futures & Options (Net)	8,352	4,457
Dividend Income	1,504	944
Bad Debts Recovered	1,750	-
	<b>12,525</b>	<b>6,134</b>
<b>Note 19: Other Income</b>		
Miscellaneous Income	25	27
Compensation for Use of Office & Common Facilities	760	760
Reversal of Provision of Standard/Sub -Standard Assets	69	267
	<b>854</b>	<b>1,054</b>
<b>Note 20: Employee Benefit Expenses</b>		
Salaries and wages	3,985	2,196
Contribution / provisions to provident, Gratuity and other funds	155	60
Staff welfare expenses	12	-
<b>Total</b>	<b>4,152</b>	<b>2,256</b>
<b>Note 21: Finance Costs</b>		
Interest Expenses	1,519	602
Bank Charges	123	204
Processing Charges	-	118
<b>Total</b>	<b>1,642</b>	<b>924</b>
<b>Note 22: Other Expenses</b>		
Advertisement	105	101
Auditors Remuneration (for break up refer below)	118	101
Brokerage	150	-
Infrastructural Support service Expenses	307	337
Insurance Expenses	52	19
Legal Fees	33	27
Listing Fees	112	17
Motor Car Expenses	113	125
Miscellaneous Expenses	704	411
Professional & Consul. Fees Exp	375	240
Processing Fees	112	112
Postage & Telegram	153	114
Printing & Stationery	286	75
Rent	600	-
Repairs & Maintenance (Others)	265	29
Contingent Provision against Standard Asset	24	-
Sundry Debts Written off	-	501
Society Maintenance Charges	188	39
Travelling Expenses	893	-
<b>Total</b>	<b>4,590</b>	<b>2,248</b>
As Statutory Auditor		
As Audit Fees	50	45
For Taxation matters	10	-
For Limited Review	45	45
For reimbursement of expenses/Service Tax	13	11
	<b>118</b>	<b>101</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 23. Contingent Liabilities:

Claims against the Company not acknowledged as debt

There is income tax demand of ₹ 400 (in '000') in respect of income tax for assessment year 2012-13 against which appeal has been filed with CIT (A). The management expects matter to be decided in favor of the Company in the appellate process. The management accordingly believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations.

## 24. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ NIL (Previous Year ₹ NIL)

## 25. 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: (₹ '000's)

Sr. No	Particulars	31.03.2015	31.03.2014
(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.

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

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

## 27. Obligations on long-term, non-cancellable operating leases

The lease rentals charged during the period and the obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows: (₹ '000's)

Particulars	Year Ended	
	31.03.2015	31.03.2014
Lease rental recognized during the year	600	-
<b>Lease obligation Payable</b>		
Within one year of the balance sheet date	1800	-
Due in a period between one year and five years	1200	

## 28. Earnings per Share:

Particulars	For the year ended	
	31.03.2015	31.03.2014
Net Profit / (Loss) after Taxation (₹ in '000')	1,811	1,037
Less : Preference Dividend and Tax thereon (₹ in '000')	Nil	Nil
Net Profit/(Loss) for calculation of EPS (₹ in '000')	1,811	1,037
The weighted average Number of Equity Share (Nos.) - (Basic)	37,81,699	3,304,507
The weighted average Number of Equity Share (Nos.) - (Diluted)	46,56,699	4,154,507
Face Value (₹)	10	10
Earnings Per Share (Basic)	0.48	0.31
Earnings Per Share (Diluted)	0.39	0.25

## 29. Related party disclosures under Accounting Standard 18:

## List of related parties

## 1) Parties where control exists

Wholly owned subsidiary Companies : KJMC Asset Management Company Limited  
KJMC Investment Trust Company Limited

## 2) Other parties

## (a) Key Management Personnel

Rajnesh Jain - Whole Time Director (w.e.f 11th August, 2014)  
Kartik Konar - Chief Financial Officer (w.e.f. 11th August, 2014 )  
Sankari Muthuraj - Company Secretary (w.e.f. 25th March, 2015 )  
Sanjeev Singh Sengar - Company Secretary (resigned on 15th November ,2014)

## (b) Relatives of Key Management Personnel

Inderchand Jain - Father  
Chanddevi Jain - Mother  
Girish Jain - Brother  
Shraddha Rajnesh Jain - Wife

## (c) Enterprises over which key management personnel and relatives are able to exercise significant influence .

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

## (d) Associates

KJMC Platinum Builders Private Limited KJMC Realty Private Limited

**Related Parties Transactions :**

(₹ in 000's)

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	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1	<b>Interest Income</b> Prathmesh Enterprises Pvt Ltd	-	-	-	-	395	-
2	<b>Interest Expense</b> KJMC Capital Market Services Ltd	-	-	-	-	-	53
3	<b>Deposit Repaid</b> KJMC Asset Management Company Ltd	60	42,120	-	-	-	-
4	<b>Deposit Given</b> KJMC Asset Management Company Ltd KJMC Investment Trust Co. Ltd	300 300	- -	- -	- -	- -	- -
5	<b>Deposit Received</b> KJMC Asset Management Company Ltd KJMC Investment Trust Co. Ltd	29,360 300	24,200 -	- -	- -	- -	- -
6	<b>Rent Income</b> KJMC Capital Market Services Ltd KJMC Corporate Advisors (India) Ltd	- -	- -	- -	- -	760 25	760 -
7	<b>Rent Paid</b> KJMC Capital Market Services Ltd	-	-	-	-	307	336
8	<b>Professional fees received</b> KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	125
9	<b>Brokerage Charges</b> KJMC Capital Market Services Ltd	-	-	-	-	471	16
10	<b>Reimbursement of Expenses received</b> KJMC Investment Trust Co. Ltd KJMC Corporate Advisors (India) Ltd	- -	8 -	- -	- -	- -	- 1
11	<b>Reimbursement of Expenses Paid</b> KJMC Corporate Advisors (India) Ltd KJMC Capital Market Services Ltd	- -	- -	- -	- -	205 -	5 59
12	<b>Purchase / (Sale) of Investment</b> KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	2,738
13	<b>Advance received for Sale of Shares</b> KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	2,000
14	<b>Advance Received for Sale of Shares refunded</b> KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	(2,000)
15	<b>Advance Paid for Purchase of Shares</b> KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	(18,013)
16	<b>Advance paid for Purchase of Shares received back</b> KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	18,013
17	<b>Issue of 0% Compulsorily Convertible Preference Shares</b> KJMC Corporate Advisors (India) Ltd KJMC Shares and Securities Limited Chanddevi Jain	- - -	- - -	- - -	- - -	2,500 6,125 2,625	17,000 - -
18	<b>Issue of Equity Shares</b> Inderchand Jain Chanddevi Jain Girish Jain Inderchand Jain (HUF) Rajnish Jain	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	4,260 529 427 931 427
19	<b>Net Receivables</b> Prathmesh Enterprises Pvt Ltd KJMC Asset Management Company Ltd	- -	- 9	- -	- -	4,100 -	- -
20	<b>Net Payables</b> KJMC Capital Market Services Ltd KJMC Asset Management Company Ltd	- 62,755	- 33,755	- -	- -	12,000 -	12,000 -
21	<b>Balances in Investment in Associates</b> KJMC Realty Private Limited KJMC Platinum Builders Private Limited	- -	- -	40 653	40 653	- -	- -
22	<b>Security and Corporate Guarantee given by</b> Puja Impex Pvt. Ltd. (Refer Note No. 6)	-	-	-	-	15,666	29,962
23	<b>Salary and Perquisites</b> Rajnish Jain	2014 - 2015 1474		2013 - 2014 Nil			

