

# KJMC FINANCIAL SERVICES LTD.

NBFC : No. B-13.01633



September 25, 2017

To,  
General Manager,  
The Department of Corporate Services - CRD,  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

Dear Sir,

Ref.: Scrip Code 530235

Subject: Submission of 29th Annual Report of KJMC Financial Services Limited for the Financial Year 2016-17.

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the soft copy of 29th Annual Report of the Company for the financial year 2016-17 duly approved and adopted by the members at the 29th Annual General Meeting of the company held on September 23, 2017.

Kindly take the same in your record.

Thanking you.  
Yours faithfully,  
For KJMC Financial Services Limited

**Sankari Muthuraj**  
Company Secretary

Encl.: As above



**KJMC**  
ADVICE MATTERS

# **KJMC FINANCIAL SERVICES LIMITED**

**29th**  
**Annual Report**  
**2016 - 2017**

**BOARD OF DIRECTORS**

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

**REGISTRAR & TRANSFER AGENT**

Bigshare Services Pvt. Ltd.,  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai 400059.  
Tel.No.022 62638200, Fax No. 022 62638299,  
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**

**New Delhi**  
G8 & 9, Hans Bhavan,  
Ground Floor, 1, Bahadur Shah Zafar Marg,  
Near ITO Office, New Delhi - 110 002.

<b>29TH ANNUAL GENERAL MEETING</b>		
<b>Date</b>	:	<b>Saturday, September 23, 2017</b>
<b>Time</b>	:	<b>10.45 a.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 29th Annual General Meeting of the Members of KJMC Financial Services Limited (CIN: L99999MH1988PLC047873) will be held on Saturday, September 23, 2017 at 10.45 a.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 the Audited Financial Statement (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended March 31, 2017, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Inderchand Jain (DIN: 00178901), 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, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. K. S. Aiyar & Co., Chartered Accountants (Registration No. 100186W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company to be held in the year 2018 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:-**

4. **Re-appointment of Mr. Rajnesh Jain, (DIN: 00151988) as a Whole Time Director of the Company.**

To consider and deem fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** on the recommendation of the nomination and remuneration committee at their meeting held on May 18, 2017 and approval of board of Directors on May 27, 2017 and pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company, be and is hereby accorded for the re-appointment and terms of remuneration payable to, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of Mr. Rajnesh Jain (DIN: 00151988), as Whole Time Director (WTD) of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from August 11, 2017 to August 10, 2020, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit, without any further approval of the members of the Company and subject to the same not exceeding the limits specified under Schedule "V" to the Companies Act, 2013 or any statutory

modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required in order to give effect to the aforesaid resolution."

**5. Adoption of new set of Articles of Association**

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the new set of Articles of Association of the Company, be and are hereby approved and adopted in substitution for, and to the exclusion of the existing Articles of Association of the Company;

**RESOLVED FURTHER THAT** the Board and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

By Order of the Board of Directors  
For KJMC Financial Services Limited  
Sd/-  
**(Sankari Muthuraj)**  
Company Secretary

Place: Mumbai  
Date: August 09, 2017

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out at item 4 and 5 in the Notice are 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 (50) members and holding in aggregate not more than ten percent (10%) of the total Share Capital of the Company. Members holding more than ten percent (10%) 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.
3. Members / proxies and authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
4. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting.
5. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, annexed to the Proxy Form. Members/Proxies are requested to bring the attendance slip duly filled in and to affix their signature at the place provided on

the Attendance Slip and hand it over at the counters at the venue.

6. Members and Proxies attending the meeting are requested to bring the annual report to the meeting as extra copies will not be distributed.
7. In case of joint holders attending the Annual General Meeting (AGM), the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members desirous of getting any information on the Annual Accounts, at the AGM, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
9. 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.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and 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.
11. The Register of Members and Share Transfer Books will remain closed from Wednesday, September 20, 2017 to Saturday, September 23, 2017 (both days inclusive) for the purpose of AGM.
12. 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).
13. Members are requested to address all correspondence to the Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Tel. No.022- 62638200, Fax No. 022- 62638299, mail id : investor @bigshareonline.com and bhagwan@bigshareonline.com.
14. Copies of the Annual Report 2016-2017, the notice of the 29th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are 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 e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
15. 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., / Depository participants.
16. Members may also note that the Notice of the 29th AGM, Attendance Slip, Proxy Form, Route Map, Ballot paper and the Annual Report, 2016-2017 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.
17. 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/ Registrar and Share Transfer Agents.

18. 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.
19. 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 ensuing AGM in a fair and transparent manner.
20. 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.
21. 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.
22. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 29th AGM of the Company scheduled to be held on September 23, 2017. The results along with the scrutinizer's report shall be placed on the Company's website www.kjmc.com, within two days of the passing of the resolutions at the 29th AGM of the Company and shall also be communicated to the stock exchanges.
23. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM are furnished below. The Directors have furnished the requisite consents / declarations for their appointment/re appointment.

**(I) Mr. Inderchand Jain**

Name & Designation	Mr. Inderchand Jain, Director	
Director Identification Number (DIN)	00178901	
Date of Birth	November 07, 1939	
Qualifications	B. Com, FCA	
Expertise in specific functional area	He is having over five decades of experience in Income Tax Counseling, Corporate Finance, Merchant Banking and Company Audit as a Practicing Chartered Accountant.	
Director of the Company since	June 30, 2000.	
Number of Shares held in the Company as on March 31, 2017	213000	
Disclosure of relationships between directors inter-se	Sr. No.	Name & Designation of Director
	1.	Mr. Rajnesh Jain, Director
	2.	Mr. Girish Jain, Director
	3.	Mrs. Aditi Jain, Director
		Relationship
		Son of Mr. Inderchand Jain
		Son of Mr. Inderchand Jain
		Son's Wife



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

Name of the Company (Directorship)	Committee Chairmanship/ Membership
KJMC Corporate Advisors (India) Limited (Listed Company)	1. <b>Member</b> - Audit Committee 2. <b>Chairman</b> - Share Transfer & Stakeholders Relationship Committee. 3. <b>Chairman</b> - Credit & Investment Committee.
KJMC Investment Trust Company Limited	-
KJMC Commodities Market India Limited	-
KJMC Trading & Agency Limited	-
KJMC Realty Private Limited	-
KJMC e. Business Ventures Private Limited	-
Prathamesh Enterprises Private Limited	-

**II) Mr. Rajnesh Jain**

Name & Designation	Mr. Rajnesh Jain, Whole Time Director		
Director Identification Number (DIN)	00151988		
Date of Birth	January 31, 1967		
Qualifications	B. Com, FCA		
Expertise in specific functional area	Having vast experience in corporate finance, financial services, merchant banking, capital market and fund and non fund based activities.		
Director of the Company since	June 30, 2001.		
Number of Shares held in the Company as on March 31, 2017	122335		
Disclosure of relationships between directors inter-se	Sr. No.	Name & Designation of Director	Relationship
	1.	Mr. Inderchand Jain, Director	Father of Mr. Rajnesh Jain
	2.	Mr. Girish Jain, Director	Brother of Mr. Rajnesh Jain
	3.	Mrs. Aditi Jain, Director	Brother's Wife Mr. Girish Jain

**Directorships / Committee Membership of Mr. Rajnesh Jain in other companies:**

Name of the Company (Directorship)	Committee Chairmanship/ Membership
KJMC Corporate Advisors (India) Limited (Listed Company)	1. <b>Member</b> - Share Transfer and Stakeholders Relationship Committee. 2. <b>Member</b> - Nomination & Remuneration Committee. 3. <b>Member</b> - Credit & Investment Committee.
KJMC Capital Market Services Limited	1. <b>Member</b> - Audit Committee. 2. <b>Member</b> - Nomination & Remuneration Committee.
KJMC Credit Marketing Limited	-

KJMC Commodities Market India Limited	-
KJMC Asset Management Company Limited	-
KJMC Trading & Agency Limited	-
Graham Firth Steel Products (India) Limited	-
KJMC Realty Private Limited	-
Prathamesh Enterprises Private Limited	-
KJMC e. Business Ventures Private Limited	-

24. The route map showing directions to reach the venue of the 29th AGM is annexed.

25. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the company is providing to its members the facility to cast their vote electronically from a place other than venue of the AGM ("remote e-voting") as an alternate to all the members of the company to enable them to cast their votes electronically instead of voting at the AGM, through e-voting services provided by CDSL. Shareholders who have already voted prior to the date of AGM would not be entitled to vote at the meeting venue.

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

- The remote e-voting period begins on September 18, 2017 (09:00 a.m.) and ends on September 22, 2017 (05:00 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 September 16, 2017, may cast their vote electronically. E-voting rights cannot be exercised by a proxy, though corporate and the institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Now click on "Shareholders" tab.
- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- If you are a first time user follow the steps given below:

For members holding shares in Demat 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 sequence 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 serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>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.</p> <ul style="list-style-type: none"> <li>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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the "KJMC Financial Services Limited" on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (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 a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts 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 of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on September 18, 2017 (09:00 a.m.) and ends on September 22, 2017 (05:00 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 September 16, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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  
Sd/-  
**(Sankari Muthuraj)**  
Company Secretary

Place: Mumbai  
Date: August 09, 2017

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

**ITEM NO. 4**

Mr. Rajnesh Jain's tenure as whole time Director of the Company ends on August 10, 2017. The Nomination and Remuneration Committee at their meeting held on May 18, 2017 considered the re-appointment of Mr. Rajnesh Jain (DIN: 00151988), as a Whole Time Director and also reviewed the terms and conditions including remuneration payable to him for the extended period and recommended to the Board for his re-appointment for a further period of three years from August 11, 2017 to August 10, 2020.

The Board at their meeting held on May 27, 2017 considered the recommendation of the Nomination and Remuneration Committee and approved the re-appointment of Mr. Rajnesh Jain (DIN: 00151988) as Whole-time Director of the Company for a further period of three years with effect from August 11, 2017 to August 10, 2020, subject to the approval of the members at the ensuing Annual General Meeting by way of Special Resolution.

The material terms of remuneration payable to Mr. Rajnesh Jain (DIN: 00151988) are as under:

**1. Basic Salary:**

₹ 2,00,000/- (Rupees Two Lakhs only) per month with such increases as may be decided by the Board of Directors (which includes any Committee thereof) from time to time.

**2. Perquisites and allowances:**

In addition to the Salary, the following perquisites, allowances shall be allowed:

- (i) Reimbursement of medical expenses incurred for self and family in India or abroad, including hospitalization, nursing home and surgical charges and in case of medical treatment abroad, the air-fare, boarding/lodging for patient and attendant.
- (ii) Reimbursement of actual traveling expenses in India or Abroad for proceeding on leave twice in a block of four years in respect of himself and family.
- (iii) Reimbursement of membership fees for clubs in India or abroad, including any admission / life membership fees.
- (iv) Mediclaim and Life insurance policy for himself and family.
- (v) Keyman insurance policy.
- (vi) Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, as may be approved by the Board of Directors from time to time.
- (vii) Reimbursement of entertainment expenses incurred in the course of business of the company.
- (viii) Reimbursement of educational expenses including hostel charges etc. for maximum of two children's in India or outside India.
- (ix) Company's contribution to provident fund and superannuation fund to the extent these either singly or put together are not taxable under the Income-tax Act.
- (x) Gratuity at the rate of half month's salary for each year of service.
- (xi) Leave with full pay as per the rules of the company, with encashment of unavailed leave being allowed.
- (xii) Free use of Company's car along with driver for Company's works and Private purpose.
- (xiii) Telephone, mobile, tele-fax and other communication facilities at company's cost.
- (xiv) Rent free accommodation including payment of electricity bill, water charges and all other expenses for the upkeep and maintenance of residence.
- (xv) Reimbursement of expenditure incurred towards membership fees for gym, etc.

(xvi) Payment of tax on perquisites, in addition to the salary and other perquisites.

Subject to any statutory ceiling/s, Mr. Rajnesh Jain may be given any other allowances, perquisites benefits and facilities as the Board of Directors from time to time may decide.

**3. Valuation of perquisites:**

Perquisites / Allowances shall be valued as per Income-tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

**4. Other terms:**

- a) No sitting fees shall be paid to Mr. Rajnesh Jain for attending the meetings of the Board of Directors or any Committee thereof, during his tenure as 'Whole Time Director' of the Company.
- b) Compensation for loss of office before the expiry of the terms of office would be payable to him as per the provisions of the Companies Act, 2013.

**5. Minimum Remuneration:**

The aforesaid remuneration in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may, for the time being in force. Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay remuneration by way of Salary, Perquisites and Allowances not exceeding the maximum limits laid down in Section II of Part II of Schedule V of the Companies Act, 2013, as may be agreed to the Board of Directors of the Company and Mr. Rajnesh Jain.

**Information required to be given to members as per Schedule V of the Companies Act, 2013:**

**I. General information:**

1	Nature of Industry	Financial Services (NBFC)		
2	Expected date of commencement of commercial production	Not applicable		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4	Financial performance based on given indicators	As per the Audited Accounts of the Company for the following financial year ended March 31, 2017 (₹ in '000)		
		Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
		Total Revenue	28,288	22,476
		Profit Before Tax	3,039	6,167
		Profit for the period	4,225	6,312
5	Foreign Investments or collaborators, if any	Not applicable		



**II. Information about the appointee:**

1.	Background details	Mr. Rajnesh Jain is a FCA, having vast experience in Corporate Finance, Financial Services, Merchant Banking, Capital Market and fund based activities including investments, fund based and non fund based working capital facilities and trade finance. He is also one of the promoters of the Company and associated with the Company for more than two decades. He holds 122335 (2.56%) equity shares of the Company.
2.	Past remuneration	Last drawn remuneration is given in the Corporate Governance Section of the Annual Report. The remuneration details for proposed appointment are given in the text of the Explanatory Statement.
3.	Job profile	Mr. Rajnesh Jain shall, subject to the directions, supervision and control of the Board of Directors of the Company, manage and conduct the business and affairs of your Company.
4.	Remuneration proposed	The remuneration details for proposed appointment are given in the text of the Explanatory Statement.
5.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	Mr. Rajnesh Jain is responsible for the whole affairs of the Management of the Company and accountable to the Board of Directors of the Company. Keeping in view the profile of Whole time Director with his enriched knowledge and vast experience, the Board of Directors considers that the remuneration proposed to Mr. Rajnesh Jain is fully justifiable and commensurate with the similar sized industry.
6.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Besides the proposed remuneration payable to him, he does not have any other pecuniary relationship with the Company or with managerial personnel.

**III. Other information:**

1.	Reasons for inadequacy of profits	The company is exposed to specific risks that are peculiar to its business and the environment within which it operates including the economic cycle, market risk, etc. therefore, the profitability of the company varies accordingly.  The Economic Outlook for the Country has considerably improved with the stable Government which is committed to economic reforms and policies to improve ease of doing
2.	Steps taken or proposed to be taken for improvement	
3.	Expected increase in productivity and profits in measurable terms	

		business. Considering the Country's stable Central Government and economic outlook coupled with importance of financial services, your directors expect better performance of the Company in the coming years.  The Nomination and Remuneration Committee and the Board are of the opinion that appointment of Mr. Rajnesh Jain as 'Whole Time Director' would be in the interest of your Company and, therefore, recommend the resolution for your approval.
--	--	---

In compliance with the provisions of Sections 196, 197 read with Schedule V and any other applicable provisions, if any of the Companies Act, 2013, the terms of appointment and remuneration of Mr. Rajnesh Jain, as specified above are now being placed before the Members for approval.

The Board recommends the Resolution for your approval by passing Special Resolution as proposed in the Notice.

Mr. Rajnesh Jain himself and his relatives viz. Mr. Inderchand Jain, Mr. Girish Jain and Mrs. Aditi Jain are concerned or interested in the Resolution.

**ITEM NO. 5**

The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). Upon enactment of the New Act, the existing Articles of Association of the Company need to be re-aligned as per the provisions of the New Act. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

The Board of Directors at its meeting held on August 09, 2017 decided to adopt a new set of Articles of Association in place of and in exclusion to the existing Articles of Association of the Company. Pursuant to Section 14 of the Companies Act, 2013, the consent of the members of the Company by way of a Special Resolution is required for adoption of a new set of Articles of Association of the Company. Accordingly, Special Resolution has been placed before the members for approval.