## 27TH ANNUAL REPORT 2014-2015

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
<b>1</b>	<b>Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:</b>		
	(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	15,666	-
	Secured Loans against Shares	1,000	-
	<b>Asset Side :</b>		<b>Amount outstanding</b>
			<b>(₹ in 000's)</b>
<b>2</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
	(a) Secured		-
	(b) Unsecured		9,600
<b>3</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
	(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		
<b>4.</b>	<b>Break-up of Investments:</b>		<b>(₹ in '000')</b>
	<b>Current Investments :</b>		
	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)		-
	<b>Long Term Investments :</b>		
	1. Quoted :		-
	(i) Shares : (a) Equity		86,532
	(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		1,15,456
	(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		
		Secured	Unsecured	Total
	<b>Category</b>			
	1. Related Parties	-	-	-
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	4,100	4,100
	2. Other than related parties	-	5,500	5,500
6.	<b>Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted):</b>	<b>Market Value / Breakup or fair value or NAV</b>		<b>Book Value (Net of Provisions)</b>
	1. Related Parties	1,14,763		1,14,763
	(a) Subsidiaries	-		-
	(b) Companies in the same group	693		693
	(c) Other related parties	3,43,770		86,532
	2. Other than related parties	4,59,226		2,01,988
	<b>Total</b>	<b>4,59,226</b>		<b>2,01,988</b>
	<b>Other information</b>			
	<b>Particulars</b>			<b>Amount</b>
	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. The Company has charged depreciation based on the remaining useful life of the assets as per the requirement of Note 7 (b) of Schedule II of the Companies Act, 2013. As a result, the depreciation charge for the current year is higher by ₹ 10.38 Lacs as compared to the depreciation required to be charged under Companies Act, 1956. The carrying value of assets amounting to ₹ 2.08 Lacs ( Net of Deferred Tax of ₹ 0.93 Lacs ) of which the remaining useful life was NIL as on 1st April, 2014 is adjusted to the opening balance of retained earnings.
33. 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

ICAI Firm Registration No: 100186W

**Sachin A Negandhi**

Partner

Membership No. 112888

Place : Mumbai

Date : 27th May 2015

**For and on behalf of the Board of Directors**

**I.C.Jain**

Chairman

DIN: 00178901

**Rajesh Jain**

Whole Time Director

DIN: 00151988

**Kartik Konar**

Chief Financial Officer

Place : Mumbai

Date : 27th May 2015

**Sankari Muthuraj**

Company Secretary

## Independent Auditor's Report

### To The Members of KJMC Financial Services Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of KJMC Financial Services Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Other Matters

The financial statements of one subsidiary and two associates have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion and report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates, is based solely on the reports of the other auditors.

- (a) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 101217 (thousands) as at March 31, 2015, total revenues of ₹ 1289 (thousands) and net cash outflows amounting to ₹ 100 (thousands) for the year ended on that date, as considered in the consolidated financial statements.
- (b) The consolidated financial statements also include the Group's share of losses of ₹ 56 (thousands) for the year ended March 31, 2015 in two associates, whose financial statements have not been audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiaries and associate companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the holding Company as on March 31, 2015 taken on record by the Board of Directors of the holding Company and the reports of the statutory auditors of its subsidiaries and associate companies, none of the directors of the holding company, subsidiaries and associate companies is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's Report) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer Note 24 to the consolidated financial statements.
    - ii. The Group and its associate companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate companies.

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

Sachin A. Negandhi  
Partner  
Membership No.: 112888

Place: Mumbai  
Date: May 27, 2015



## Annexure to the Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the consolidated financial statements for the year ended on March 31, 2015 of **KJMC Financial Services Limited**)

- (i) (a) The Holding Company, its subsidiaries and associate companies, as applicable, are maintaining 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.
- (ii) The Holding Company, its subsidiaries and associate companies do not hold any inventory. Accordingly, clause 3 (ii) (a), (b) and (c) of the Order are not applicable.
- (iii) (a) The Holding Company has granted unsecured loan to companies covered in the register maintained under section 189 of the Companies Act, 2013.
- (b) The receipt of the principal amount and interest from the said companies are regular.
- (c) There are no overdue amounts more than rupees one lakh.
- (iv) There is an adequate internal control system commensurate with the size of the Holding company, its subsidiaries and associate companies and the nature of their business, as applicable, for the purchase of fixed assets and for the sale of services. There is a no continuing failure to correct major weaknesses in internal control system.
- (v) The Holding Company, its subsidiaries and associate companies have not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, with regard to the deposits accepted from the public are not applicable.
- (vi) We are informed that the Holding company, its subsidiaries and associate companies are not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) The Holding Company, its subsidiaries and associate companies are generally regular in depositing with the appropriate authorities undisputed statutory dues applicable to it, including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of above which were outstanding, as at March 31, 2015 for a period of more than six months from the date on which they became payable.