An altered copy of Articles of Association of the Company will be available for inspection by the Members at the Registered Office of the company during the office hours on all working days and also on the Company's website, www.kjmc.com.

None of the Directors is, directly or indirectly concerned or interested in the said Resolution.

By Order of the Board of Directors  
For KJMC Financial Services Limited  
Sd/-  
**(Sankari Muthuraj)**  
Company Secretary

Place: Mumbai  
Date: August 09, 2017

## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 29th Annual Report, together with the audited financial statement of the Company for the financial year ended March 31, 2017. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2017 is summarized below:

Particulars	(` in "000")			
	Standalone		Consolidated	
	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>FINANCIAL RESULTS</b>				
Revenue from operation	28,067	21,868	29,324	22,942
Other Income	221	608	614	754
Total Revenue	28,288	22,476	29,938	23,696
Total Expenses	25,249	16,309	26,472	17,524
Profit before Tax	3,039	6,167	3,466	6,172
Less: Provision for Tax				
- Current Tax	93	Nil	116	7
- Deferred Tax	(137)	(145)	(137)	(145)
- MAT Credit	(93)	Nil	(82)	28
- Prior period taxes	(1049)	Nil	(1049)	(23)
Profit/(loss) after tax	4,225	6,312	4,618	6,305
Share in Associates' profit/(Loss)	NA	NA	104	14
Profit/(loss) for the year	4,225	6,312	4,722	6,319
<b>APPROPRIATIONS</b>				
Profit/(loss) for the year	4,225	6,312	4,722	6,319
Add: Balance brought forward from previous year	24,842	19,950	23,216	18,317
Amount available for appropriations	29,067	26,262	27,938	24,636
Less: Appropriations				
Special Reserve	845	1,262	845	1,262
General Reserve	106	158	106	158
Balance carried to Balance Sheet	28,116	24,842	26,987	23,216
<b>EPS</b>				
- Basic	0.90	1.43	1.01	1.44
- Diluted	0.88	1.32	0.99	1.32

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On standalone basis, your Company earned the gross income of ₹ 282.88 Lakhs as against ₹ 224.76 Lakhs in the previous year. The total expenditure during the year under review was ₹ 252.49 Lakhs as against ₹ 163.09 Lakhs in the previous year. The Net Profit after tax was ₹ 42.25 Lakhs as against ₹ 63.12 Lakhs in the previous year.

On consolidated basis, your Company earned the gross income of ₹ 299.38 Lakhs as against ₹ 236.96 Lakhs in the previous year. The total expenditure during the year under review was ₹ 264.72 Lakhs as against ₹ 175.24 Lakhs in the previous year. The Net Profit after tax was ₹ 47.22 Lakhs as against ₹ 63.19 Lakhs in the previous year.

## PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES AND ASSOCIATES

### Subsidiaries

- KJMC Asset Management Company Limited: It earned gross income of ₹ 17.34 Lakhs as against ₹ 15.66 Lakhs in the previous year. The total expenditure during the year under review was ₹ 17.02 Lakhs as against ₹ 15.88 Lakhs in the previous year. The Net Profit after tax was ₹ 0.23 Lakhs as against loss of ₹ 0.32 Lakhs in the previous year.
- KJMC Investment Trust Company Limited: It earned gross income of ₹ 1.07 Lakhs as against ₹ 1.34 Lakhs in the previous year. The total expenditure during the year under review was ₹ 0.73 Lakhs as against ₹ 0.99 Lakhs in the previous year. The Net Profit after tax was ₹ 0.17 Lakhs as against ₹ 0.34 Lakhs in the previous year.
- KJMC Trading & Agency Limited: It earned gross income of ₹ 4.7 Lakhs as against ₹ 0.42 Lakhs in the previous year. The total expenditure during the year under review was ₹ 1.09 Lakhs as against ₹ 0.49 Lakhs in the previous year. The Net Profit after tax was ₹ 3.54 Lakhs as against loss of ₹ 0.07 Lakhs in the previous year.

### Associates

- KJMC Platinum Builders Private Limited: It earned gross income of ₹ 10.49 Lakhs as against ₹ 5.70 Lakhs in the previous year. The total expenditure during the year under review was ₹ 6.81 Lakhs as against ₹ 5.20 Lakhs in the previous year. The Net Profit after tax was ₹ 2.52 Lakhs as against ₹ 0.51 Lakhs in the previous year.
- KJMC Realty Private Limited: No income was earned during the current and previous year. The total expenditure during the year under review was ₹ 0.16 Lakhs as against ₹ 0.38 Lakhs in the previous year. The loss incurred during the year under review was ₹ 0.16 Lakhs as against loss of ₹ 0.38 Lakhs in the previous year.

### DIVIDEND

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

### TRANSFER TO RESERVES

The Company proposes to transfer ₹ 1.06 Lakhs to the general reserve and ₹ 8.45 Lakhs to Special Reserves out of the amount available for appropriation and an amount of ₹ 281.16 Lakhs is proposed to be retained in the profit and loss account.

### 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.

### 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.

### NUMBER OF MEETINGS

#### a. Board Meeting

The Board of Directors met Four (4) times in the financial year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of the annual report.

#### b. Audit Committee

During the year, Four (4) Audit Committee Meetings were convened and held. The details pertaining to composition of Audit Committee and the attendance of the Audit Committee members are provided in the Corporate Governance Report, which forms part of the annual report.

**c. Nomination and Remuneration Committee**

During the year, Two (2) Nomination and Remuneration Committee Meetings were convened and held. The details pertaining to composition of Nomination and Remuneration Committee and the attendance of the Nomination and Remuneration Committee members are provided in the Corporate Governance Report, which forms part of the annual report.

**d. Share Transfer and Stakeholders Relationship Committee**

During the year, Three (3) Share Transfer and Stakeholders Relationship Committee Meetings were convened and held. The details pertaining to composition of Share Transfer and Stakeholders Relationship Committee and the attendance of the Share Transfer and Stakeholders Relationship Committee members are provided in the Corporate Governance Report, which forms part of the annual report.

**e. Credit and Investment Committee**

During the year, Eight (8) Credit and Investment Committee Meetings were convened and held. The details pertaining to composition of Credit and Investment Committee and the attendance of the Credit and Investment Committee members are provided in the Corporate Governance Report, which forms part of the annual report.

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

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts for the financial year ended March 31, 2017 on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS**

The Company's policy on Directors' appointment, 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 annual report.

**STATUTORY AND SECRETARIAL AUDITORS' REPORT**

The statutory and secretarial auditors' report do not contain any qualifications, reservations, or adverse remarks. Report of the secretarial auditor is given as an annexure to this report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of loans, guarantees and investments have been disclosed in the financial statements, which forms part of the annual report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

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.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and on the date of this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Since the Company is a Financial Services Company, the details required under Section 134 of the Companies Act, 2013 are not applicable. However Company believes in conserving the natural resources and uses CFL and LED Lighting in the office premises which has low energy consumption.

During the reporting period there was no foreign exchange earning but incurred an expenditure of ₹ 3.63 lakhs as against ₹ 6.93 Lakhs in the previous year.

**RISK MANAGEMENT**

The details in respect of risks and concerns are included in the Management Discussion & Analysis, which forms part of this 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 Companies Act, 2013 and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. The directors expressed satisfaction with the evaluation process.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Rajnesh Jain's tenure as whole time Director of the Company ends on August 10, 2017. The Nomination and Remuneration Committee considered the re-appointment of Mr. Rajnesh Jain (DIN: 00151988), as a Whole Time Director and also reviewed the terms and conditions for the extended period of three years from August 11, 2017 to August 10, 2020 at their meeting held on May 18, 2017 and recommended the same to the Board. The Board at their meeting held on May 27, 2017 considered the recommendation of the Nomination and Remuneration Committee and approved the re-appointment of Mr. Rajnesh Jain (DIN: 00151988) as Whole-time Director of the Company for a further period of three years with effect from August 11, 2017 to August 10, 2020 in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule "V" and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to approval of members in the ensuing Annual General Meeting of the Company.

Necessary resolution is being proposed in the notice of the ensuing Annual General Meeting for the approval of the members for re-appointment of Mr. Rajnesh Jain (DIN: 00151988) as Whole-time Director of the Company for a further period of three years with effect from August 11, 2017 to August 10, 2020.

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. Inderchand Jain, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mr. Nitin Kulkarni and Mr. Sureshchandra Aythora were appointed as independent directors at the annual general meeting of the Company held on September 27, 2014. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as an independent director during the year.

**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).

**SUBSIDIARIES AND ASSOCIATE COMPANIES**

During the reporting period, the Company has three wholly owned subsidiaries namely KJMC Asset Management Company Limited, KJMC Investment Trust Company Limited and KJMC Trading & Agency Limited within the meaning of Section 2(87) of the Companies Act, 2013 ("Act") and two associate companies namely KJMC Realty Private Limited and KJMC Platinum Builders Private Limited within the meaning of Section 2(6) of the 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 read with rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries and an associates Companies in Form AOC-1 is annexed and forms part of the Annual 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](http://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](http://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.

**THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant or material orders which were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

**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 the annual report.

**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 2016-17;**

Non-executive Directors	Ratio to median remuneration
Mr. Inderchand Jain	0.04
Mr. S.C. Aythora	0.06
Mr. Nitin Kulkarni	0.06
Mrs. Aditi Jain	0.04
Mr. Girish Jain	0.04
<b>Executive Directors</b>	
Mr. Rajnesh Jain	17.61

The median remuneration is calculated based on the salary paid during the financial year to employees on payroll as on March 31, 2017.

- ii. **The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, if any, in the financial year;**

Name	Designation	% increase in remuneration in the financial year i.e. 2016-17
Mr. Inderchand Jain	Non Executive Director	-
Mr. S.C. Aythora	Non Executive Director	-
Mr. Nitin Kulkarni	Non Executive Director	-
Mr. Girish Jain	Non Executive Director	-
Mrs. Aditi Jain	Non Executive Director	-
Mr. Rajnesh Jain	Whole Time Director	196%
Ms. Sankari Muthuraj	Company Secretary	10%
Mr. Kartik Konar	Chief Financial Officer	10%

- 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 March 31, 2017:** 8
- v. **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 percentage increase in the salaries of employees other than managerial personnel in the financial year 2016-17 was



around 9%. However, during the financial year 2016-17 there has been an increase in the payment of perquisite and allowances to Whole Time Director not exceeding the limit laid down in section II of part II of Schedule V of the Companies Act, 2013 and as per the special resolution passed at the AGM held on September 10, 2016 due to which the managerial remuneration was increased by 196%. The increments given to employees are based on their potential, performance and contribution, which is also, benchmarked against applicable industry norms.

**vi. 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.

**vii. 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.**

**AUDITORS**

**a. Statutory Auditor**

In accordance with Section 139 of the Companies Act, 2013 and the rules made there under, M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, the Statutory Auditors of your Company has been appointed as the Statutory Auditors of the Company in the Annual General Meeting held on September 27, 2014 for a consecutive term of five years (subject to ratification of their appointment at every AGM). Their continuance of appointment is to be ratified in the ensuing Annual General Meeting.

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.

**b. Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has appointed M/s Sanjay Raja Jain & Co., as an internal auditor of the Company.

**c. Secretarial Auditor**

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.K. Jain & 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.

**WHISTLE BLOWER/VIGIL MECHANISM:**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company.

**SHARE CAPITAL**

During the reporting period, your Company has allotted 3,00,000 equity shares of ₹ 10/- each at a price of ₹ 25/- per share pursuant to Conversion of 30000, 0% Compulsory Convertible Preference Shares allotted on March 25, 2015.

**CORPORATE GOVERNANCE**

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, compliance with the corporate governance provisions are not applicable to your Company as the Company's paid up Equity Share Capital does not exceed of ₹ 10 Crores and net worth does not exceed of ₹ 25 Crores as on March 31, 2017.

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**LISTING OF SHARES**

Equity Shares of the Company are listed with BSE Limited. During the reporting period, your Company has allotted 3,00,000 equity shares of ₹ 10/- each issued on conversion of 30,000 0%CCPS and the same got listed in BSE Limited. The Annual listing fee for the financial year 2017-18 has been paid to the BSE Limited (BSE).

**INSURANCE**

The Company's assets have been adequately insured.

**WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION**

Certificate from Mr. Rajnesh Jain, Whole Time Director and Mr. Kartik Konar, Chief Financial Officer, as specified in Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the financial year ended March 31, 2017 was placed before the Board of Directors of the Company at its meeting held on May 27, 2017.

**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  
For KJMC Financial Services Limited.

Sd/-  
**(Inderchand Jain)**  
Chairman

Place: Mumbai  
Date: August 09, 2017

Din No.: 00178901



**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	3
Name of the subsidiary	KJMC Asset Management Company Ltd	KJMC Investment Trust Company Limited	KJMC Trading & Agency Limited
The date since when subsidiary was acquired	20/02/1999	20/02/1999	07/09/2015
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)	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	INR
Share capital	102500	1500	1000
Reserves & surplus	(1421)	(54)	347
Total assets	101240	1705	12353
Total Liabilities	161	259	11006
Investments	70880	170	11427
Turnover	982	Nil	336
Profit before taxation	32	34	361
Provision for taxation	9	18	7
Profit after taxation	23	17	354
Proposed Dividend	Nil	Nil	Nil
Extent of shareholding (in percentage)	100%	100%	100%

**PART "B": ASSOCIATES**

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

(₹ in '000')

Name of Associates	KJMC Realty Private Limited	KJMC Platinum Builders Private Limited
1. Latest audited Balance Sheet Date	31-03-2017	31-03-2017
2. Date on which the Associate was associated or acquired	25-03-2013	13-03-2013
3. Shares of Associate held by the company on the year end		
No.	3800	95,300
Amount of Investment in Associates	38	15089
Extent of Holding (in percentage)	22.81%	40.65%
4. Description of how there is significant influence	Holding more than 20% of Equity	Holding more than 20% of Equity
5. Reason why the associate is not Consolidated	NA	NA
6. Networth* attributable to Shareholding as per latest audited Balance Sheet	6,863	23,821
7. Profit / (Loss) for the year		
i. Considered in Consolidation	-	102
ii. Not Considered in Consolidation	(4)	-

\* Networth:- Revaluation reserve is not considered while calculating the Networth.