- (b) In respect of Holding Company, dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute are as under:

Name of the Statute	Nature of dues	Amount not deposited (₹ in thousands )	Assessment Year to which it relates	Forum where dispute is pending
Income Tax Act	Income Tax	400	2012-13	CIT(A)

In respect of subsidiaries and associate companies, there are no such dues which have not been deposited on account of any dispute.

- (c) There is no amount required to be transferred by the Holding Company, its subsidiaries and associate companies to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Holding 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.  
In case of two subsidiary companies, the accumulated losses at the end of the financial year do not exceed fifty percent of their respective net worth. Both the companies have not incurred cash losses during the financial year. However one of these companies had incurred cash losses in the immediately preceding financial year.  
In case of associate companies, the accumulated losses at the end of the financial year do not exceed fifty percent of their respective net worth. Both the companies have incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) 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 Holding Company has not defaulted in repayment of dues to financial institution or bank. The Company does not have any outstanding debentures.  
The subsidiaries and associate companies have not borrowed money from financial institution or bank and have not issued debentures.
- (x) The Holding Company, its subsidiaries and associate companies have not given guarantees for loans taken by others from banks.
- (xi) Term loans, as applicable, were applied for the purpose for which the loans were obtained.
- (xii) No fraud on or by the Holding Company, its subsidiaries and associate companies have been noticed or reported during the year.

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

Sachin A. Negandhi  
Partner  
Membership No.: 112888

Place: Mumbai  
Date: May 27, 2015

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015****CIN No.:L99999MH1988PLC047873 (₹ in '000')**

PARTICULARS	NOTE NO.	As At 31.03.2015	As At 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	47,857	43,357
(b) Reserves and Surplus	3	92,116	83,382
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	826	1,236
(b) Other Long-Term Liabilities	5	12,247	12,247
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	6	16,666	29,962
(b) Trade Payables	7	219	139
(c) Other Current Liabilities	8	1,191	794
(d) Short-Term Provisions	9	24	234
<b>TOTAL</b>		<b>171,146</b>	<b>171,351</b>
<b>(II) ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		4,717	6,915
(ii) Intangible Assets		-	-
(iii) Goodwill on Consolidation		10,762	10,762
(b) Non-Current Investments	11	87,106	66,742
(c) Deferred Tax Assets (net)	12	14,496	13,210
(d) Long-Term Loans and Advances	13	28,115	27,480
(e) Other Non-Current Assets	14	1,400	1,400
<b>Current Assets</b>			
(a) Current Investments	15	13,908	43,500
(b) Cash and Bank Balances	16	932	1,079
(c) Short-Term Loans and Advances	17	9,671	146
(d) Other Current Assets	18	39	117
<b>TOTAL</b>		<b>171,146</b>	<b>171,351</b>

Significant Accounting Policies  
and Notes to Accounts

1 to 33

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  
ICAI Firm Registration No: 100186W

**I.C.Jain**  
Chairman  
DIN: 00178901

**Rajesh Jain**  
Whole Time Director  
DIN: 00151988

**Sachin A Negandhi**  
Partner  
Membership No. 112888

**Kartik Konar**  
Chief Financial  
Officer  
Place : Mumbai  
Date : 27th May 2015

**Sankari Muthuraj**  
Company Secretary

Place : Mumbai  
Date : 27th May 2015

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015****CIN No.:L99999MH1988PLC047873 (₹ in '000')**

PARTICULARS	NOTE NO.	For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
Revenue from Operations	19	13,820	6,192
Other Income	20	979	1,463
<b>Total Income</b>		<b>14,799</b>	<b>7,655</b>
<b>Expenses:</b>			
Employee Benefits Expenses	21	4,683	2,547
Finance Costs	22	1,642	924
Other Expenses	23	5,041	2,654
Depreciation and Amortization Expenses	10	1,921	1,100
<b>Total Expenses</b>		<b>13,287</b>	<b>7,225</b>
<b>Profit before Tax</b>		<b>1,512</b>	<b>430</b>
Tax Expense:			
(1) Current tax		41	10
(2) Deferred tax		(1,193)	(366)
(3) MAT credit Entitlement		(40)	(10)
(4) Prior Period Taxes		456	-
		(736)	(366)
<b>Profit /(Loss) before Share in Associates' profit / Loss</b>		<b>2,248</b>	<b>796</b>
Less: Share in Associates' Loss		(56)	(42)
<b>Profit for the year</b>		<b>2,192</b>	<b>754</b>
<b>Earnings per equity share: (₹)</b>			
(1) Basic		0.58	0.23
(2) Diluted		0.47	0.18

Significant Accounting Policies  
and Notes to Accounts

1 to 33

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  
ICAI Firm Registration No: 100186W

**I.C.Jain**  
Chairman  
DIN: 00178901

**Rajesh Jain**  
Whole Time Director  
DIN: 00151988

**Sachin A Negandhi**  
Partner  
Membership No. 112888

**Kartik Konar**  
Chief Financial  
Officer  
Place : Mumbai  
Date : 27th May 2015

**Sankari Muthuraj**  
Company Secretary

Place : Mumbai  
Date : 27th May 2015

**CONSOLIDATED CASH FLOW FOR THE YEAR  
ENDED MARCH 31, 2015**

**CIN No.:L99999MH1988PLC047873**

(₹ in '000')

	Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Net Profit Before Tax and Extraordinary Items</b>	<b>1,512</b>	<b>388</b>
	Adjustment for:		
	Depreciation	1,921	1,100
	(Profit)/Loss on Sale of Investments	(9,647)	(4,515)
	Reversal of Provision of Standard/Sub -Standard Assets	(69)	(267)
	Provision for Standard Assets	24	-
	Interest and Financial Charges	1,642	924
	Prior period Items	13	-
	Interest Income	(1,044)	424
	<b>Operating Profit Before Working Capital Changes</b>	<b>(5,648)</b>	<b>(1,946)</b>
	<b>Changes in Working Capital</b>		
	(Increase)/ Decrease in Trade and other receivables	(6)	5
	(Increase)/ Decrease in Loans and Advances	(68,603)	7,720
	(Increase)/ Decrease in Current Investments	28,200	(17,800)
	(Increase)/ Decrease in Other current assets	80	619
	Increase/ (Decrease) in Trade payable and other liabilities	58,319	(773)
	<b>(Increase)/ Decrease in Net Current Assets</b>	<b>17,990</b>	<b>(10,229)</b>
	<b>Cash generated from Operations</b>	<b>12,342</b>	<b>(12,174)</b>
	Direct taxes paid (Net of refund)	8	14
	<b>Cash Flow Before Extraordinary Items</b>	<b>12,333</b>	<b>(12,188)</b>
	Extraordinary Items	-	-
	<b>Net Cash flow from Operating Activities</b>	<b>12,333</b>	<b>(12,188)</b>
<b>B</b>	<b>Cash Flow from Investment Activities</b>		
	Purchase of Mutual fund & other Investments	(83,293)	(39,140)
	Redemption of Mutual Fund & Sale of other Investments	72,976	44,021
	Profit on sale of Mutual Fund (Subsidiary)	1,295	58
	Loss on Futures & Options	(380)	-
	Purchase of Fixed Assets	(23)	-
	Interest Income	1,044	(424)
	<b>Net Cash Flow from Investing Activities</b>	<b>(8,381)</b>	<b>4,515</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Loan taken-Secured	18,000	5,642
	Loan Repaid -Secured	(31,707)	(3,576)
	Issue of Equity Shares	-	7,000
	Issue of 0% Compulsorily Convertible Preference Shares	11,250	17,000
	Redemption of 12% Non Cumulative Redemable Preference Shares	-	(17,000)
	Interest and Finance Charges	(1,642)	(924)
	<b>Net Cash Flow from Financing Activities</b>	<b>(4,099)</b>	<b>8,142</b>
	<b>Net Increase in Cash and Cash Equivalents</b>	<b>(147)</b>	<b>468</b>
	Cash and Cash Equivalents at the beginning of the Year *	1,079	611
	<b>Cash and Cash Equivalents at the close of the Year *</b>	<b>932</b>	<b>1,079</b>
	<b>* Cash and Cash Equivalents comprise of :</b>		
	Cash in hand	352	40
	Balance in current account	580	1,039
	<b>Total</b>	<b>932</b>	<b>1,079</b>

**Note:-**

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements.

**As per our report of even date attached**

**For K.S. Aiyar & Co.**

Chartered Accountants

ICAI Firm Registration No: 100186W

**For and on behalf of the Board of Directors**

**I.C.Jain**  
Chairman  
DIN: 00178901

**Rajesh Jain**  
Whole Time Director  
DIN: 00151988

**Sachin A Negandhi**

Partner  
Membership No. 112888

Place : Mumbai  
Date : 27th May 2015

**Kartik Konar**  
Chief Financial  
Officer

Place : Mumbai  
Date : 27th May 2015

**Sankari Muthuraj**  
Company Secretary

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

**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**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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.

The excess of the cost to the Company of its investment in subsidiary over the Company's portion of equity of the subsidiary as at the date on which investment in subsidiary is made, is recognized in the financial statement as Goodwill. The excess of Company's share of equity and reserve of the subsidiary over the cost of acquisition is treated as Capital Reserve.

Investment in Associate Companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in Company's share of net assets of the Associate. The carrying amount of investment in Associate Companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for investment individually.

**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 II of the Companies Act, 2013.

**(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 denominated monetary assets & 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 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	For the 31.03.2015	For the 31.03.2014
<b>Note - 2: Share Capital</b>		
<b>Authorised:</b>		
<b>Amount of Shares:</b>		
3,50,00,000 (Previous Year: 3,50,00,000)		
Equity Shares of ₹ 10/- each	350,000	350,000
85,000 (Previous Year: 85,000) Redeemable		
Preference shares of ₹ 100/- each	8,500	8,500
1,15,000 (Previous Year: 85,000) 0%		
Compulsorily Convertible	11,500	8,500
Preference Shares of ₹ 100/- each		
13,00,000 (Previous Year: 13,30,000) Preference		
Shares of ₹ 100/- each	130,000	133,000
	500,000	500,000
<b>Issued and Subscribed :</b>		
39,10,740 (Previous Year: 34,85,740) Equity		
Shares of ₹ 10/- each fully paid up	39,107	34,857
87,500 (Previous Year: 85,000) 0% Compulsorily		
Convertible Preference Shares of ₹ 100/- each	8,750	8,500
fully paid up	47,857	43,357
<b>Paid up:</b>		
39,10,740 (Previous Year: 34,85,740) Equity		
Shares of ₹ 10/- each fully paid up	39,107	34,857
87,500 (Previous Year: 85,000) 0% Compulsorily		
Convertible Preference Shares of ₹ 100/- each	8,750	8,500
fully paid up	47,857	43,357

**Reconciliation of Shares outstanding at the beginning and at the end of the year**

Equity Shares of ₹ 10 each	2014-15		2013-14	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	3,485,740	34,857	3,135,740	31,357
Add: Issued during the year	-	-	350,000	3,500
Add: Shares Issued out of conversion of Preference shares during the year	425,000	4,250	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,910,740	39,107	3,485,740	34,857

0% Compulsorily Convertible Preference Shares of ₹ 100 each	2014-15		2013-14	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	85,000	8,500	-	-
Add: Shares Issued during the year	45,000	4,500	85,000	8,500
Less: Shares converted to Equity Shares during the year	42,500	4,250	-	-
Shares outstanding at the end of the year	87,500	8,750	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) Terms and Rights attached to Preference Shares:**

The Company has issued only one class of Preference Shares, namely 0% Compulsorily Convertible Preference Shares having par value of ₹ 100 each per share. No voting rights are attached to Preference Shares. On conversion of these Preference Shares into Equity Shares, the shareholder shall be entitled to one vote per share. One Preference Share is convertible into Ten Equity Shares.

42,500 0% Compulsorily Convertible Preference Shares issued in the Financial Year 2013-14 are convertible into Equity Shares within eighteen months from the date of allotment i.e. 28th February, 2014.

45,000 0% Compulsorily Convertible Preference Shares issued in the Financial Year 2014-15 are convertible into Equity Shares within eighteen months from the date of allotment i.e. 25th March, 2015.