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

**Inderchand Jain**  
Chairman  
Din No: 00178901

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

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

**Kartik Konar**  
Chief Financial Officer

**Sankari Muthuraj**  
Company Secretary

Place: Mumbai  
Dated: 27th May, 2017

Place: Mumbai  
Dated: 27th May, 2017

**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) Ltd., Mr. Rajnesh Jain, Mr. Girish Jain and Mr. Inderchand Jain, Directors holding more than 2% of its paid up share capital.	Amendment to Leave and License Agreement dated May 29, 2014 for premises admeasuring approx 150 sq.ft bearing office no. 162, Atlanta, 16th floor, Nariman Point, Mumbai - 400021.	Period from May 29, 2014 to May 28, 2024	Amendment to Leave and License Agreement dated May 29, 2014 thereby demanding Rs. 15 lakhs as security deposit against the leased premises.	19.05.2016	Rs.15 lakhs as security deposit
2	KJMC Asset Management Company Ltd. Wholly Owned Subsidiary	Availing of professional services.	Period from 01.04.2016 to 31.03.2017.	Professional services with respect to supervision of NBFC and legal compliances for the financial year 2016-17 for a consideration of ₹ 1.50 Lakhs per quarter.	19.05.2016	-
3	KJMC Shares and Securities Ltd., Group Company	Availing of services	Period from 01.04.2016 to 31.03.2017.	Services including data entry, admin activity, drafting of letters & documents and outdoor office activity etc., for the financial year 2016-17 for a consideration of ₹ 50,000/- per quarter.	19.05.2016	-
4	KJMC Trading & Agency Limited., Wholly Owned Subsidiary	Sale of 13100 equity shares of poly medicure Ltd, held by the Company as an investment	-	₹ 122/- per share aggregating to ₹ 15,98,200/-.	19.05.2016	-
5	KJMC Trading & Agency Limited., Wholly Owned Subsidiary	Sale of 73750 equity shares of poly medicure Ltd, held by the Company as an investment.	-	₹ 122/- per share aggregating to ₹ 89,97,500/-.	10.08.2016	-

6.	Mr. Pratham Jain, Relative of Mr. Rajnesh Jain, Whole Time Director.	Appointed as an employee of the Company to hold office or place of profit in the Company.	-	Remuneration ₹ 20,210/- per month and to assist him for his higher education in foreign country in the Business Management, as per the service bond executed between him and the Company. The total Foreign Education expenses including remuneration shall not exceed of ₹ 2.50 Lakhs p.m. or ₹ 30 Lakhs p.a. for a period of 3 years.	10.08.2016	-
7	Prathamesh Enterprises Pvt. Ltd., Mr. Rajnesh Jain, Director Holding more than 2% of its paid up share capital.	Loan agreement	For a period of 12 months	Granted Loan of ₹ 50 Lakhs at the interest of 14% p.a.	10.08.2016	-
8	Mr. Rajnesh Jain, Whole Time Director	Renewal of Loan Agreement dated 08.12.2015	Period from 08.12.2016 to 07.12.2017.	Granted Loan of ₹ 1 Crore at the interest of 14% p.a.	11.11.2016	-
9	M/s. KJMC Corporate Advisors (India) Limited., Mr. Rajnesh Jain, Mr. Girish Jain and Mr. Inderchand Jain, Directors holding more than 2% of its paid up share capital.	Sale of 200 equity shares of M/s. KJMC Realty Private Limited held by the Company as an investment	-	₹ 4,700/- per share aggregating to ₹ 9,40,000/-.	11.11.2016	-
10	KJMC Trading & Agency Limited., Wholly Owned Subsidiary	Renewal of Loan agreement Dated 21.01.2016	For a period of 12 months w.e.f. 23.01.2017 to 22.01.2018	Granted Loan of ₹ 25 Lakhs at the interest of 14% p.a.	14.02.2017	-
11	KJMC Platinum Builders Pvt. Ltd., Mr. Girish Jain, Director Holding more than 2% of its paid up share capital	Renewal of Loan agreement Dated 11.02.2016	For a period of 12 months w.e.f. 11.02.2017 to 10.02.2018	Availed Loan of ₹ 1 crore at the interest of 14% p.a.	14.02.2017	-

For and on behalf of the Board of Directors  
Sd/-

(Inderchand Jain)  
Chairman

Place: Mumbai  
Date : August 09, 2017

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2017

[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. Tel.No. 022-40945500, Fax.No. 022-22852892 E-mail id: investor.finance@kjmc.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai -400 059. Tel.No:022-62638200; Fax.No.022-62638299 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 Trading & Agency Limited	U74900MH2015PLC268135	Subsidiary	100	2(87)
4	KJMC Realty Private Limited	U70102MH2008PTC183258	Associate	22.81	2(6)
5	KJMC Platinum Builders Private Limited	U45200MH2008PTC181980	Associate	40.66	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. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	2006977	-	2006977	44.74	2111977	-	2111977	44.13	(0.61)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1000000	-	1000000	22.29	1195000	-	1195000	24.97	2.68
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	3006977	-	3006977	67.03	3306977	-	3306977	69.10	2.07
(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)	3006977	-	3006977	67.03	3306977	-	3306977	69.10	2.07
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	65400	65400	1.46	-	65400	65400	1.37	(0.09)
c) Central / State Govt (s)	-	7050	7050	0.16	-	7050	7050	0.15	(0.01)
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FII's	-	-	-	-	-	-	-	-	-

## 29TH ANNUAL REPORT 2016-2017

g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)-</b>	<b>-</b>	<b>72450</b>	<b>72450</b>	<b>1.62</b>	<b>-</b>	<b>72450</b>	<b>72450</b>	<b>1.52</b>	<b>(0.1)</b>
2. Non-Institutions									
a) Bodies Corp.	591763	20850	612613	13.66	693199	20850	714049	14.92	1.26
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	306646	216081	522727	11.65	287528	214531	502059	10.49	(1.16)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	269650	-	269650	6.01	183250	-	183250	3.83	(2.18)
c) Others(specify)									
i) Non Resident Indians	623	-	623	0.01	623	-	623	0.01	-
ii) Clearing Members	100	-	100	0.002	5732	-	5732	0.12	0.118
iii) Directors & their Relatives & Friends	350	250	600	0.01	350	250	600	0.01	-
<b>Sub-total (B)(2)-</b>	<b>1169132</b>	<b>237181</b>	<b>1406313</b>	<b>31.35</b>	<b>1170682</b>	<b>235631</b>	<b>1406313</b>	<b>29.39</b>	<b>(1.96)</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	1169132	309631	1478763	32.97	1170682	308081	1478763	30.90	(2.07)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4176109</b>	<b>309631</b>	<b>4485740</b>	<b>100</b>	<b>4477659</b>	<b>308081</b>	<b>4785740</b>	<b>100</b>	<b>-</b>

### (ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Share holding at beginning of the year i.e. 01.04.2016			Share holding at the end of the year i.e. 1.03.2017			% 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	27.23	0.00	213000	4.45	0.00	(22.78)
2	I C Jain HUF	267065	5.95	0.00	267065	5.58	0.00	(0.37)
3	Mrs. Chanddevi Jain	151553	3.38	0.00	1264907	26.43	0.00	23.05
4	Mr. Pankaj Jain	122335	2.73	0.00	122335	2.56	0.00	(0.17)
5	Mr. Rajnesh Jain	122335	2.73	0.00	122335	2.56	0.00	(0.17)
6	Mr. Girish Jain	122335	2.73	0.00	122335	2.56	0.00	(0.17)
7	KJMC Corporate Advisors (India) Ltd	850000	18.95	0.00	950000	19.85	0.00	0.9
8	KJMC Shares and Securities Limited	150000	3.34	0.00	245000	5.12	0.00	1.77

### (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. Inder Chand Jain	01.04.2016	1221354	27.23	1221354	27.23
		07.04.2016	Inter-se transfer of 1008354 Equity Shares as a gift to Mrs.Chanddevi Jain		213000	4.75
		31.03.2017	Total		213000	4.45
2	I C Jain HUF	01.04.2016	267065	5.95	267065	5.95
		31.03.2017	Total		267065	5.58
3	Mrs. Chand devi Jain	01.04.2016	151553	3.38	151553	3.38
		07.04.2016	Inter-se transfer of 1008354 equity shares as a gift from Mr. Inder Chand Jain		1159907	25.86
		11.08.2016	105000 equity shares allotted on conversion of 10500 0% CCPS		1264907	26.43
		31.03.2017	Total		1264907	26.43
4	Mr. Pankaj Jain	01.04.2016	122335	2.73	122335	2.73
		31.03.2017	Total		122335	2.56
5	Mr. Rajnesh Jain	01.04.2016	122335	2.73	122335	2.73
		31.03.2017	Total		122335	2.56
6	Mr. Girish Jain	01.04.2016	122335	2.73	122335	2.73
		31.03.2017	Total		122335	2.56
7	KJMC Corporate Advisors (India) Ltd	01.04.2016	850000	18.95	850000	18.95
		11.08.2016	100000 equity shares allotted on conversion of 10000 0% CCPS		950000	19.85
		31.03.2017	Total		950000	19.85
8	KJMC Shares & Securities Limited	01.04.2016	150000	3.34	150000	3.34
		11.08.2016	95000 equity shares allotted on conversion of 9500 0% CCPS		245000	5.12
		31.03.2017	Total		245000	5.12

changes due to allotment of 300000 equity shares on 11.08.2016 pursuant to conversion of 30000 0% compulsory convertible preference shares allotted on 25.03.2015 and Inter-se transfer from Mr. Inderchand Jain to Mrs. Chanddevi Jain on 07.04.2016.

### (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. 01.04.2016		No. of Shares held at the end of the year i.e. 31.03.2017	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Rajesh Patni	125000	2.79	125000	2.61
2	Frontline Venture Services Pvt Ltd	111370	2.48	111370	2.33
3	Oricon Properties Private Limited	106420	2.37	106420	2.22
4	Anand Rathi Share and Stock Brokers Limited	0	0	86426	1.81
5	Prabhudas Lilladher Pvt. Ltd.	100	0.002	86400	1.81
6	TCK Finance & Leasing Pvt Ltd	75000	1.67	75000	1.57
7	Dena Bank	64300	1.43	64300	1.34
8	Ravindra Kala	86400	1.93	58250	1.22
9	Apex Enterprises(India)Ltd	50000	1.11	50000	1.04
10	Yashodham Merchants Pvt Ltd	32450	0.72	32450	0.68

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholder's Name	Date	Shareholding at the beginning of the year i.e 01.04.2016		Cumulative Shareholding during the year i.e. 2017	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Inder Chand Jain	01.04.2016	1221354	27.23	1221354	27.23
		31.03.2017			213000	4.45
2	Rajesh Jain	01.04.2016	122335	2.73	122335	2.73
		31.03.2017			122335	2.56
3	Girish Jain	01.04.2016	122335	2.73	122335	2.73
		31.03.2017			122335	2.56
4	Nitin V Kulkarni	01.04.2016	250	0.01	250	0.01
		31.03.2017			250	0.01
5	Sureshchandra C Aythora	01.04.2016	350	0.01	350	0.01
		31.03.2017			350	0.01

**VI. INDEBTEDNESS**

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

(₹ in '000')

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year i.e. 01.04.2016</b>			
i) Principal Amount	21,840	Nil	21,840
ii) Interest due but not paid	Nil	Nil	Nil
iii) Interest accrued but not due	5	Nil	5
Total(i+ii+iii)	21,845	Nil	21,845
<b>Change in Indebtedness during the financial year</b>			
• Addition	1,96,062	5,075	2,01,137
• Reduction	1,29,503	Nil	1,29,503
Net Change	66,559	5,075	71,634
<b>Indebtedness at the end of the financial year 31.03.2017</b>			
i) Principal Amount	88,399	5,075	93,474
ii) Interest due but not paid	Nil	Nil	Nil
iii) Interest accrued but not due	2	Nil	2
Total(i+ii+iii)	88,401	5,075	93,476

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	Mr. Rajesh 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	24,00,000	24,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	54,62,502	54,62,502
	(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	Nil	Nil
	<b>Total(A)</b>	<b>78,62,502</b>	<b>78,62,502</b>
	Ceiling as per section II of part II of schedule V of the Companies Act, 2013	1,68,00,000/- p.a.	

**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	-	
•	Fee for attending board / committee meetings	26000	26000	-	52000
•	Commission	Nil	Nil	-	Nil
•	Others, please specify	Nil	Nil	-	Nil
	<b>Total (1)</b>				
2.	Other Non-Executive Directors	Inderchand Jain	Girish Jain	Aditi Jain	
•	Fee for attending board / committee meetings	20000	18000	16000	54000
•	Commission	Nil	Nil	Nil	Nil
•	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>20000</b>	<b>18000</b>	<b>16000</b>	<b>54000</b>
	<b>Total (B)=(1+2)</b>	<b>46000</b>	<b>44000</b>	<b>16000</b>	<b>106000</b>
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	₹ 1 lakh 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. Kartik Konar (Chief Financial Officer)	Ms. Sankari Muthuraj (Company Secretary)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,91,548/-	6,42,256/-	10,33,804/-
	(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
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	— as % of profit	Nil	Nil	Nil
	— others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>3,91,548/-</b>	<b>6,42,256/-</b>	<b>10,33,804/-</b>

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

There were no penalties, punishment or compounding offences during the year ended March 31, 2017.

## 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]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

To,

The Members,

**KJMC Financial Services Limited**

162, 16th Floor, Atlanta,  
Nariman Point, Mumbai-400021

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. KJMC Financial Services Limited** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended on 31st March, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure 'I' for the Financial Year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under (not applicable as the company has not availed any External commercial borrowings, has not received any Foreign Direct Investment & has not made any Overseas Direct Investment.)
- v. The following Regulations and Guidelines prescribed under the SEBI Act, 1992 are as follows:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable as the Company has not introduced any such scheme during the financial year under review);
  - e) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation 2015.
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable since the Company has not issued any Debt Securities);
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted / propose to delist its Equity Shares from any Stock Exchange during the financial year under review);
  - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not applicable as the Company has not brought back / propose to buy-back any of its securities

during the financial year under review); and

- i) 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;

I have also examined Compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have also examined the books, papers and returns filed and other records maintained by M/s. KJMC Financial Services Limited for the Financial Year ended on 31st March, 2017 according to the provisions of various other Laws applicable, including the Rules made thereunder, and amended from time to time, to the Company, as informed by the Company, details of which are mentioned in 'Annexure II'

We have also examined compliance with applicable Laws, Act, Rules, Regulations, Guidelines, Standards etc. complied by KJMC Asset Management Company Limited, M/s. KJMC Investment Trust Company Limited and M/s. KJMC Trading & Agency Company Limited, the wholly owned subsidiaries of the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**I further report that** having regards 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 norms applicable specifically to the Company:

- i. Regulatory Guidelines and Regulations issued by Reserve Bank of India (RBI) to Non Banking Finance Companies (NBFCs-ND) and Rules made thereunder;
- ii. SEBI (Mutual Funds) Regulation 1996 as amended from time to time (applicable to Wholly Owned Subsidiary Companies); (The Company has not issued any Scheme of Mutual Fund till date, therefore there are no compliances are require to be complied by the Company.)

### I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Director and Independent directors. No changes in the composition of the Board of Directors that took place during the period under review.

Adequate Notice is given to all Directors to schedule the Board Meetings, Committee Meetings, agenda and detailed Notes on Agenda were sent at least seven days in advance and 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 meeting of the Board of Directors or Committee of the Board, as the case may be.

**I 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 compliances with the applicable Laws, Rules, Regulations and Guidelines.

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act and Profession Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

**I 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, Regulation, Guidelines, Standards, etc. except issue of 3,00,000 Equity Shares of Rs.10 each at offer price of Rs. 25 per share pursuant to conversion of 30,000 0% Compulsory Convertible Preference Shares (CCPS) of Rs. 100/- each.

Place: Mumbai

Date: 15/05/2017

Dr. S. K. Jain

Practicing Company Secretary

FCS No.:1473

C P No.: 3076



## ANNEXURE - I

### List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2016.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer & Stakeholder Relationship Committee and Credit & Investment Committee along with Attendance Register held during the Financial Year under report.
4. Minutes of General Body Meetings held during the Financial Year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors /Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

Place: Mumbai  
Date: 15/05/2017

Dr. S. K. Jain  
Practicing Company Secretary  
FCS No.: 1473  
C P No.: 3076

## ANNEXURE - II

### List of applicable laws to the Company

1. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder;
2. Maternity Benefits Act, 1961 and the rules made thereunder;
3. Professional Tax Act, 1975;
4. Employees' Provident Fund Act, 1952 and Miscellaneous Provisions act 1952 and the rules made thereunder;
5. Bombay Stamp Act, 1958;
6. Negotiable Instruments Act, 1881;
7. Labour Laws as applicable to the Company.
8. The Bombay Shops and Establishments Act, 1948

Place: Mumbai  
Date: 15/05/2017

Dr. S. K. Jain  
Practicing Company Secretary  
FCS No.: 1473  
C P No.: 3076

To  
The Members,  
KJMC Financial Services Limited.  
162, 16th Floor, Atlanta, Nariman Point,  
Mumbai – 400021.

My Secretarial Audit Report of Even date is to be read along with this letter.

### Management's Responsibility

It is the responsibility of the management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

My responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.

Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company

Place: Mumbai  
Date: 15/05/2017

Dr. S. K. Jain  
Practicing Company Secretary  
FCS No.: 1473  
C P No.: 3076

## MANAGEMENT DISCUSSION & ANALYSIS

### OVERVIEW

The financial statements for the year 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.