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

Equity Shares of ₹ 10 each	As at 31 March 2015		As at 31 March 2014	
	No of Shares	Amount	No of Shares	Amount
Inder Chand Jain	1,221,354	31.23%	1,221,354	35.04%
KJMC Corporate Advisors (I) Ltd.	425,000	10.87%	-	-
I. C. Jain HUF	267,065	6.83%	267,065	7.66%

0% Compulsorily Convertible Preference Shares of ₹ 100 each	As at 31 March 2015		As at 31 March 2014	
	No of Shares	Amount	No of Shares	Amount
KJMC Corporate Advisors (India) Ltd.	52,500	60.00%	85,000	100.00%
KJMC Shares & Securities Ltd.	24,500	28.00%	-	-
Chand Devi Jain	10,500	12.00%	-	-

Particulars	As At 31.03.2015	As At 31.03.2014
<b>Note - 3: Reserves and Surplus</b>		
<b>Securities Premium Account :</b>		
As per last balance sheet	7,660	4,160
Add : Received during the year	6,750	12,000
Less: Deduction during the year	-	8,500
<b>Closing Balance</b>	<b>14,410</b>	<b>7,660</b>
<b>General Reserve :</b>		
As per last balance sheet	2,327	2,301
Add : Addition during the year	45	26
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>2,372</b>	<b>2,327</b>
<b>Capital Redemption Reserve :</b>		
As per last balance sheet	49,900	49,900
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>49,900</b>	<b>49,900</b>
<b>Special Reserve :</b>		
As per last balance sheet	6,756	6,549
Add : Addition during the year	362	207
Less : Deduction during the year	-	-
<b>Closing Balance</b>	<b>7,118</b>	<b>6,756</b>
<b>Surplus/(Deficit) in the statement of profit and loss :</b>		
Balance brought forward from last year	16,739	16,218
Less:		
Fixed Assets not having remaining useful life as on 1st April, 2014 (Refer Note - 32)	(208)	-
Add:		
Profit for the period	2,192	754
Amount available for appropriation	18,723	16,972
Less : Appropriations		
a) Special Reserve *	362	207
b) General Reserve	45	26
Balance carried forward	18,316	16,739
<b>Total</b>	<b>92,116</b>	<b>83,382</b>

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

(₹ in '000')

Particulars	Non-Current Maturities As at 31.03.2015	As at 31.03.2014	Current Maturities As at 31.03.2015	As at 31.03.2014
<b>Note - 4: Long Term Borrowings</b>				
<b>Term Loans</b>				
From Bank (Secured):	-	-	-	-
From other (Secured):				
Vehicle Loan	826	1,236	411	373
(Refer Additional Information below)				
Amount disclosed under the head "Other Current Liabilities"			411	373
<b>NET AMOUNT</b>	<b>826</b>	<b>1,236</b>	<b>-</b>	<b>-</b>

**Additional Information:**

**Vehicle Loan**

(₹ in '000')

Particulars	Amount of Loan (₹ In '000)	Interest rate % p.a	Installment Amount (₹ In '000)	No. of Outstanding Installments as on date
Secured by Vehicle bought under loan and repayable in 36 Equated monthly installments	2007	9.96	43	33

(₹ in '000')

Particulars	As At 31.03.2015	As At 31.03.2014
<b>Note 5: Other Long Term Liabilities (Unsecured)</b>		
Security Deposits		
Others	12,247	12,247
	<b>12,247</b>	<b>12,247</b>

(₹ in '000')

Particulars	As At 31.03.2015	As At 31.03.2014
<b>Note - 6: Short Term Borrowings</b>		
<b>Secured :</b>		
<b>Loans repayable on demand</b>		
Cash credit from bank repayable on demand (Secured)	15,666	29,962
(Cash credit from bank is secured against equitable mortgage of premises belonging to the Company and a related party and Corporate guarantee given by the related party. The cash credit is repayable on demand and carries interest @ Base Rate + 3.00%.)		
Loan from Non-Banking Financial Company (Secured)	1,000	-
(Loans secured against pledge of shares bearing an interest rate of 12.50%, repayable on demand.) - (Refer Note - 11)		
	<b>16,666</b>	<b>29,962</b>
<b>Note 7: Trade Payables</b>		
Trade payable -Others	219	139
	<b>219</b>	<b>139</b>
<b>Note 8: Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings	411	373
(Refer Note - 4)	90	16
TDS Payable	690	405
Other payables		
	<b>1,191</b>	<b>794</b>
<b>Note 9: Short Term Provisions</b>		
Dividend Distribution Tax	-	165
Contingent provision against standard/Sub Standard assets	24	69
	<b>24</b>	<b>234</b>

**Note -10: Fixed Assets -Tangible**

(₹ in '000')

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2014	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31.03.2015	AS at 01.04.2014	Provided during the year	Deductions/ Adjustments during the year	AS at 31.03.2015	AS at 31.03.2015	AS at 31.03.2014
Building	10,849	-	-	10,849	6,754	748	-	7,502	3,347	4,094
Furniture & Fixture	6,646	-	-	6,646	6,194	273	-	6,467	179	452
Computers	61	-	-	61	44	16	-	60	1	17
Office Equipments	2,117	23	-	2,140	1,831	226	-	2,057	83	286
Vehicles	2,792	-	-	2,792	726	959	-	1,685	1,107	2,066
<b>Total (A)</b>	<b>22,465</b>	<b>23</b>	<b>-</b>	<b>22,488</b>	<b>15,549</b>	<b>2,222</b>	<b>-</b>	<b>17,770</b>	<b>4,717</b>	<b>6,915</b>
<b>Previous year</b>	<b>22,465</b>	<b>-</b>	<b>-</b>	<b>22,465</b>	<b>14,456</b>	<b>1,094</b>	<b>-</b>	<b>15,549</b>	<b>6,915</b>	<b>-</b>
<b>Fixed Assets - Intangible</b>										
Computer Software	36	-	-	36	36	-	-	36	-	-
<b>Total (B)</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>
<b>Previous year</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>30</b>	<b>6</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>22,501</b>	<b>23</b>	<b>-</b>	<b>22,524</b>	<b>15,585</b>	<b>2,222</b>	<b>-</b>	<b>17,806</b>	<b>4,717</b>	<b>6,915</b>
<b>Previous year</b>	<b>22,501</b>	<b>-</b>	<b>-</b>	<b>22,501</b>	<b>14,486</b>	<b>1,100</b>	<b>-</b>	<b>15,585</b>	<b>6,915</b>	<b>-</b>

(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2015		As at 31.03.2014	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	<b>Note - 11 : Non-Current Investments</b>					
	<b>Non-Trade -Quoted</b>					
	<b>Investment in Equity Shares</b>					
1	Bajaj Finserv Ltd	5	250	330	-	-
2	Dhanuka Agritech Ltd *	2	4,500	894	4,500	894
3	Dena Bank Ltd	10	-	-	10,000	617
4	DQ Entertainment (International) Ltd	10	-	-	5,166	658
5	Dredging Corporation Of India Ltd	10	-	-	1,800	1,715
6	Dynumatic Technologies Ltd	10	35	51	-	-
7	Everest Kanto Cylinder Ltd	2	2,000	344	2,000	344
8	Essel Propack Ltd *	2	9,000	655	-	-
9	Federal Mogul Goetze (India) Ltd	10	2,000	395	2,750	543
10	Finolex Cables Ltd	2	28,000	1,492	81,991	4,370
11	Global Offshore Services Ltd	10	3,657	322	6,500	572
12	HLB Power Systems Ltd	1	-	-	29,750	1,149
13	Hindustan Copper Ltd	5	-	-	4	3
14	Hotline Glass Ltd	10	37,549	-	37,549	-
15	IL&FS Engineering and Construction Company Ltd	10	2,000	80	2,000	80
16	Indiabulls Infrastructure and Power Ltd	2	-	-	5,900	421
17	Indiabulls Real Estate Ltd	2	-	-	2,000	1,008
18	Indiabulls Wholesale Services Ltd	2	-	-	250	14
19	IPCA Laboratories Ltd	2	-	-	1,500	1,270
20	KDL Biotech Ltd	10	10	-	10	-
21	Lakshmi Vilas Bank Ltd	10	-	-	20,000	1,239
22	Muthoot Finance Ltd	10	25,000	4,767	-	-
23	Multi Commodity Exchange Ltd. *	10	1,000	759	-	-
24	NHPC Ltd	10	-	-	31,082	1,382
25	Om Metals & Infraprojects Ltd	1	5,000	426	5,000	426
26	Poly Medicare Ltd	10	613,083	68,659	275,119	38,674
27	Pennar Industries Ltd	5	2,500	117	-	-



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(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2015		As at 31.03.2014	
			Qty (Nos)	Amount	Qty (Nos)	Amount
28	Radico Khaitan Ltd	2	-	-	2,000	331
29	Radha Madhav Corporation Ltd	10	20,498	525	-	-
30	Reliance Infrastructure Ltd *	10	1,150	1,625	1,150	1,625
31	Reliance Industrial Infrastructure Ltd	10	-	-	300	669
32	Reliance Industries Ltd	10	-	-	418	634
33	Sanghi Industries Ltd	10	1,865	115	-	-
34	Shree Ram Mills Ltd	10	-	-	5,000	976
35	Shasun Pharmaceuticals Ltd	2	28,000	3,034	45,000	4,877
36	Shree Vindhya Paper Mills Ltd	10	1	-	1	-
37	Styrolution ABS (I) Ltd *	10	3,378	1,313	3,378	1,313
38	Ujaas Energy Ltd	1	20,000	629	-	-
39	Wockhardt Ltd	5	-	-	650	290
	<b>SUB-TOTAL (A)</b>			<b>86,532</b>		<b>66,091</b>
	<b>Non-Trade -Unquoted</b>					
	<b>Investment in Equity Shares</b>					
<b>A</b>	<b>In Associates</b>					
	1 KJMC Platinum Builders Private Limited	10	65,300	574	65,300	623
	2 KJMC Realty Private Limited	10	4,000	-	4,000	28
				<b>574</b>		<b>651</b>
<b>B</b>	<b>In other companies</b>					
	1 Prime Pictures Limited	10	25,000	-	25,000	-
	<b>SUB-TOTAL (B)</b>			<b>574</b>		<b>651</b>
	<b>TOTAL (A + B)</b>			<b>87,106</b>		<b>66,742</b>
Aggregate amount of quoted Investment				86,532		66,091
Aggregate Market Value of quoted Investment				343,770		148,864
Aggregate amount of unquoted Investment				574		651
Aggregate provision for diminution in value of investments				NIL		NIL

\*These Investments are Pledged as security for Loan from Non-Banking Financial Company (Refer Note- 6)

(₹ in '000')

Particulars	As At 31.03.2015	As At 31.03.2014
<b>Note - 12: Deferred Taxation</b>		
<b>Deferred Tax Asset</b>		
Business Loss	2,910	2,424
Unabsorbed Depreciation	409	217
Unabsorbed Long Term Capital Loss	11,388	11,388
	14,707	14,029
<b>Deferred Tax Liability</b>		
Fixed Assets	211	819
	211	819
<b>Deferred tax Asset/(liability)-Net</b>	<b>14,496</b>	<b>13,210</b>
<b>Note 13 : Long Term Loans and Advances</b>		
Advances recoverable in cash or kind or for value to be received	2	-
Unsecured, considered good		
Security Deposits		
Unsecured, considered good	25,929	24,968
Advance Income Tax	2,111	2,476
Less: Provision for Taxation	(1,035)	(1,135)
MAT credit Entitlement	1,108	1,171
<b>Total</b>	<b>28,115</b>	<b>27,480</b>
<b>Note 14 : Other Non Current Assets</b>		
Other Bank Balances	1,400	1,400
- In Deposit Accounts with more than 12 months' maturity (Refer Note - 16)		
	<b>1,400</b>	<b>1,400</b>

(₹ in '000')

Particulars	As at 31.03.2015		As at 31.03.2014	
	Qty (Nos)	Amount	Qty (Nos)	Amount
<b>Note - 15: Current Investments</b>				
<b>Non Trade-Quoted</b>				
<b>Investment in Mutual Funds</b>				
1 SBI Premier Liquid Fund	6,308	13,800	21,612	43,400
2 HDFC Liquid Fund	4,179	108	4,026	100
<b>TOTAL</b>		<b>13,908</b>		<b>43,500</b>
Aggregate amount of quoted Investment		13,908		43,500
Aggregate Market Value of quoted Investment		13,967		43,666
Aggregate amount of unquoted Investment		NIL		NIL
Aggregate provision for diminution in value of investments		NIL		NIL

(₹ in '000')