Management accepts responsibility for the integrity and objectivity of these financial reported 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

India's financial service sector has grown from strength to strength, built on prudential lending practices, robust regulatory environment and sound technology base, and has competently met the aspirations of the vast population and enabled economic activities. The competitive landscape of financial services sector has witnessed rapid growth in the last couple of decades. The financial services industry has come a long way in its reach and resilience. Niche market players and product innovations are making a mark in the financial services space.

The government has continued on the steady path of fiscal consolidation, without compromising on the public investment requirements of the company. There was considerable progress made in building consensus for the Goods & Services Tax (GST) and GST is rolled out from 1st July, 2017. Passing of the Insolvency & Bankruptcy Code (IBC), 2016 and the creation of infrastructure for its effective implementation was another major achievement which should further improve the ease of doing business and quicker resolution of financial restructuring and recovery of dues by the lenders.

Demonitisation of the high value currency in the country has strong potential to generate long term benefits in terms of reduced corruption, greater digitization of the economy, increased flow of financial savings and greater formalization of the economy will eventually lead to higher GDP growth rate and tax revenues.

All the above reforms measures supported by economic legislation as also deletion from the statute large number of archaic legislation should go a long way in improving the image of the Country for ease of doing business and attract higher level of Foreign Direct Investment and capital formation in the economy which should help in the growth of business opportunities for your Company.

### NBFC SECTOR

NBFCs have been playing a very important role both from the macro-economic perspective and the structure of the Indian financial system. NBFCs are the preferred alternatives to the conventional banks as a financial intermediary for meeting various financial requirements of a business enterprise, as they provide a hassle free credit. From the point of significance of presence and performance, Non-Banking Finance Companies (NBFCs) continue to make a major impact on the lending side both in consumer/retail lending and commercial/business lending.

### BUSINESS & OPERATIONAL OVERVIEW

Your Company is a NBFC registered with the RBI to carry out NBFC activities under Section 45(IA) of the Reserve Bank of India Act, 1934 and it is engaged primarily in the business of investing / trading in securities and advancing loans. The Company is also involved in providing fund based financial services and funding solutions to the Indian Corporate, institutions, SME's etc. Your Company also focuses on capital market related lending products & others like:

- i. Margin Funding
- ii. IPO funding
- iii. Stressed asset financing
- iv. NPA Buyouts etc.

In the present era of digital revolution, technology has been leaving its indelible mark in several areas, including finance.

Your Company believes technology will play a crucial role in making a breakthrough in the NBFC sector for the years to come. The use of technology typically has been confined to calculation of 'credit scores'.

Your Company initiated a business proposal with Urja Money Private Limited for utilizing platform/software known as 'CreditMate', developed by Urja Money Private Limited, which is used for evaluating customer's credit worthiness using data collected through loan application and other credit verification documents of the customer, on a pilot basis.

Your Company believes that its focus on with the Urja Money Private Limited shall provide a significant competitive advantage in the market and it expects to continue to grow and align itself with the expected general economic and

population growth trends and the government's focus on improving the economic standard of this population segment.

#### 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 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 a improved and normal monsoon forecast rural growth is expected to get a boost further investment in the infrastructure & road projects, aided by easing of crude oil prices, the Auto industry is expected to grow with larger income in the city due to the implementation of OROP and seventh pay Commission leaving a larger income in the hands of both the rural and urban consumers, consumer durable industry is expected to get a fillip and an opportunity for NBFC to meet the bridging finance thro ties up. This should present your Company with more opportunities in the area of ;

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

##### Threats:

- Retention of human capital as also attraction of fresh talent will be a challenge.
- 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 best practices in these areas.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016-17.

#### DEVELOPMENTS IN HUMAN RESOURCES

The Company's various employee engagement platforms and initiatives have resulted in a vibrant, productive and enjoyable work environment. A structured approach to career development, leadership development, internal job rotations, and mentoring helps employees grow their careers and realize their potential.

Your Company has focused on identifying internal talent and nurture them through the culture of continuous learning and development, thereby building capabilities for creating future leaders. The Company is actively working on developing a culture driven by the collective spirit of experience and company-wide ownership. Assignment, empowerment and accountability will be the cornerstone of the people lead processes.

#### CAUTIONARY STATEMENT

Management discussion and analysis report contains statements which are forward looking based on 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

Pursuant to regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions are not applicable to your Company as the Company's paid up equity share capital does not exceed ₹ 10 Crores and net worth does not exceed of ₹ 25 Crores as on March 31, 2017. However your Company ensures compliance with all the relevant and applicable laws and the report on Corporate Governance is given below to maintain highest standards of Corporate Governance.

### 1. COMPANY'S PHILOSOPHY ON CODE OF 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.

Your Company is committed to ensure that the Company's Board of Directors continued to be constituted as per the provisions of Companies Act, 2013, 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. 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. In addition the Company has appointed Compliance / Nodal officer for matters relating to RBI & Companies Act, etc.

### 2. BOARD OF DIRECTORS

#### (a) Composition & Meetings:

The composition of the Board complies with the provisions of the Companies Act, 2013. As on March 31, 2017 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 Four (4) times during the year on May 19, 2016, August 10, 2016, November 11, 2016 and February 14, 2017 and the gap between two meetings did not exceed the statutory period laid down by the Companies Act, 2013 and the Secretarial Standard-1 issued by the Institute of Company Secretaries of India i.e. 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 March 31, 2017 are given herein below.

Name of the Director	Category	Number of Board meetings during the year 2016-17		Whether attended last AGM held on September 10, 2016	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	4	4	Yes	4	2	2
Mr. Rajnesh Jain DIN:00151988	Promoter & Executive Director	4	4	Yes	6	-	3
Mr. Girish Jain DIN:00151673	Promoter & Non Executive Director	4	4	Yes	6	-	3
Mr. S.C. Aythora DIN:00085407	Independent Director	4	4	Yes	9	2	2
Mr. Nitin Kulkarni DIN: 02297383	Independent Director	4	4	Yes	2	2	3
Mrs. Aditi Jain DIN : 00152373	Promoter & Non Executive Director	4	4	Yes	2	-	-

**Notes:**

- Private Limited Companies, Foreign Companies and Companies under Section 8 of Companies Act, 2013 have been excluded for the purposes of calculating Committee positions.
- Membership/Chairmanship in only Audit Committee and Stakeholders Relationship Committee including KJMC Financial Services Limited have been considered for Committee positions as per the Listing Regulations.

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. 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 accordance with the Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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 have been specified in writing by the Board of Directors of the Company in accordance with section 177 (4) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**(b) Composition & Meetings:**

The Committee met Four (4) times during the year on May 19, 2016, August 10, 2016, November 11, 2016 and February 14, 2017 and the gap between two meetings did not exceed one hundred twenty days. 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 2016-17	
		Held	Attended
Mr. S. C. Aythora	Chairman – Independent Director	4	4
Mr. Nitin Kulkarni	Independent Director	4	4
Mr. Inderchand Jain	Non Executive 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 September 10, 2016 and was attended by Mr. S.C. Aythora, Chairman of the audit committee.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of the Company is constituted in accordance with the Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

**(a) Terms of Reference:**

The terms of the reference of the Committee are to review and recommend compensation payable to the Executive Directors. The Committee also ensures the Compensation Policy of the Company and Performance Oriented Scheme for Senior Managers.

The role of the committee has been defined as per section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**(b) Composition & Meetings:**

The Committee met Two (2) times during the year on May 06, 2016 and November 11, 2016. The necessary quorum was present at the meeting.

The composition of the Nomination and 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 2016-17	
		Held	Attended
Mr. S. C. Aythora	Chairman – Independent Director	2	2
Mr. Nitin Kulkarni	Independent Director	2	2
Mr. Girish Jain	Non-Executive Director	2	2

**(c) Nomination, Remuneration & Board Diversity Policy:**

On the recommendation of the Nomination and Remuneration Committee, the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other Employees pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

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 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.

A Non Executive Directors 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.

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.

**(d) Details of sitting fees paid to the Directors for the year ended March 31, 2017:**

A Non Executive Directors are paid sitting fees of ₹ 4000/- for every meeting of the Board of Directors and ₹ 1000/- for every meeting of the Audit Committee and Nomination & Remuneration Committee.

An Independent Directors are paid sitting fees of ₹ 4000/- for an Independent Directors Meeting.

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

(Amount in ₹)

Name of Director	Sitting Fees			
	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Independent Directors Meeting
Mr. S.C. Aythora	16000	4000	2000	4000
Mr. Nitin Kulkarni	16000	4000	2000	4000
Mr. Inderchand Jain	16000	4000	-	-
Mr. Girish Jain	16000	-	2000	-
Mrs. Aditi Jain	16000	-	-	-

**(e) Details of remuneration paid to the Executive Directors for the year ended March 31, 2017:**

(Amount in ₹)

Name of Director	Salary Basic and allowances	Benefits perquisites	Others	Total	Service contract / Notice period
Mr. Rajnesh Jain	24,00,000	54,62,502	-	78,62,502	Three years contract w.e.f. 11th August, 2014.

**(f) Details of equity shares of the Company held by the Directors as on March 31, 2017 are given below:**

Name	Number of equity shares
Mr. Inderchand Jain	213000
Mr. Rajnesh Jain	122335
Mr. Girish Jain	122335
Mr. S. C. Aythora	350
Mr. Nitin Kulkarni	250

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

The Share Transfer and Stakeholders Relationship Committee of the Company is constituted in accordance with the Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

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, Two (2) complaints were received from shareholders and have been attended/resolved. As on March 31, 2017, no investor grievance has remained unattended/ pending for more than thirty days. The Board has delegated the powers to approve transfer of securities allotted by the Company to this Committee. As on March 31, 2017, no transfer was pending.

The Committee is headed by Mr. Inderchand Jain, Non-Executive Director and consists of the members as stated below. During the year ended on March 31, 2017, Three (3) meetings were convened and held on May 20, 2016, October 28, 2016 and March 31, 2017.

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 2016-17	
			Held	Attended
1.	Mr. Inderchand Jain	Chairman (Non-Executive Director)	3	3
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  
Email : investor.finance@kjmc.com



## 6. CREDIT AND INVESTMENT COMMITTEE

In addition to the above referred Committees which are mandatory under the Companies Act 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under the SEBI Guidelines, the Board of Directors has constituted Credit and Investment committee for considering and approving the proposals of investing the funds of the Company and to grant loan or give guarantee or provide security in respect of loans. The committee comprises of Mr. Inderchand Jain, Chairman, Mr. Girish Jain and Mr. Rajnesh Jain as the members of the Committee.

Credit and Investment Committee met Eight (8) times during the year on April 28, 2016, May 12, 2016, August 02, 2016, August 29, 2016, January 10, 2017, February 10, 2017, February 27, 2017 and March 28, 2017.

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 2016-17	
			Held	Attended
1.	Mr. Inderchand Jain	Chairman - Non-Executive Director	8	8
2.	Mr. Girish Jain	Non-Executive Director	8	8
3.	Mr. Rajnesh Jain	Executive Director	8	8

## 7. INDEPENDENT DIRECTORS MEETING

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold atleast one meeting in a year without the presence of Non Independent Directors and members of the management. All the independent directors shall strive to be present at such meeting.

The independent directors in their meeting shall, inter alia-

- review the performance of non-independent directors and the board of directors as a whole;
- review the performance of the chairperson of the listed entity, taking into account the views of executive directors and nonexecutive directors;
- assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Independent Directors met 1 (one) time during the year on March 23, 2017 and attended by all Independent Directors i.e. Mr. S. C. Aythora and Mr. Nitin Kulkarni.

## 8. 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
2015-16**	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	10/09/2016	10.45 A.M.
2014-15	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	19/09/2015	12.15 P.M.
2013-14*	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	27/09/2014	10.45 A.M.

### (b) Extra Ordinary General Meeting:

No extraordinary general meeting of the members was held during the year 2016-17.

### ii. Special resolutions:

\*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 September 27, 2014.

\*\*Special Resolutions u/s 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and rules made there under, for revision in the terms of remuneration payable to Mr. Rajnesh Jain (DIN:00151988), Whole-time Director of the Company, w.e.f. April 01, 2016 were passed in AGM held on September 10, 2016.

### iii. Postal Ballot:

During the year, no Resolution was passed through Postal Ballot. However, two Special Resolutions were proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

## 9. 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 Exchange, 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 also been put up on the website of the Company.
- The Company has also adopted policy for Determination of Materiality of Events and Information and Policy on Preservation of Documents. The said policies have also been put up on the website of the Company.

## 10. 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 the Annual Report.

## 10. GENERAL SHAREHOLDER'S INFORMATION

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

Date : September 23, 2017  
Time : 10.45 a.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 April 01 to March 31, as the Financial Year. Tentative Financial calendar for the financial year 2017-18 is as under:

Financial Reporting for the Financial Year 2017-18	Tentative month of reporting
Un-audited Financial Results for the quarter ending June 30, 2017	On or before August 13, 2017
Un-audited Financial Results for the quarter and half year ending September 30, 2017	On or before November 14, 2017
Un-audited Financial Results for the quarter and nine months ending December 31, 2017	On or before February 14, 2018
Audited Financial Results for the quarter and year ending March 31, 2018	On or before May 30, 2018

### iii. Book Closure:

The Register of Members and Share Transfer Books will remain closed from Wednesday, September 20, 2017 to Saturday, September 23, 2017 (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 financial year 2016-2017 has been paid to the BSE Limited, Mumbai.

**vi. Stock Code:**

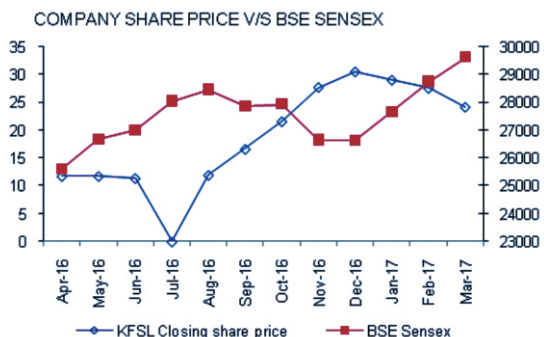
(i) BSE Limited, Mumbai (BSE): 530235

(ii) ISIN : INE533C01018

**vii. Stock Price Data:**

Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2016 to March, 2017 are as under:

Month	BSE Limited (BSE)	
	High (₹)	Low (₹)
April, 2016	12.4	11.78
May, 2016	11.78	11.78
June, 2016	12	11.4
July, 2016	-	-
August, 2016	11.97	11.97
September, 2016	16.63	11.97
October, 2016	21.6	17.45
November, 2016	28.05	22.65
December, 2016	30.55	29.1
January, 2017	29.05	29.05
February, 2017	27.6	27.6
March, 2017	26.5	23.75

**viii. Performance of the share price of the Company in comparison to the BSE SENSEX:**

**ix. Registrar & Transfer Agent:**

Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Tel.No.022-62638200, Fax No.022-62638299, 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 March 31, 2017:**
**a. Distribution of shareholding as on March 31, 2017.**

Range in rupees	Number of Shareholders	% of Total Holders
Upto 5000	3569	96.83
5001 to 10000	39	1.058
10001 to 20000	20	0.54
20001 to 30000	5	0.14
30001 to 40000	5	0.14
40001 to 50000	7	0.19
50001 to 100000	12	0.33
100001 and above	29	0.79
<b>TOTAL</b>	<b>3686</b>	<b>100</b>

**b. Shareholding pattern as on March 31, 2017**

The shareholding of different categories of the shareholders as on March 31, 2017 is given below:

Category	Number of shares	Percentage %
Promoter and Promoters Group	3306977	69.10
Directors, their Relatives	600	0.01
Central / State Govt (s)	7050	0.15
Bodies Corporate	714049	14.92
Financial Institutions/Banks	65400	1.37
Foreign Investors (FIIs/NRIs/OCBs/ Foreign Bank/ Foreign Corporate Bodies)	623	0.01
Others	691041	14.44
<b>TOTAL</b>	<b>4785740</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 January 29, 2001 as per notification issued by the Securities & Exchange Board of India (SEBI). As on March 31, 2017, out of total Equity Capital 4785740 Equity Shares, 4477659 Equity Shares representing 93.56% 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 March 31, 2017, the Company does not have any outstanding GDRs / ADRs or any Warrants.