Particulars	As At 31.03.2015	As At 31.03.2014
<b>Note - 16: Cash and Bank Balances</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in Hand	352	40
Balance with Banks		
- In Current Accounts	580	1,039
	932	1,079
Other Bank Balances		
- On Deposit Accounts		
With more than 12 month's maturity	1,400	1,400
Amount disclosed under the head "Other Non Current Assets" (Refer Note - 14)	(1,400)	(1,400)
	<b>932</b>	<b>1,079</b>
<b>Note 17: Short Term Loans and Advances</b>		
Advances recoverable in cash or kind or for value to be received	71	67
Unsecured, considered good		
<b>Related Parties :</b>		
- Unsecured		
Loans to Related Party	4,100	-
Others		
Loans and advances to employees	-	10
Loans to Others (Unsecured)	5,500	69
	<b>9,671</b>	<b>146</b>
<b>Note 18: Other Current Assets</b>		
Others		
Accrued Interest	9	10
Others	30	23
Other Bank Balances	-	84
- In Deposit Accounts with less than 12 months' maturity		
	<b>39</b>	<b>117</b>
<b>Note 19: Revenue from Operations</b>		
Interest Income	919	608
Profit on Sale of Investments, Futures & Options (Net)	9,647	4,515
Bad Debts Written Back	1,750	-
Dividend Income	1,504	944
Professional fees Income	-	125
	<b>13,820</b>	<b>6,192</b>

(₹ in '000')

Particulars	As At 31.03.2015	As At 31.03.2014
<b>Note 20: Other Income</b>		
Professional fees Income	-	225
Reversal of Provision of Standard/Sub -Standard Assets	69	267
Compensation for Use of Office & Common Facilities	760	760
Miscellaneous Income	150	211
	<b>979</b>	<b>1,463</b>
<b>Note 21: Employee Benefit Expenses</b>		
Salaries and wages	4,516	2,486
Contribution to provident and other funds	155	61
Staff welfare Expenses	12	-
	<b>4,683</b>	<b>2,547</b>
<b>Note 22: Finance Costs</b>		
Interest expenses	1,519	602
Other borrowing costs	123	204
Processing Charges	-	118
	<b>1,642</b>	<b>924</b>

(₹ in '000')

Particulars	As At 31.03.2015	As At 31.03.2014
<b>Note 23: Other Expenses</b>		
Advertisement	105	101
Auditors Remuneration (for break up refer below)	158	134
Brokerage	150	-
Infrastructural Support Service Expenses	307	337
Insurance Expenses	52	19
Legal Expenses	33	27
Miscellaneous expenses	1,190	1,272
Professional Fees	381	250
Provision for Standard Assets	24	-
Postage & Telegram	153	114
Printing & Stationery	286	75
Rent	600	-
Repairs & Maintenance (Others)	265	29
Subscription & Membership	256	257
Society Maintenance Charges	188	39
Travelling Expenses	893	-
	<b>5,041</b>	<b>2,654</b>
As Auditor		
As Statutory Auditor	86	78
For Taxation matters	10	-
For Limited Review	45	45
For reimbursement of expenses/Service Tax	17	11
	<b>158</b>	<b>134</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 24. Contingent Liabilities

Claims against the Company not acknowledged as debt

There is income tax demand of ₹ 400 (in '000') in respect of income tax for assessment year 2012-13 against which appeal has been filed with CIT (A). The management expects matter to be decided in favor of the Company in the appellate process. The management accordingly believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations.

25. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ NIL (Previous Year ₹ NIL)

### 26. Earnings per Share:

Particulars	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Net Profit / (Loss) after Taxation (₹ in '000)	2,192	754
Less : Preference Dividend and Tax thereon	-	-
Net Profit/(Loss) for calculation of EPS (₹ in '000)	2,192	754
The weighted average Number of Equity Share (Nos.)- (Basic)	37,81,699	3,304,507
The weighted average Number of Equity Share (Nos.)- (Diluted)	46,56,699	4,154,507
Face value (₹)	10	10
Earnings per Share (Basic)	0.58	0.23
Earnings per Share (Diluted)	0.47	0.18

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

Expenditure in Foreign Currency ₹ Nil (₹ Nil)

### 28. Related party disclosures under Accounting Standard 18:

#### List of related parties

#### a) Key Management Personnel

Rajnesh Jain (Whole Time Director) (w.e.f 11th August, 2014)  
Kartik Konar – Chief Financial Officer (w.e.f. 11th August, 2014 )  
Sankari Muthuraj – Company Secretary ( w.e.f. 25th March, 2015 )  
Sanjeev Singh Sengar - Company Secretary (resigned on 15th November ,2014)

#### b) Relatives of Key Management Personnel.

Inderchand Jain - Father  
Chanddevi Jain - Mother  
Girish Jain - Brother  
Shraddha Rajnesh 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 Silver Properties Private Ltd  
KJMC Mutual Fund

#### d) Associates

KJMC Platinum Builders Private Limited KJMC Realty Private Limited

## 27TH ANNUAL REPORT 2014-2015

### 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	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
1	<b>Interest Income</b> Prathmesh Enterprises Pvt Ltd	-	-	395	-
2	<b>Interest Expenses</b> KJMC Capital Market Services Limited	-	-	-	53
3	<b>Brokerage Charges</b> KJMC Capital Market Services Ltd	-	-	471	16
4	<b>Rent Received</b> KJMC Capital Market Services Ltd KJMC Corporate Advisors (India) Ltd	- -	- -	760 25	760 -
5	<b>Services Received during the year</b> KJMC Corporate Advisors (India) Ltd	-	-	-	125
6	<b>Rent Paid</b> KJMC Capital Market Services Ltd	-	-	307	336
7	<b>Advance received for Sale of Shares</b> KJMC Corporate Advisors (India) Ltd	-	-	-	2,000
8	<b>Advance Received for Sale of Shares refunded</b> KJMC Corporate Advisors (India) Ltd	-	-	-	(2,000)
9	<b>Advance Paid for Purchase of Shares</b> KJMC Corporate Advisors (India) Ltd	-	-	-	(18,013)
10	<b>Advance paid for Purchase of Shares received back</b> KJMC Corporate Advisors (India) Ltd	-	-	-	18,013
11	<b>Reimbursement of Expenses received</b> KJMC Corporate Advisors (India) Ltd	-	-	-	1
12	<b>Reimbursement of Expenses Paid</b> KJMC Corporate Advisors (India) Ltd KJMC Capital Market Services Ltd	- -	- -	205 -	5 59
13	<b>Purchase / (Sale) of Investment</b> KJMC Corporate Advisors (India) Ltd	-	-	-	2738
14	<b>Issue of 0% Compulsorily Convertible Preference Shares</b> KJMC Corporate Advisors (India) Ltd KJMC Shares and Securities Limited Chanddevi Jain	- - -	- - -	2,500 6,125 2,625	17,000 - -
15	<b>Issue of Equity Shares</b> Inderchand Jain Chanddevi Jain Girish Jain Inderchand Jain (HUF) Rajnish Jain	- - - - -	- - - - -	- - - - -	4,260 529 427 931 427
16	<b>Balances in Investment in Associates</b> KJMC Platinum Builders Pvt. Ltd. KJMC Realty Pvt. Ltd.	653 40	653 40	- -	- -
17	<b>Net Receivables</b> Prathmesh Enterprises Pvt Ltd	-	-	4100	-
18	<b>Net Payables</b> KJMC Capital Market Services Ltd KJMC Mutual Fund	- -	- -	12,000 276	12,000 276
19	<b>Security and Corporate Guarantee given by</b> Puja Impex Pvt. Ltd. (Refer Note No. 6)	-	-	15,666	29,962
20	<b>Salary and Perquisites</b> Rajnish Jain	2014-2015 1474		2013-2014 Nil	

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

Sr. No.	Name of Subsidiary	Country of Incorporation	Ownership Interest	
			31.03.2015	31.03.2014
1.	KJMC Asset Management Company Limited	India	100%	100%
2.	KJMC Investment Trust Company Limited	India	100%	100%

**30. Additional information:**

(₹ in 000's)

Name of the Entity	Net Assets , i.e. , total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
<b>Parent : KJMC Financial Services Ltd</b>	101.17	141,609	72.09	1090
Subsidiaries -				
Indian				
1 KJMC Asset Management Co Ltd	72.22	101,089	25.86	391
2 KJMC Investment Trust Ltd	1.00	1,395	2.05	31
Minority interest in all subsidiaries	-	-	-	-
Associates (Investment as per the equity method ) –				
Indian				
KJMC Platinum Builders Pvt Ltd	-	-	-	(33)
KJMC Realty Pvt Ltd	-	-	-	(23)
Joint Ventures	-	-	-	-

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. The Group has charged depreciation based on the remaining useful life of the assets as per the requirement of Note 7 (b) of Schedule II of the Companies Act, 2013. As a result, the depreciation charge for the current year is higher by ₹ 10.47 Lacs as compared to the depreciation required to be charged under Companies Act, 1956. In case of KJMC Financial Services Ltd., the carrying value of assets amounting to ₹ 2.08 Lacs (Net of Deferred Tax of ₹ 0.93 Lacs) of which the remaining useful life was NIL as on 1st April, 2014 is adjusted to the opening balance of retained
33. 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

ICAI Firm Registration No: 100186W

**Sachin A Negandhi**

Partner

Membership No. 112888

Place : Mumbai

Date : 27th May 2015

**For and on behalf of the Board of Directors**

**I.C.Jain**

Chairman

DIN: 00178901

**Rajnesh Jain**

Whole Time Director

DIN: 00151988

**Kartik Konar**

Chief Financial Officer

Place : Mumbai

Date : 27th May 2015

**Sankari Muthuraj**

Company Secretary

**KJMC FINANCIAL SERVICES LIMITED**

**Registered Office :** 162, Atlanta, 16th Floor,  
Nariman Point, Mumbai - 400 021.  
Tel.No.: 022-4094 5500. Email : investor.finance@kjmc.com

**PROXY**

Form No. MGT-11

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

CIN : L99999MH1988PLC047873  
 Name of the Company : KJMC FINANCIAL SERVICES LIMITED  
 Registered office : 162, 16th Floor, Atlanta, Nariman Point, Mumbai- 400021  
 Name of the member (s) : \_\_\_\_\_  
 Registered address : \_\_\_\_\_  
 Email ID : \_\_\_\_\_  
 Folio No/Client ID/DP ID : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
 Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him  
 (2) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
 Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him  
 (3) Name : \_\_\_\_\_ Address : \_\_\_\_\_  
 Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on Saturday, 19 September, 2015 at 12.15 P.m. at Mumbai- S. K. Somani Memorial Hall, Hindi Vidya Bhawan, 79 - Marine Drive, "F" Road, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoptions of Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2015 and the Directors' and Auditors' Reports thereon.		
2.	Re-appointment of Mr. Girish Jain (Din: 00151673), who liable to retire by rotation.		
3.	Ratification of Appointment of M/s. K.S. Aiyar & Co., Chartered Accountants, as Statutory Auditors and fix their remuneration.		
	<b>Special Business</b>		
4.	Appointment of Mrs. Aditi Jain as a Director liable to retire by rotation.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Affix  
Rupee.1  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

**KJMC FINANCIAL SERVICES LIMITED**

**Registered Office :** 162, Atlanta, 16th Floor, Nariman Point, Mumbai - 400 021.

**ATTENDANCE**

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

27<sup>th</sup> Annual General Meeting - 19<sup>th</sup> September, 2015

I hereby record my presence at the 27TH ANNUAL GENERAL MEETING of the company held on Saturday, 19<sup>th</sup> September, 2015 at 12.15 P.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./Demat ID .....

No. of shares held .....

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

.....  
Member's / Proxy Signature**REQUEST TO MEMBERS**

Members are requested to send their question(s), if any, to the Company Secretary/Chief Financial Officer at the Registered Office of the Company, on or before September 14, 2015, so that the answers/details can be kept ready at the Annual General Meeting.





To,



**KJMC**  
ADVICE MATTERS

*If Underlivered Please Return To:*

**KJMC FINANCIAL SERVICES LIMITED**

Registered Office: 162, Atlanta, 16th Floor,  
Nariman Point, Mumbai – 400 021.

Tel : 91-22-22832350, 22885201, 4094 5500

Fax : 91-22-22852892

Email : [investor.finance@kjmc.com](mailto:investor.finance@kjmc.com), Website : [www.kjmc.com](http://www.kjmc.com)