**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

**12. OTHER INFORMATION**
**i. Prevention of Insider Trading Code:**

As per regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has 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 are governed by this code.

**ii. CEO/CFO Certification**

Whole Time Director/Chief Financial Officer (CFO) have issued certificate as specified in Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the financial year ended March 31, 2017 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 March 31, 2017.

Place : Mumbai

Date : August 09, 2017

Rajesh 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, 2017, 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. 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, 2017 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A' 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) 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 21
    - 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.
    - iv. the Company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 30 to the financial statement.

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

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

Place: Mumbai  
Date : May 27, 2017

**Annexure 'A' 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, 2017, 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.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The Company does not have inventory. Accordingly, clause 3 (ii) of the Order is not applicable.
- (iii) The Company had granted an unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) In our opinion, the terms and conditions on which the loan had been granted to the company listed in the register maintained under Section 189 were not, prima facie, prejudicial to the interest of the Company.
  - (b) the schedule of repayment of principal and payment of interest had been stipulated and the repayment of the principal amount and the interest were regular;
  - (c) There is no overdue amount in respect of loan granted to such company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given, investments made, guarantees and security given by the Company.
- (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 information and explanations given to us and on the basis of our examination of the records of the Company, it is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, 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, 2017 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, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
- (viii) 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 loans or borrowings to financial institution or bank. The Company does not have any outstanding debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds by the Company or on the Company by any of its officers or employees noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, pursuant to the provisions of section 192 of the Companies Act, 2013, the Company has not entered into any non-cash transactions with directors or persons connected with him / her.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

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

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

Place: Mumbai  
Date : May 27, 2017

**Annexure - B to the Independent Auditor's Report of even date on the Financial Statements of KJMC Financial Services Limited**

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

We have audited the internal financial controls over financial reporting of KJMC Financial Services Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Mumbai  
Date : May 27, 2017

**BALANCE SHEET AS AT MARCH 31, 2017**

CIN No.: L99999MH1988PLC047873

(₹ in '000')

PARTICULARS	NOTE NO.	As at 31.03.2017	As at 31.03.2016
<b>(I) EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	47,857	47,857
(b) Reserves and Surplus	3	104,289	100,064
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	-	371
(b) Other Long Term Liabilities	5	21,500	72,755
(c) Long Term Provision	6	263	147
<b>Current Liabilities</b>			
(a) Short Term Borrowings	7	93,103	21,015
(b) Other Current Liabilities	8	6,326	1,389
(c) Short Term Provisions	9	63	13
<b>TOTAL</b>		<b>273,401</b>	<b>243,611</b>
<b>(II) ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		2,732	3,662
(b) Non-Current Investments	11	224,480	216,419
(c) Deferred Tax Assets (Net)	12	14,778	14,641
(d) Long-term Loans and Advances	13	3,825	3,857
<b>Current Assets</b>			
(a) Cash and cash equivalents	14	188	498
(b) Short-term Loans and Advances	15	27,398	4,534
<b>TOTAL</b>		<b>273,401</b>	<b>243,611</b>

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

1 to 31

**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 2017

**For and on behalf of the Board of Directors  
KJMC Financial Services Limited**

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

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

**Kartik Konar**  
Chief Financial Officer  
Place : Mumbai  
Date : 27th May 2017

**Sankari Muthuraj**  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

CIN No.: L99999MH1988PLC047873

(₹ in '000')

PARTICULARS	NOTE NO.	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue from Operations	16	28,067	21,868
Other Income	17	221	608
<b>Total Revenue</b>		<b>28,288</b>	<b>22,476</b>
<b>Expenses:</b>			
Employee Benefits Expenses	18	14,151	5,756
Finance Costs	19	4,009	2,054
Depreciation and Amortization Expenses	10	950	1,355
Other Expenses	20	6,139	7,144
<b>Total Expenses</b>		<b>25,249</b>	<b>16,309</b>
<b>Profit Before Tax</b>		<b>3,039</b>	<b>6,167</b>
<b>Tax Expense:</b>			
(1) Current tax		93	-
(2) Deferred tax		(137)	(145)
(3) MAT Credit		(93)	-
(4) Prior period Taxes		(1,049)	-
		(1,186)	(145)
<b>Profit for the Year</b>		<b>4,225</b>	<b>6,312</b>
Earnings per Equity Share: (₹)			
(1) Basic		0.90	1.43
(2) Diluted		0.88	1.32

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

1 to 31

**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 2017

**For and on behalf of the Board of Directors**  
**KJMC Financial Services Limited**

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

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

**Kartik Konar**  
Chief Financial Officer  
Place : Mumbai  
Date : 27th May 2017

**Sankari Muthuraj**  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

CIN No.: L99999MH1988PLC047873

(₹ in '000')

PARTICULARS		For the year ended 31.03.2017	For the year ended 31.03.2016
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
<b>A</b>	<b>Net Profit Before Tax and Extraordinary Items</b>	<b>3,039</b>	<b>6,167</b>
	Adjustment for:		
	Depreciation	950	1,355
	Addition/(Reversal) of Provision of Standard Assets	50	(11)
	Interest and Financial Charges	4,009	2,054
	<b>Operating Profit Before Working Capital Changes</b>	<b>8,048</b>	<b>9,565</b>
	<b>Changes in Working Capital :</b>		
	(Increase)/Decrease in Loans and Advances	(22,861)	5,132
	(Increase)/Decrease in Investments	(8,061)	(14,431)
	Increase/( Decrease) in Trade Payable and Other Liabilities	5,135	223
	<b>(Increase)/ Decrease in Working Capital</b>	<b>(25,787)</b>	<b>(9,076)</b>
	<b>Cash generated from Operations</b>	<b>(17,739)</b>	<b>489</b>
	Net of Income Taxes Refund received/(Paid)	1,079	(192)
	<b>Cash Flow Before Extraordinary Items</b>	<b>(16,660)</b>	<b>297</b>
	Extraordinary Items	-	-
	<b>Net Cash flow from Operating Activities</b>	<b>(16,660)</b>	<b>297</b>
<b>B</b>	<b>Cash Flow from Investment Activities</b>		
	Purchase of Fixed Assets	(20)	(301)
	<b>Net Cash Flow from Investing Activities</b>	<b>(20)</b>	<b>(301)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Long Term Loan Repaid-Secured	(454)	(411)
	Short Term Loan Taken-Secured	84,645	36,007
	Short Term Loan Repaid-Secured	(12,557)	(31,658)
	Inflow/(Outflow) of Security Deposit	(51,255)	(2,000)
	Interest and Financial Charges	(4,009)	(2,054)
	<b>Net Cash Flow from Financing Activities</b>	<b>16,370</b>	<b>(116)</b>
	Net Increase in Cash and Cash Equivalents	(310)	(120)
	Cash and Cash Equivalents at the beginning of the Year *	498	618
	Cash and Cash Equivalents at the close of the Year *	<b>188</b>	<b>498</b>
<b>*</b>	<b>Cash and Cash Equivalents comprise of :</b>		
	Cash in hand	8	291
	Balance in current account	180	207
	<b>Total</b>	<b>188</b>	<b>498</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 2017

For and on behalf of the Board of Directors  
KJMC Financial Services Limited

I.C.Jain  
Chairman  
DIN: 00178901

Kartik Konar  
Chief Financial Officer  
Place : Mumbai  
Date: 27th May 2017

Rajesh Jain  
Whole Time Director  
DIN: 00151988

Sankari Muthuraj  
Company Secretary

## NOTE TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

### 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, over the useful life of the assets 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 31.03.2017	As at 31.03.2016
<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: 1,15,000) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each	11,500	11,500
13,00,000 (Previous Year: 13,00,000) Preference Shares of ₹ 100/- each	130,000	130,000
	500,000	500,000
<b>Issued,Subscribed and Paid up:</b>		
47,85,740 (Previous Year: 44,85,740) Equity Shares of ₹ 10/- each fully paid up	47,857	44,857
NIL (Previous Year: 30,000) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each fully paid up	-	3,000
(0% Compulsorily Convertible Preference Shares of ₹ 100/- are convertible within Eighteen months from the date of allotment.)		
	<b>47,857</b>	<b>47,857</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	2016-17		2015-16	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	4,485,740	44,857	3,910,740	39,107
Add: Issued during the year	-	-	-	-
Add: Shares Issued out of conversion of Preference shares during the year	300,000	3,000	575,000	5,750
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,785,740	47,857	4,485,740	44,857

0% Compulsorily Convertible Preference Shares of ₹ 100 each	2016-17		2015-16	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	30,000	3,000	87,500	8,750
Add: Shares Issued during the year	-	-	-	-
Less: Shares converted to Equity Shares during the year	30,000	3,000	57,500	5,750
Shares outstanding at the end of the year	-	-	30,000	3,000

**(b) Terms and Rights attached to Equity Shares:**

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

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

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

Equity Shares of ₹ 10 each	As at 31-03-2017		At at 31-03-2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Inderchand Jain *	213,000	4.45%	1,221,354	27.23%
Chand Devi Jain	1,264,907	26.43%	151,553	3.38%
KJMC Corporate Advisors (I) Ltd.	950,000	19.85%	850,000	18.95%
KJMC Shares & Securities Ltd.	245,000	5.12%	150,000	3.34%
I. C. Jain HUF	267,065	5.58%	267,065	5.95%
<b>0% Compulsorily Convertible Preference Shares of ₹ 100 each</b>				
KJMC Corporate Advisors (India) Ltd.	-	-	10,000	33.33%
KJMC Shares & Securities Ltd.	-	-	9,500	31.67%
Chand Devi Jain	-	-	10,500	35.00%

Inderchand Jain's Share Holding has been gone below 5%

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(₹ in '000')

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Note - 3 : Reserves and Surplus</b>		
<b>Securities Premium Reserve</b>		
As per last balance sheet	14,410	14,410
Add : Received during the year	-	-
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>14,410</b>	<b>14,410</b>
<b>General Reserve :</b>		
As per last balance sheet	2,531	2,373
Add : Addition during the year	106	158
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>2,637</b>	<b>2,531</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	8,381	7,119
Add : Addition during the year	845	1,262
Less : Deduction during the year	-	-
<b>Closing Balance</b>	<b>9,226</b>	<b>8,381</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance brought forward from last year	24,842	19,950
Add:		
Profit for the Year	4,225	6,312
<b>Amount available for appropriation</b>	<b>29,067</b>	<b>26,262</b>
Less : Appropriations		
a) Special Reserve *	845	1,262
b) General Reserve	106	158
Balance carried forward	<b>28,116</b>	<b>24,842</b>
<b>Total</b>	<b>104,289</b>	<b>100,064</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 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
<b>Note - 4: Long Term Borrowings</b>				
<b>Term Loans:</b>				
<b>From Banks (Secured):</b>	-	-	-	-
<b>From other (Secured):</b>				
Vehicle Loan	-	371	371	454
(Refer Additional Information below)				
Amount disclosed under the head "Other Current Liabilities"			(371)	(454)
(Refer Note-8 )				
<b>NET AMOUNT</b>	<b>-</b>	<b>371</b>	<b>-</b>	<b>-</b>



(₹ in '000')

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Note - 5: Other Long Term Liabilities (Unsecured)</b>		
Security Deposits		
Interest free deposit from related party payable from Related Parties :	21,500	72,755
<b>Total</b>	<b>21,500</b>	<b>72,755</b>
<b>Note -6 : Long Term Provision</b>		
Provision for Ex- Gratia	263	147
<b>Total</b>	<b>263</b>	<b>147</b>
<b>Note -7 : 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 @ MCLR Rate + 3.15%.) (Refer Note - 27)	12,656	12,458
Loan from NBFC (Secured) (Loans secured against pledge of shares bearing interest rate @ 10.50%, repayable on demand.) -	-	8,557
(Loans secured against pledge of shares bearing interest rate @ 10.25%, repayable on demand.) - (Refer Note -11)	75,372	-
Loan from Group Company (Unsecured) bearing interest rate @ 12%	5,075	-
<b>Total</b>	<b>93,103</b>	<b>21,015</b>
<b>Note -8 : Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings (Refer Note - 4)	372	454
Employee Dues	4,084	459
Statutory Dues	1,628	221
Others	242	255
<b>Total</b>	<b>6,326</b>	<b>1,389</b>
<b>Note -9 : Short Term Provisions</b>		
Contingent Provision against Standard/Sub - Standard Assets	63	13
<b>Total</b>	<b>63</b>	<b>13</b>

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

(₹ in '000')

Description	Gross Block					Depreciation				Net Block	
	As on 01.04.2016	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2017	As on 01.04.2016	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
Building	10,849	-	-	-	10,849	8,113	500	-	8,613	2,236	2,736
Computers	267	13	-	-	280	127	116	-	243	37	140
Furniture & Fixtures	6,646	-	-	-	6,646	6,515	28	-	6,543	103	131
Office Equipments	2,184	7	-	-	2,191	2,123	31	-	2,154	37	61
Vehicles	2,792	-	-	-	2,792	2,198	275	-	2,473	319	594
<b>Total (A)</b>	<b>22,738</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>22,758</b>	<b>19,076</b>	<b>950</b>	<b>-</b>	<b>20,026</b>	<b>2,732</b>	<b>3,662</b>
<b>Previous Year</b>	<b>22,437</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>22,738</b>	<b>17,721</b>	<b>1,355</b>	<b>-</b>	<b>19,076</b>	<b>3,662</b>	

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## Fixed Assets - Intangible

Description	Gross Block					Depreciation				Net Block	
	As on 01.04.2016	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2017	As on 01.04.2016	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
Computer Software	36	-	-	-	36	36	-	-	36	-	-
<b>Total (B)</b>	<b>36</b>	<b>-</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	36	-	-	36	-	-
<b>Total (A+B)</b>	<b>22,774</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>22,794</b>	<b>19,112</b>	<b>950</b>	<b>-</b>	<b>20,062</b>	<b>2,732</b>	<b>3,662</b>
Previous Year	22,473	301	-	-	22,774	17,757	1,355	-	19,112	3,662	-

(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2017		As at 31.03.2016	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	<b>Note - 11 : Non-Current Investments</b>					
	<b>Non- Trade-Quoted Investment in Equity Shares</b>					
1	Allcargo Logistics Ltd	2	-	-	5,000	785
2	Amtek Auto Ltd	2	-	-	12,500	558
* 3	Avenue Supermarts Limited (Dmart)	10	5,000	2,251	-	-
4	B L Kashyap & Son Ltd	1	-	-	82,072	1,168
5	EssDee Aluminium Ltd	10	-	-	5,000	897
6	FirstSource Solution Ltd	10	-	-	5,000	191
7	Hotline Glass Ltd	10	37,549	-	37,549	-
* 8	ICICI Prudential Life Insurance Co Ltd	10	68,200	23,305	-	-
9	JBF Industries Ltd	10	-	-	6,500	1,536
10	JHS Svendgaard Laboratories Ltd	10	-	-	50,000	714
11	KDL Biotech Ltd.	10	10	-	10	-
* 12	Menon Pistons Ltd	2	394,201	5,117	51,100	6,633
13	N2N Technologies Limited	10	5,000	261	5,000	261
14	Omkar Speciality Chemicals Ltd	1	-	-	4,500	862
**15	Poly Medicure Ltd. (Share)	10	977,392	62,067	634,895	77,422
16	Polylink Polymers (I) Ltd	5	43,277	349	61,411	495
17	Quick Heal Technologies Ltd	10	-	-	21,320	6,894
18	Shree Ram Urban Infrastructure Ltd	10	4,701	240	4,701	240
19	Shree Vindhya Paper Mills Ltd	10	1	-	1	-
20	SRF Ltd	10	-	-	225	288
21	Styrolution ABS (India) Ltd	10	-	-	2,000	778
22	Zicom Elect Sec Sys Ltd	10	-	-	3,100	241
	<b>SUB-TOTAL (A)</b>			<b>93,590</b>		<b>99,963</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
3	KJMC Trading & Agency Limited	10	100,000	1,000	100,000	1,000
				<b>115,763</b>		<b>115,763</b>
<b>B</b>	<b>In Associates</b>					
1	KJMC Platinum Builders Pvt Ltd	10	95,300	15,089	65,300	653
2	KJMC Realty Pvt. Ltd.	10	3,800	38	4,000	40
				<b>15,127</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>130,890</b>		<b>116,456</b>
	<b>TOTAL (A + B)</b>			<b>224,480</b>		<b>216,419</b>
	<b>Aggregate amount of quoted Investment</b>			<b>93,590</b>		<b>99,963</b>
	<b>Aggregate Market Value of quoted Investment</b>			<b>306,197</b>		<b>197,863</b>
	<b>Aggregate amount of unquoted Investment</b>			<b>130,890</b>		<b>116,456</b>
	<b>Aggregate provision for diminution in value of investments</b>			<b>NIL</b>		<b>NIL</b>

- \* These Investments are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 7 )  
 \*\* 425,450 (Cum Bonus) Shares of Poly Medicure Ltd are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 7 )

(₹ in '000')

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Note - 12: Deferred Taxation</b>		
<b>Deferred Tax Assets</b>		
Business Loss	2,910	2,910
Unabsorbed Depreciation	409	409
Unabsorbed Long Term Capital Loss	11,388	11,388
Fixed Assets	71	-
	<b>14,778</b>	<b>14,707</b>
<b>Deferred Tax Liability</b>		
Fixed Assets	-	66
	-	66
<b>Deffered tax Asset/(Liability)-Net</b>	<b>14,778</b>	<b>14,641</b>
<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	1,529
Advance Income Tax	1,838	2,253
Less: Provision for Taxation	(743)	(1,035)
MAT credit Entitlement	1,201	1,108
<b>Total</b>	<b>3,825</b>	<b>3,857</b>
<b>Note - 14: Cash and Bank Balances</b>		
Cash in Hand	8	291
Balance with Banks - In Current Accounts	180	207
<b>Total</b>	<b>188</b>	<b>498</b>
<b>Note - 15: Short Term Loans and Advances</b>		
Advances recoverable in cash or kind or for value to be received Unsecured, considered good	2,285	74
<b>Related Parties :</b>		
- Unsecured Loans to Related Party	-	800
<b>Others</b>		
Loan to Employee	20	147
Loans to Others (Unsecured)	4,678	3,513
Loans to Others (secured)	20,415	-
<b>Total</b>	<b>27,398</b>	<b>4,534</b>

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(₹ in '000')

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Note -16 : Revenue from Operations</b>		
Interest Income	1,839	1,478
Profit on Sale of Investments, Futures & Options (Net)	23,472	13,971
Dividend Income	2,756	6,408
Reversal of Provision of Standard/Sub -Standard Assets	-	11
<b>Total</b>	<b>28,067</b>	<b>21,868</b>
<b>Note -17 : Other Income</b>		
Compensation for Use of Office & Common Facilities	30	600
Miscellaneous Income	191	8
<b>Total</b>	<b>221</b>	<b>608</b>
<b>Note -18 : Employee Benefit Expenses</b>		
Salaries and wages	11,222	5,233
Contribution / provisions to provident, Gratuity and other provisions.	427	386
Staff welfare expenses	2,502	137
<b>Total</b>	<b>14,151</b>	<b>5,756</b>
<b>Note -19 : Finance Costs</b>		
Interest to other	1,202	1,044
Interest to Bank	2,695	980
Bank Charges	112	30
<b>Total</b>	<b>4,009</b>	<b>2,054</b>
<b>Note -20 : Other Expenses</b>		
Advertisement	43	104
Auditors Remuneration (for break up refer below)	145	128
Business Promotion Expenses	186	317
Electricity Expenses	208	285
Infrastructural Support service Expenses	294	312
Insurance Expenses	46	307
Legal Fees	-	49
Listing Fees	229	225
Miscellaneous Expenses	460	516
Motor Car Expenses	108	110
Office Maintenance & Utility Expenses	306	400
Postage & Telegram	42	77
Printing & Stationery	181	209
Professional & Consul. Fees Exp	928	1,129
Rent	1,800	1,800
Repairs & Maintenance (Others)	144	199
Subscription & Membership	86	113
Travelling Expenses	883	864
Provision for Standard Asset	50	-
<b>Total</b>	<b>6,139</b>	<b>7,144</b>
<b>As Statutory Auditor</b>		
As Audit Fees	40	30
For Taxation matters	10	10
For Limited Review	68	68
For reimbursement of expenses/Service Tax	28	20
	145	128



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**21. Contingent Liabilities:**

Claims against the Company for the Financial Year 2016-17 is NIL

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

**23. 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	31.03.2017	31.03.2016
(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.

**24. Earnings in Foreign Currency - ₹ Nil (₹ Nil).**

Expenditure in Foreign Currency – C.Y ₹ 363 ('000') (P.Y ₹ 693 (in '000')).

**25. 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	
	31.03.2017	31.03.2016
Lease rental recognized during the year	1,800	1,800
<b>Lease obligation Payable</b>		
Within one year of the balance sheet date	1,800	1,200
Due in a period between one year and five years	1200	-

**26. Earnings per Share:**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Net Profit / (Loss) after Taxation (₹ in '000')	4,225	6,312
Less : Preference Dividend and Tax thereon (₹)	Nil	Nil
Net Profit/(Loss) for calculation of EPS (₹ in '000')	4,225	6,312
The weighted average Number of Equity Share (Nos.)- (Basic)	4,678,069	4,399,096
The weighted average Number of Equity Share (Nos.)- (Diluted)	4,785,740	4,785,740
Face Value (₹)	10	10
Earnings Per Share (Basic)	0.90	1.43
Earnings Per Share (Diluted)	0.88	1.32

**27. 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.  
KJMC Trading & Agency Limited.

**2) Other parties**

**(a) Key Management Personnel**

Rajnesh Jain – Whole Time Director.  
Kartik Konar – Chief Financial Officer.  
Sankari Muthuraj – Company Secretary.

**(b) Relatives of Whole Time Director**

Inderchand Jain – Father  
Chanddevi Jain – Mother  
Girish Jain – Brother  
Shraddha Rajnesh Jain – Wife  
Pratham Jain – Son

**(c) Enterprises over which key management personnel / 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 Trades & Investments Pvt Ltd
Prathamesh Enterprises Private Limited	KJMC e.Business Ventures Private Limited
KJMC Investment Company	KJ Golden Real Estate Private Limited
KJ Diamond Real Estate Private Limited	
AKIP Venture Private Limited	

**(d) Associates**

KJMC Platinum Builders Private Limited KJMC Realty Private Limited

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### Related Parties Transactions :

(₹ in 000's)

Sr. No.	Nature of Transactions with related parties	Party where control exists		Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1	<b>Interest Income</b> Prathmesh Enterprises Pvt Ltd KJMC Trading & Agency Ltd Rajnish Jain	- 62 -	- 20 -	- - -	- - -	- - 525	- - 119	5 - -	222 - -
2	<b>Interest Paid</b> KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	-	322	190
3	<b>Board Meeting Fees</b> Inderchand Jain Aditi Jain Girish Jain	- - -	- - -	- - -	- - -	20 16 18	20 12 17	- - -	- - -
4	<b>Salary and Perquisites</b> Rajnish Jain Pratham R Jain	- -	- -	- -	- -	7,863 77	2,654 -	- -	- -
5	<b>Deposit Repaid</b> KJMC Asset Management Company Ltd KJMC Capital Market Services Ltd Inderchand Jain	52,755 - -	60 - -	- - -	- - -	- - -	- - 100	- - -	- 2,000 -
6	<b>Deposit Received</b> KJMC Asset Management Company Ltd " KJMC Corporate Advisors (India) Ltd (Security Deposit) " Inderchand Jain	- - -	60 - -	- - -	- - -	- - -	- 100 -	- 1,500 -	- - -
7	<b>Loan given to Borrower</b> Rajnish Jain KJMC Trading & Agency Ltd Kartik Konar (Against Salary) Prathmesh Enterprises Pvt Ltd	- - - -	- 800 - -	- - - -	- - - -	8,515 - - -	7,100 - 200 -	- - - 2,900	- - - 4,000
8	<b>Repayment of Loan by Borrower</b> Rajnish Jain KJMC Trading & Agency Ltd Kartik Konar (Against Salary) Prathmesh Enterprises Pvt Ltd	- 800 - -	- - - -	- - - -	- - - -	8,515 - 120 -	7,100 - 60 -	- - - 2,900	- - - 8,100
9	<b>Loan taken</b> KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	-	5,075	9,450
10	<b>Loan Repaid</b> KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	-	-	9,450
11	<b>Rent Income</b> KJMC Capital Market Services Ltd KJMC Corporate Advisors (India) Ltd	- -	- -	- -	- -	- -	- -	- 30	570 30
12	<b>Infrastructural Support Services</b> KJMC Capital Market Services Ltd	-	-	-	-	-	-	294	274
13	<b>Brokerage Charges</b> KJMC Capital Market Services Ltd	-	-	-	-	-	-	189	120
14	<b>Depository Charges</b> KJMC Capital Market Services Ltd	-	-	-	-	-	-	79	34
15	<b>Sale of Shares</b> KJMC Corporate Advisors (India) Ltd KJMC Trading & Agency Ltd	- 10,596	- -	- -	- -	- -	- -	940 -	- -
16	<b>Purchase of Shares</b> KJMC Capital Market Services Ltd	-	-	-	-	-	-	14,400	-
17	<b>Service Received</b> KJMC Asset Management Company Ltd KJMC Shares and Securities Limited	600	500	-	-	-	-	50	225
18	<b>Reimbursement of Expenses Paid</b> KJMC Corporate Advisors (India) Ltd Pratham R Jain (Fees & Accommodation Charges)	- - -	- - -	- - -	- - -	- - 2,733	- - -	17 - -	10 - -
19	<b>Reimbursement of Expenses Received</b> KJMC Investment Trust Co. Ltd KJMC Asset Management Company Ltd KJMC Capital Market Services Ltd KJMC Trading & Agency Ltd	8 2 - 6	4 - - 67	- - - -	- - - -	- - - -	- - - -	- - 21 -	- - - -

**Related Parties Transactions :**

(₹ in 000's)

Sr. No.	Nature of Transactions with related parties	Party where control exists		Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
20	<b>Net Receivables</b> KJMC Trading & Agency Ltd (Loan) Rajesh Jain (loan) Kartik Konar (Loan Against Salary)	-	800	-	-	-	-	-	-
21	<b>Net Payables</b> KJMC Capital Market Services Ltd (Security Deposit) KJMC Platinum Builders Pvt Ltd (Loan) " KJMC Corporate Advisors (India) Ltd (Security Deposit) " KJMC Asset Management Company Ltd (Security Deposit)	-	-	-	-	-	-	10,000	10,000
22	<b>Balances in Investment in Associates</b> KJMC Realty Private Limited KJMC Platinum Builders Private Limited	-	-	38	40	-	-	-	-
23	<b>Security and Corporate Guarantee given to Union Bank of India on behalf of KJMC Financial Services Limited by Puja Impex Pvt. Ltd.</b>	-	-	-	-	-	-	30,000	30,000

Managerial Remuneration is Calculated as per schedule V of the Companies Act, 2013

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

Particulars		(₹ In 000's)	
	Liabilities side :	Amount outstanding	Amount overdue
1	Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	-	-
	Unsecured	-	-
	(other than falling within the meaning of public deposits)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	372	-
	(d) Inter-corporate loans and borrowing	5075	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)		
	Secured Loans against office premises	12,656	-
	Secured Loans against Shares	75,372	-
	Asset Side :		
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	Amount outstanding (₹ in 000's)	
	(a) Secured	20,415	
	(b) Unsecured	4,678	
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NIL	
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		
	(b) Operating lease		
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been Repossessed		
	(b) Loans other than (a) above		
4.	Break-up of Investments:	(₹ in '000')	
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	
	(b) Preference	-	
	(ii) Debentures and Bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government Securities	-	
	(v) Others (please specify)	-	

## 29TH ANNUAL REPORT 2016-2017

Particulars	(₹ In 000's)	
Liabilities side :	Amount outstanding	Amount overdue
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		93,590
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. Un Quoted :		130,890
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-

5. Borrower group-wise classification of assets financed as in (2) and (3) above :	Amount Net of Provisions		
Category	Secured	Unsecured	Total
1. Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	20,364	4,666	25,030
<b>6. 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			
(a) Subsidiaries	115,763		115,763
(b) Companies in the same group	45,782		15,127
(c) Other related parties	-		-
2. Other than related parties	306,197		93,590
Total	467,742		224,480
<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			-

29 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.

30 As per MCA notification dated 30.03.2017, the disclosure with regards to the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as under:-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	268,000	4,049	272,049
(+) Permitted receipts	-	25,000	25,000
(-) Permitted payments	5,500	19,887	25,387
(-) Amount deposited in Banks	262,500	-	262,500
Closing cash in hand as on 30.12.2016	-	9,162	9,162

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

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

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

**Sachin A Negandhi**  
Partner  
Membership No. 112888  
Place : Mumbai  
Date : 27-05-2017

**For and on behalf of the Board of Directors**  
**KJMC Financial Services Limited**

**I.C.Jain**  
Chairman  
DIN: 00178901  
  
**Kartik Konar**  
Chief Financial Officer  
Place : Mumbai  
Date : 27-05-2017

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

**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, 2017, 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. 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, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Other Matters**

The financial statements of two subsidiaries 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.

- We did not audit the financial statements of two subsidiary whose financial statements reflect total assets of ₹ 113592 (thousands) as at March 31, 2017, total revenues of ₹ 2204 (thousands) and net cash inflows amounting to ₹ 76 (thousands) for the year ended on that date, as considered in the consolidated financial statements.
- The consolidated financial statements also include the Group's share of profit of ₹ 103 (thousands) for the year ended March 31, 2017 in an associate, 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**

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

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- 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.
- 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.
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2017 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Group and its Associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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:
  - 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.
  - The Group and its associate companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - 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.
  - The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 32 (b) to the consolidated financial statement.

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

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

**Annexure 'A' to the Independent Auditor's Report of even date on the consolidated financial statements of KJMC Financial Services Limited**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in Para (g) on Report on Other Legal and Regulatory Requirements in our report.

In conjunction with our audit of the consolidated financial statements of the KJMC Financial Services Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of KJMC Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and its associates wherein such audit of the internal financial controls over financial reporting for the subsidiaries and associates was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding Company, its subsidiaries and associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company, its subsidiaries and associate companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were generally operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiaries and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Sachin A. Negandhi  
Partner  
Membership No.: 112888

Place: Mumbai  
Date: May 27, 2017

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017**  
**CIN No.:L99999MH1988PLC047873 (₹ in '000')**

PARTICULARS	NOTE NO.	As At 31.03.2017	As At 31.03.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	47,857	47,857
(b) Reserves and Surplus	3	103,160	98,438
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	-	371
(b) Other Long-Term Liabilities	5	11,747	10,247
(c) Long Term Provision	6	263	147
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	7	104,103	21,015
(b) Other Current Liabilities	8	6,505	1,556
(c) Short-Term Provisions	9	63	13
<b>TOTAL</b>		<b>273,698</b>	<b>179,644</b>
<b>(II) ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		2,732	3,662
(ii) Intangible Assets		-	-
(iii) Goodwill on Consolidation		10,763	10,763
(b) Non-Current Investments	11	120,144	101,052
(c) Deferred Tax Assets (net)	12	14,778	14,641
(d) Long-Term Loans and Advances	13	24,033	28,258
(e) Other Non-Current Assets	14	30	40
<b>Current Assets</b>			
(a) Current Investments	15	71,050	14,000
(b) Cash and cash equivalents	16	1,910	2,283
(c) Short-Term Loans and Advances	17	28,251	4,937
(d) Other Current Assets	18	7	8
<b>TOTAL</b>		<b>273,698</b>	<b>179,644</b>

Significant Accounting Policies  
and Notes to Accounts

1 to 32

The above notes are integral part of the financial statements

As per our report of even date attached

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

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

Place : Mumbai  
Date : 27-05-2017

For and on behalf of the Board of Directors  
**KJMC Financial Services Limited**

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

**Kartik Konar**  
Chief Financial  
Officer  
Place : Mumbai  
Date : 27-05-2017

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

**Sankari Muthuraj**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**  
**CIN No.:L99999MH1988PLC047873 (₹ in '000')**

PARTICULARS	NOTE NO.	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
Revenue from Operations	19	29,324	22,942
Other Income	20	614	754
<b>Total Income</b>		<b>29,938</b>	<b>23,696</b>
<b>Expenses:</b>			
Employee Benefits Expenses	21	15,494	7,003
Finance Costs	22	4,009	2,054
Depreciation and Amortization Expenses	10	950	1,355
Other Expenses	23	6,019	7,112
<b>Total Expenses</b>		<b>26,472</b>	<b>17,524</b>
<b>Profit before Tax</b>		<b>3,466</b>	<b>6,172</b>
Tax Expense:			
(1) Current tax		116	7
(2) Deferred tax		(137)	(145)
(3) MAT credit Entitlement		(82)	28
(4) Prior Period Taxes		(1,049)	(23)
		(1,152)	(133)
<b>Profit /(Loss) before Share in Associates' profit / Loss</b>		<b>4,618</b>	<b>6,305</b>
Less: Profit / (Loss) in Share of Associates		104	14
<b>Profit for the year</b>		<b>4,722</b>	<b>6,319</b>
Earnings per equity share: (₹)			
(1) Basic		1.01	1.44
(2) Diluted		0.99	1.32

Significant Accounting Policies  
and Notes to Accounts

1 to 32

The above notes are integral part of the financial statements

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

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

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

Place : Mumbai  
Date : 27-05-2017

For and on behalf of the Board of  
**KJMC Financial Services Limited**

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

**Kartik Konar**  
Chief Financial  
Officer  
Place : Mumbai  
Date : 27-05-2017

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

**Sankari Muthuraj**  
Company Secretary

## CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

CIN No.:L99999MH1988PLC047873

(₹ in '000')

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit Before Tax and Extraordinary Items</b>	<b>3,466</b>	<b>6,172</b>
Adjustment for:		
Depreciation	950	1,355
(Profit)/Loss on Sale of Investments	(1,318)	(1,096)
Addition/(Reversal) of Provision of Standard Assets	50	(11)
Interest and Financial Charges	4,009	2,054
Interest Income	28	(90)
<b>Operating Profit Before Working Capital Changes</b>	<b>7,185</b>	<b>8,384</b>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Loans and Advances	(19,486)	6,008
(Increase)/Decrease in Other current and non current assets	-	(49)
(Increase)/Decrease in Investments	(8,060)	(14,431)
Increase/(Decrease) in Trade Payable and Other Liabilities	5,146	251
<b>(Increase)/ Decrease in Net Current Assets</b>	<b>(22,400)</b>	<b>(8,221)</b>
<b>Cash generated from Operations</b>	<b>(15,215)</b>	<b>163</b>
Direct taxes paid (Net of refund)	1,073	(188)
<b>Cash Flow Before Extraordinary Items</b>	<b>(14,142)</b>	<b>(25)</b>
Extraordinary Items	-	-
<b>Net Cash flow from Operating Activities</b>	<b>(14,142)</b>	<b>(25)</b>
<b>Cash Flow from Investment Activities</b>		
Purchase of Shares/ units	(109,806)	(56,880)
Investment in Partnership	-	(500)
Sale of Shares/Units	43,147	57,884
Inflow from Fixed Deposits Maturity	-	1,400
Purchase of Fixed Assets	(20)	(301)
Interest Income	107	118
<b>Net Cash Flow from Investing Activities</b>	<b>(66,572)</b>	<b>1,721</b>
<b>Cash Flow From Financing Activities</b>		
Long Term Loan Repaid-Secured	(454)	(411)
Short Term Loan Taken-Secured	84,646	36,007
Short Term Loan Taken-UnSecured	11,000	-
Issue of Share Capital	-	1,000
Short Term Loan Given	(415)	(1,200)
Short Term Loan Repaid-Secured	(12,558)	(31,659)
Short Term Loan Received back	765	-
Inflow/(Outflow) of Security Deposit	1,500	(2,000)
Interest Income	(134)	(28)
Interest and Financial Charges	(4,009)	(2,054)
<b>Net Cash Flow from Financing Activities</b>	<b>80,341</b>	<b>(345)</b>
Net Increase in Cash and Cash Equivalents	(373)	1,352
Cash and Cash Equivalents at the beginning of the Year *	2,283	931
Cash and Cash Equivalents at the close of the Year *	1,910	2,283
<b>* Cash and Cash Equivalents comprise of :</b>		
Cash in hand	36	319
Balance in current account	474	384
In Deposit Accounts with Less than 12 months'	1,400	1,580
<b>Total</b>	<b>1,910</b>	<b>2,283</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  
KJMC Financial Services Limited

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 : 27-05-2017

Sankari Muthuraj  
Company Secretary

Place : Mumbai  
Date : 27-05-2017

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 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 & KJMC Trading & Agency 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, over the useful life of the assets 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.

Particulars	(₹ in '000')	
	For the 31.03.2017	For the 31.03.2016
<b>Note - 2: Share Capital</b>		
<b>Authorised:</b>		
Amount of Shares: 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: 1,15,000) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each	11,500	11,500
13,00,000 (Previous Year: 13,00,000) Preference Shares of ₹ 100/- each	130,000	130,000
	500,000	500,000
<b>Issued and Subscribed &amp; Paid up :</b>		
47,85,740 (Previous Year: 44,85,740) Equity Shares of ₹ 10/- each fully paid up	47,857	44,857
Nil (Previous Year: 30,000) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each fully paid up	-	3,000
	47,857	47,857

(₹ in '000')

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

Equity Shares of ₹ 10 each	2016-17		2015-16	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	4,485,740	44,857	3,910,740	39,107
Add: Issued during the year	-	-	-	-
Add: Shares Issued out of conversion of Preference shares during the year	300,000	3,000	575,000	5,750
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,785,740	47,857	4,485,740	44,857

0% Compulsorily Convertible Preference Shares of ₹ 100 each	2016-17		2015-16	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	30,000	3,000	87,500	8,750
Add: Shares Issued during the year	-	-	-	-
Less: Shares converted to Equity Shares during the year	30,000	3,000	57,500	5,750
Shares outstanding at the end of the year	-	-	30,000	3,000

**(b) Terms and Rights attached to Equity Shares:**

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

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

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

Equity Shares of ₹ 10 each	As at 31 March 2017		As at 31 March 2016	
	No of Shares	Amount	No of Shares	Amount
Inderchand Jain *	213,000	4.45%	1,221,354	27.23%
Chand Devi Jain	1,264,907	26.43%	151,553	3.38%
KJMC Corporate Advisors (I) Ltd.	950,000	19.85%	850,000	18.95%
KJMC Shares & Securities Ltd.	245,000	5.12%	150,000	3.34%
I. C. Jain HUF	267,065	5.58%	267,065	5.95%

0% Compulsorily Convertible Preference Shares of ₹ 100 each	As at 31 March 2017		As at 31 March 2016	
	No of Shares	Amount	No of Shares	Amount
KJMC Corporate Advisors (India) Ltd.	-	0.00%	10,000	33.33%
KJMC Shares & Securities Ltd.	-	0.00%	9,500	31.67%
Chand Devi Jain	-	0.00%	10,500	35.00%

Inderchand Jain's Share Holding has been gone below 5%

Particulars	As At 31.03.2017	As At 31.03.2016
<b>Note - 3: Reserves and Surplus</b>		
<b>Securities Premium Account :</b>		
As per last balance sheet	14,410	14,410
Add : Received during the year	-	-
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>14,410</b>	<b>14,410</b>
<b>General Reserve :</b>		
As per last balance sheet	2,531	2,373
Add : Addition during the year	106	158
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>2,637</b>	<b>2,531</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	8,381	7,119
Add : Addition during the year	845	1,262
Less : Deduction during the year	-	-
<b>Closing Balance</b>	<b>9,226</b>	<b>8,381</b>
<b>Surplus/(Deficit) in the statement of profit and loss :</b>		
Balance brought forward from last year	23,216	18,317
Add:		
Profit for the period	4,722	6,319
<b>Amount available for appropriation</b>	<b>27,938</b>	<b>24,636</b>
Less : Appropriations		
a) Special Reserve *	845	1,262
b) General Reserve	106	158
	<b>26,987</b>	<b>23,216</b>
Balance carried forward		
<b>Total</b>	<b>103,160</b>	<b>98,438</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		Current Maturities	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
<b>Note - 4: Long Term Borrowings</b>				
<b>Term Loans</b>				
<b>From Bank (Secured):</b>	-	-	-	-
<b>From other (Secured):</b>				
Vehicle Loan	-	371	371	454
(Refer Additional Information below)				
Amount disclosed under the head "Other Current Liabilities"			(371)	(454)
(Refer Note-8)				
<b>NET AMOUNT</b>	-	<b>371</b>	-	-



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### 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	10	43	9

(₹ in '000')

Particulars	As At 31.03.2017	As At 31.03.2016
<b>Note 5: Other Long Term Liabilities</b>		
Interest free deposit from related party payable	11,500	10,000
Security Deposits	247	247
Unsecured Deposit	11,747	10,247
<b>Note - 6: Long Term Provision</b>		
Provision for Ex- Gratia	263	147
	263	147

Particulars	As At 31.03.2017	As At 31.03.2016
<b>Note - 7: Short Term Borrowings</b>		
<b>Secured :</b>		
<b>Loans repayable on demand</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 @ MCLR Rate + 3.15%.) (Refer Note 28 )	12,656	12,458
Loan from NBFC (Secured) (Loans secured against pledge of shares bearing interest rate @ 10.25%, repayable on demand.) - (Refer Note - 11)	75,372	-
(Loans secured against pledge of shares bearing interest rate @ 10.50%, repayable on demand.) Loan From Related Party	-	8,557
	16,075	-
	104,103	21,015
<b>Note 8: Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings (Refer Note - 4)	371	454
Employee Dues	4,191	565
Statutory Dues	1,642	236
Others	301	301
	6,505	1,556
<b>Note 9: Short Term Provisions</b>		
Contingent provision against standard/Sub		
Standard assets	63	13
	63	13

### Note -10: Fixed Assets -Tangible

Description	Gross Block					Depreciation				Net Block	
	As at 01.04.2016	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As at 31.03.2017	As at 01.04.2016	Provided during the year	Deductions/ Adjustments during the year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Building	10,849	-	-	-	10,849	8,113	500	-	8,613	2,236	2,736
Furniture & Fixture	6,646	-	-	-	6,646	6,515	28	-	6,543	103	131
Computers	318	13	-	-	331	177	116	-	293	38	141
Office Equipments	2,184	7	-	-	2,191	2,123	31	-	2,154	37	61
Vehicles	2,792	-	-	-	2,792	2,199	275	-	2,474	318	593
<b>Total (A)</b>	<b>22,789</b>	<b>20</b>	-	-	<b>22,809</b>	<b>19,127</b>	<b>950</b>	-	<b>20,077</b>	<b>2,732</b>	<b>3,662</b>
<b>Previous year</b>	<b>22,488</b>	<b>301</b>	-	-	<b>22,789</b>	<b>17,772</b>	<b>1,355</b>	-	<b>19,127</b>	<b>3,662</b>	
<b>Fixed Assets - Intangible</b>											
Computer Software	36	-	-	-	36	36	-	-	36	-	-
<b>Total (B)</b>	<b>36</b>	-	-	-	<b>36</b>	<b>36</b>	-	-	<b>36</b>	-	-
<b>Previous year</b>	<b>36</b>	-	-	-	<b>36</b>	<b>36</b>	-	-	<b>36</b>	-	-
<b>Total (A+B)</b>	<b>22,825</b>	<b>20</b>	-	-	<b>22,845</b>	<b>19,163</b>	<b>950</b>	-	<b>20,113</b>	<b>2,732</b>	<b>3,662</b>
<b>Previous year</b>	<b>22,524</b>	<b>301</b>	-	-	<b>22,825</b>	<b>17,808</b>	<b>1,355</b>	-	<b>19,163</b>	<b>3,662</b>	-

Sr No.	Particulars	FV (₹)	As at 31.03.2017		As at 31.03.2016	
			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	Allcargo Logistics Ltd	2	-	-	5,000	785
2	Amtek Auto Ltd	2	-	-	12,500	558
* 3	Avenue Supermarts Limited (Dmart)	10	5,000	2,251	-	-
4	B L Kashyap & Son Ltd	1	-	-	82,072	1,168
5	EssDee Aluminium Ltd	10	-	-	5,000	897
6	FirstSource Solution Ltd	10	-	-	5,000	191
7	Hotline Glass Ltd	10	37,549	0	37,549	0
* 8	ICICI Prudential Life Insurance Co Ltd	10	68,200	23,305	-	-
9	JBF Industries Ltd	10	-	-	6,500	1,536
10	JHS Svendgaard Laboratories Ltd	10	-	-	50,000	714
11	KDL Biotech Ltd.	10	10	0	10	0
* 12	Menon Pistons Ltd	2	394,201	5,117	51,100	6,633
13	N2N Technologies Limited	10	5,000	261	5,000	261
14	Omkar Speciality Chemicals Ltd	1	-	-	4,500	862
15	Poly Medicare Ltd. (Share)	10	977,392	62,067	634,895	77,422
16	Polylink Polymers (I) Ltd	5	43,277	348	61,411	495
17	Quick Heal Technologies Ltd	10	-	-	21,320	6,894
18	Shree Ram Urban Infrastructure Ltd	10	4,701	240	4,701	240
19	Shree Vindhya Paper Mills Ltd	10	1	0	1	0
20	SRF Ltd	10	-	-	225	289
21	Styrolution ABS (India) Ltd	10	-	-	2,000	778
22	Zicom Elect Sec Sys Ltd	10	-	-	3,100	241
	<b>SUB-TOTAL (A)</b>			<b>93,590</b>		<b>99,964</b>

(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2017		As at 31.03.2016	
			Qty (Nos)	Amount	Qty (Nos)	Amount
<b>A</b>	<b>Non-Trade -Unquoted Investment in Equity Shares In Associates</b>					
1	KJMC Platinum Builders Private Limited	10	95,300	15,128	65,300	589
2	KJMC Realty Private Limited	10	3,800	-	4,000	-
				<b>15,128</b>		<b>589</b>
<b>B</b>	<b>other</b>					
1	Prime Pictures Limited	10	25,000	-	25,000	-
2	KJMC Investment Co	-	-	11,427	-	500
				11,427		500
	<b>SUB-TOTAL (B)</b>			<b>26,555</b>		<b>1,089</b>
	<b>TOTAL (A + B)</b>			<b>120,144</b>		<b>101,052</b>
	Aggregate amount of quoted Investment			93,590		99,964
	Aggregate Market Value of quoted Investment			306,197		197,863
	Aggregate amount of unquoted Investment			26,554		1,089
	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 - 7)

\*\* 425,450 (Cum Bonus) Shares of Poly Medicure Ltd are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 7)

(₹ in '000')

Particulars	As At 31.03.2017	As At 31.03.2016
<b>Note - 12: Deferred Taxation</b>		
<b>Deferred Tax Asset</b>		
Business Loss	2,910	2,910
Unabsorbed Depreciation	409	409
Unabsorbed Long Term Capital Loss	11,388	11,388
Fixed Assets	71	-
	<b>14,778</b>	<b>14,707</b>
<b>Deferred Tax Liability</b>		
Fixed Assets	-	66
	<b>-</b>	<b>66</b>
<b>Deferred tax Asset/(liability)-Net</b>	<b>14,778</b>	<b>14,641</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	21,529	25,729
	-	-
Advance Income Tax	2,118	2,499
Less: Provision for Taxation	(840)	(1,116)
MAT credit Entitlement	1,226	1,144
<b>Total</b>	<b>24,033</b>	<b>28,258</b>
<b>Note 14 : Other Non Current Assets</b>		
Other	30	40
	<b>30</b>	<b>40</b>

(₹ in '000')

Particulars	As at 31.03.2017		As at 31.03.2016	
	Qty (Nos)	Amount	Qty (Nos)	Amount
<b>Note - 15: Current Investments</b>				
<b>Non Trade-Quoted Investment in Mutual Funds</b>				
1 SBI Premier Liquid Fund	27,857	70,880	5,918	14,000
2 HDFC Liquid Fund	56,577	170	-	-
<b>TOTAL</b>		<b>71,050</b>		<b>14,000</b>
Aggregate amount of quoted Investment		71,050		14,000
Aggregate Market Value of quoted Investment		71,096		13,110
Aggregate amount of unquoted Investment		NIL		NIL
Aggregate provision for diminution in value of investments		NIL		NIL

(₹ in '000')

Particulars	As At 31.03.2017	As At 31.03.2016
<b>Note - 16: Cash and Bank Balances</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in Hand	36	319
Balance with Banks		
- In Current Accounts	474	384
	<b>510</b>	<b>703</b>
Other Bank Balances		
- On Deposit Accounts		
With Less than 12 month's maturity	1,400	1,580
	<b>1,910</b>	<b>2,283</b>
<b>Note 17: Short Term Loans and Advances</b>		
Advances recoverable in cash or kind or for value to be received	2,288	76
Unsecured, considered good		
<b>Related Parties :</b>		
- Unsecured		
Loans to Related Party	850	1,200
Others		
Loan to Employees	20	147
Loans to Others (Unsecured)	4,678	3,514
Loans to Others (secured)	20,415	-
	<b>28,251</b>	<b>4,937</b>
<b>Note 18: Other Current Assets</b>		
Others		
Accrued Interest	7	8
	<b>7</b>	<b>8</b>
<b>Note 19: Revenue from Operations</b>		
Interest Income	1,777	1,456
Profit on Sale of Investments, Futures & Options (Net)	24,791	15,067
Dividend Income	2,756	6,408
Reversal of Provision of Standard/ Sub -Standard Assets	-	11
	<b>29,324</b>	<b>22,942</b>
<b>Note 20: Other Income</b>		
Compensation for Use of Office & Common Facilities	30	600
Interest Income_Others	241	146
Other	343	8
	<b>614</b>	<b>754</b>

## 29TH ANNUAL REPORT 2016-2017

(₹ in '000')		
Particulars	As At 31.03.2017	As At 31.03.2016
<b>Note 21: Employee Benefit Expenses</b>		
Salaries and wages	12,527	6,465
Contribution / provisions to provident, Gratuity and other provisions.	446	386
Staff welfare Expenses	2,521	152
	<b>15,494</b>	<b>7,003</b>
<b>Note 22: Finance Costs</b>		
Interest to other	1,202	1,044
Interest to Bank	2,695	980
Bank Charges	112	30
	<b>4,009</b>	<b>2,054</b>
<b>Note 23: Other Expenses</b>		
Advertisement	54	104
Auditors Remuneration (for break up refer below)	192	174
Business Promotion Expenses	186	317
Electricity Expenses	208	285
Infrastructural Support Service Expenses	294	312
Insurance Expenses	46	307
Legal Expenses	-	49

(₹ in '000')		
Particulars	As At 31.03.2017	As At 31.03.2016
Listing Fees	229	225
Miscellaneous expenses	585	649
Motor Car Expenses	108	110
Office Maintenance & Utility Expenses	306	400
Postage & Telegram	42	77
Printing & Stationery	183	209
Professional Fees	344	639
Rent	1,800	1,800
Repairs & Maintenance (Others)	144	200
Subscription & Membership	336	363
Travelling Expenses	912	892
Provision for Standard Asset	50	-
	<b>6,019</b>	<b>7,112</b>
<b>As Auditor</b>		
As Statutory Auditor	81	81
For Taxation matters	10	10
For Limited Review	68	67
For reimbursement of expenses/Service Tax	33	16
	<b>192</b>	<b>174</b>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

#### 24. Contingent Liabilities

Claims against the Company for the financial year is NIL.

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 31.03.2017	For the Year ended 31.03.2016
Net Profit / (Loss) after Taxation (₹ in '000)	4,722	6,319
Less : Preference Dividend and Tax thereon	-	-
Net Profit/(Loss) for calculation of EPS (₹ in '000 )	4,722	6,319
The weighted average Number of Equity Share (Nos.)- (Basic)	46,78,069	43,97,521
The weighted average Number of Equity Share (Nos.)- (Diluted)	47,85,740	47,85,740
Face value (₹)	10	10
Earnings per Share (Basic)	1.01	1.44
Earnings per Share (Diluted)	0.99	1.32

27. Earnings in Foreign Currency ₹ Nil (₹ Nil)  
Expenditure in Foreign Currency C.Y. ₹ 693 ('000') (P.Y (₹ 693 ('000')))

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

##### List of related parties

##### a) Key Management Personnel

Rajnesh Jain (Whole Time Director)  
Kartik Konar – Chief Financial Officer  
Sankari Muthuraj – Company Secretary

##### b) Relatives of Whole Time Director.

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

##### 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 Trades & Investments Pvt Ltd
KJMC Mutual Fund	AKIP Venture Private Limited
Prathmesh Enterprises Private Ltd	KJ Golden Real Estate Private Limited
KJMC Investment Company	KJ Diamond Real Estate Private Limited
KJMC e.Business Ventures Private Limited	

##### d) Associates

KJMC Platinum Builders Private Limited      KJMC Realty Private Limited

Transactions during the year with related parties

(₹ in 000's)

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personnel and their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1	<b>Interest Income</b> Prathmesh Enterprises Pvt Ltd Rajnish Jain KJMC Investment Co	- - -	- - -	- 525 -	- 119 -	5 - 134	222 - 28
2	<b>Interest Expenses</b> KJMC Platinum Builders Pvt Ltd	-	-	-	-	322	190
3	<b>Board Meeting Fees</b> Inderchand Jain Aditi Jain Girish Jain	- - -	- - -	20 16 18	20 12 17	- - -	- - -
4	<b>Salary and Perquisites</b> Rajnish Jain Pratham Jain	- -	- -	7,863 77	2,654 -	- -	- -
5	<b>Deposit Received</b> Inderchand Jain KJMC Corporate Advisors (India) Ltd (Security Deposit)	- - -	- - -	- - -	100 - -	- 1,500 -	- - -
6	<b>Deposit Repaid</b> Inderchand Jain KJMC Capital Market Services Ltd Puja Trades & Investments Pvt Ltd	- - -	- - -	- - -	100 - -	- - 4,200	- 2,000 200
7	<b>Loan given to Borrower</b> Rajnish Jain Kartik Konar (Against Salary) Prathmesh Enterprises Pvt Ltd KJMC Investment Co	- - - -	- - - -	8,515 - - -	7,100 200 - -	- - 2,900 415	- - 4,000 1,200
8	<b>Repayment of Loan by Borrower</b> Rajnish Jain KJMC Investment Company Kartik Konar Prathmesh Enterprises Pvt Ltd	- - - -	- - - -	8,515 - 120 -	7,100 - 60 -	- 765 - 2,900	- - - 8,100
9	<b>Sale of Shares</b> KJMC Corporate Advisors (I) Ltd	-	-	-	-	940	-
10	<b>Purchase of Shares</b> KJMC Capital Market Services Ltd	-	-	-	-	14,400	-
11	<b>Loan Taken</b> KJMC Platinum Builders Pvt Ltd Inderchand Jain	- -	- -	- -	- -	5,075 11,000	9,450 -
12	<b>Loan Repaid</b> KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	9,450
13	<b>Rent Income</b> KJMC Capital Market Services Ltd KJMC Corporate Advisors (India) Ltd	- -	- -	- -	- -	- 30	570 30
14	<b>Infrastructural Support Services</b> KJMC Capital Market Services Ltd	-	-	-	-	294	274
15	<b>Brokerage Charges</b> KJMC Capital Market Services Ltd	-	-	-	-	189	120
16	<b>Depository Charges</b> KJMC Capital Market Services Ltd	-	-	-	-	87	35
17	<b>Service Provided</b> KJMC Shares and Securities Limited	-	-	-	-	150	-
18	<b>Service Received</b> KJMC Shares and Securities Limited	-	-	-	-	50	225
19	<b>Reimbursement of Expenses Paid</b> Pratham R Jain (Fees & Accommodation Charges) KJMC Corporate Advisors (India) Ltd	- -	- -	- -	2,733 -	- 20	-- 16
20	<b>Reimbursement of Expenses Received</b> KJMC Capital Market Services Ltd	-	-	-	-	21	-
21	<b>Balances in Investment in Associates</b> KJMC Platinum Builders Pvt. Ltd. KJMC Realty Pvt. Ltd.	15,089 38	653 40	- -	- -	- -	- -

## 29TH ANNUAL REPORT 2016-2017

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personnel and their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
22	<b>Net Receivables</b> Kartik Konar (Loan Against Salary) Puja Trades & Investments Pvt Ltd (Security Deposit) KJMC Investment Co (Loan)	-	-	20	140	-	-
		-	-	-	-	20,000	24,200
		-	-	-	-	850	1,200
23	<b>Net Payables</b> KJMC Capital Market Services Ltd (Security Deposit) Inderchand Jain (Loan) KJMC Corporate Advisors (India) Ltd (Security Deposit) KJMC Platinum Builders Pvt Ltd (Loan) KJMC Mutual Fund (Loan)	-	-	-	-	10,000	10,000
		-	-	-	-	11,000	-
		-	-	-	-	1,500	-
		-	-	-	-	5,075	-
		-	-	-	-	247	247
24	<b>Security and Corporate Guarantee given by</b> Puja Trades & Investments Pvt Ltd (Refer Note No. 7)	-	-	-	-	30,000	30,000

Managerial Remuneration is Calculated as per schedule V of the Companies Act, 2013

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

Sr. No.	Name of Subsidiary	Country of Incorporation	Ownership Interest	
			31.03.2017	31.03.2016
1.	KJMC Asset Management Company Limited	India	100%	100%
2.	KJMC Investment Trust Company Limited	India	100%	100%
3.	KJMC Trading & Agency Ltd	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
Parent : KJMC Financial Services Ltd	100.75	1,52,146	89.47	4,225
Subsidiaries -				
Indian				
1 KJMC Asset Management Co Ltd	66.93	1,01,079	0.47	22
2 KJMC Investment Trust Co Ltd	0.96	1,446	0.36	17
3 KJMC Trading & Agency Ltd	0.89	1,347	7.50	354
Minority interest in all subsidiaries	-	-	-	-
Associates (Investment as per the equity method ) -				
Indian				
KJMC Platinum Builders Pvt Ltd	-	-	2.16	102
KJMC Realty Pvt Ltd (Reversal of Loss)	-	-	0.04	2
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.

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

32b. As per MCA notification dated 30.03.2017, the disclosure with regards to the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as under:-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	292,000	9,137	301,137
(+) Permitted receipts	-	29,000	29,000
(-) Permitted payments	5,500	23,887	29,387
(-) Amount deposited in Banks	286,500	-	286,500
Closing cash in hand as on 30.12.2016	-	14,250	14,250

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 2017

For and on behalf of the Board of Directors  
KJMC Financial Services Limited

I.C. Jain  
Chairman  
DIN: 00178901

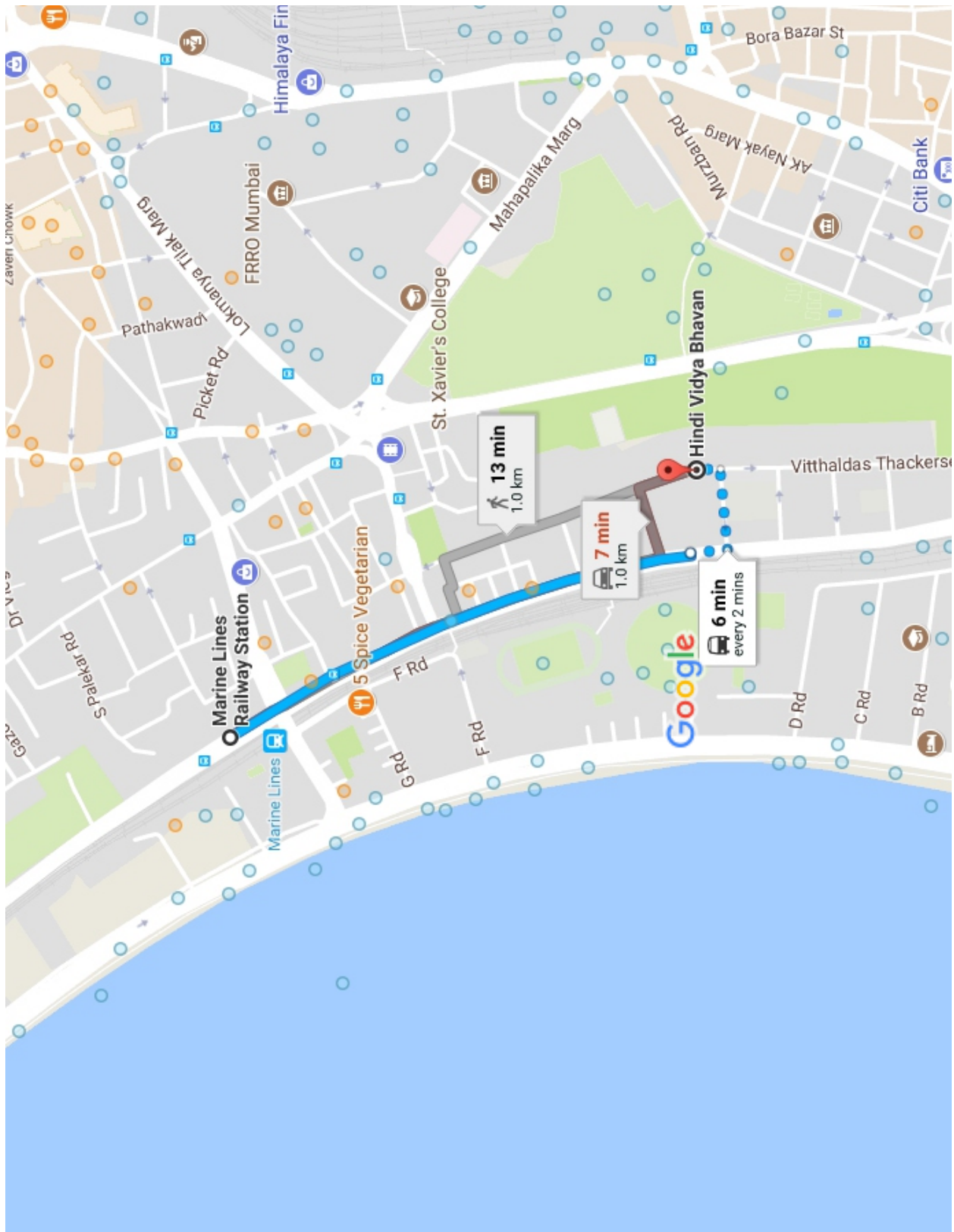
Kartik Konar  
Chief Financial Officer  
Place : Mumbai  
Date : 27th May 2017

Rajnish Jain  
Whole Time Director  
DIN: 00151988

Sankari Muthuraj  
Company Secretary



## Marine Lines Railway Station to Hindi Vidy Bhavan



**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 29th Annual General Meeting of the company, to be held on Saturday, September 23, 2017 at 10.45 a.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 March 31, 2017 and the Directors' and Auditors' Reports thereon.		
2.	Re-appointment of Mr. Inderchand Jain (Din: 00178901), 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.	Reappointment of Mr. Rajnesh Jain (DIN: 00151988), as a Whole Time Director of the Company, w.e.f. August 11, 2017.		
5.	Adoption of new set of Articles of Association.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017



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)

29<sup>th</sup> Annual General Meeting - September 23, 2017

I hereby record my presence at the 29TH ANNUAL GENERAL MEETING of the company held on Saturday, September 23, 2017 at 10.45 a.m. at S.K. Somani Memorial Hall, Hindi Vidya Bhawan, 79 - Marine Drive, "F" Road, Mumbai - 400 020.

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

Reg.Folio No./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 18, 2017, so that the answers/details can be kept ready at the Annual General Meeting.



To,



**KJMC**  
ADVICE MATTERS

*If Undelivered 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)