

# KJMC FINANCIAL SERVICES LTD.

NBFC : No. B-13.01633



**KJMC FINSERV**  
MONEY MATTERS

Date: - September 06, 2022

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

Dear Sir,

Ref.: Scrip Code 530235

Sub: Submission of 34<sup>th</sup> Annual Report of the KJMC Financial Services Limited for the Financial Year 2021-2022

Pursuant to Regulation 34 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of 34<sup>th</sup> Annual General Meeting for the financial year 2021-22.

The AGM of the Company will be held on Wednesday, September 28, 2022, at 11:30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021, Maharashtra, India.

The Annual Report containing the Notice is also uploaded on the Company's website at [www.kjmcfinserv.com](http://www.kjmcfinserv.com).

You are requested to kindly take same on record.

Yours faithfully,

For KJMC Financial Services Limited

*Mahipal*

Mahipal Singh Chouhan  
Company Secretary  
Mem.No.-A41460



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

Tel.: +91-22-2288 5201-2, 4094 5500 ● Fax: +91-22-2285 2892 ● Email: [info@kjmc.com](mailto:info@kjmc.com) ● Website : [www.kjmcfinserv.com](http://www.kjmcfinserv.com)

CIN : L65100MH1988PLC047873

# **KJMC FINANCIAL SERVICES LIMITED**

**34<sup>th</sup>  
Annual Report  
2021-2022**



**BOARD OF DIRECTORS**

Mr. Inderchand Jain	Chairman
Mr. Rajnesh Jain	Whole Time Director
Mr. Girish Jain	Director
Mrs. Shraddha Jain	Director
Mr. Anil Sampat	Independent Director
Mr. Nitin Kulkarni	Independent Director
Mr. S. C. Aythora	Independent Director
Mr. Vijay Joshi	Independent Director

**CHIEF FINANCIAL OFFICER**

Mr. Sajjan Bawri

**COMPANY SECRETARY**

Mr. Akash Anchan (upto 04/12/2021)  
Mr. Mahipal Singh Chouhan (w.e.f. 09/02/2022)

**STATUTORY AUDITOR**

M/s. Batliboi & Purohit  
204, Dadabhoy Naoroji Road, Fort,  
Mumbai-400 001

**BANKERS**

HDFC Bank Limited  
Union Bank of India  
ICICI Bank Limited

**REGISTRAR & TRANSFER AGENT**

Bigshare Services Private Limited  
Office No S6-2, 6th floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves  
Road, Andheri (East) Mumbai - 400093, India.  
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, 16<sup>th</sup> Floor, Atlanta,  
Nariman Point, Mumbai – 400 021  
Tel.No.: 022-4094 5500  
Email : investor.finance@kjmcc.com  
CIN : L65100MH1988PLC047873

**GROUP BRANCH OFFICE**

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

**34<sup>th</sup> ANNUAL GENERAL MEETING**

**Date** : Wednesday, September 28, 2022  
**Time** : 11:30 a.m.  
**Venue** : Kamalnayan Bajaj Hall,  
Bajaj Bhavan, Jamnalal Bajaj Marg,  
Nariman Point, Mumbai - 400021

<b>INDEX</b>	<b>PAGE NO.</b>
Notice .....	2
Board's Report.....	11
Management Discussion & Analysis.....	19
Report on Corporate Governance.....	25
Auditors' Report (Standalone).....	35
Balance Sheet.....	42
Profit & Loss Account.....	43
Cash Flow Statement.....	44
Notes to Financial Statement.....	45
Auditors Report (Consolidated).....	73
Consolidated Accounts.....	78

## NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of **KJMC Financial Services Limited (CIN:L65100MH1988PLC047873)** will be held on Wednesday, September 28, 2022, at 11:30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point Mumbai - 400021 to transact the following businesses :-

### ORDINARY BUSINESSES: -

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, 2022, and the Reports of the Board of Directors and Auditors thereon.
2. To consider re-appointment of Mr. Girish Jain (DIN: 00151673), Director who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESSES:-

#### 3. ISSUE OF NON- CONVERTIBLE DEBENTURES THROUGH PRIVATE PLACEMENT

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

**“RESOLVED THAT** pursuant to the provisions of Section(s) 42, and 71 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modifications or re-enactments thereof for the time being in force), and in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable SEBI Regulations and Guidelines, if any, the Foreign Exchange Management Act, as amended, applicable Master Directions, relevant guidelines, circulars and clarifications issued by the Reserve Bank of India as applicable to Non-Banking Financial Companies (“NBFC”) from time to time, the provisions of Memorandum and Articles of Association of the Company, and such any other laws, acts, rules, guidelines, regulations for the time being in force and any other circulars, notifications and/or clarifications issued by any relevant authority (including any statutory modifications or re-enactments thereof for the time being in force), and subject to such other consent(s)/permission(s)/sanction(s), as may be required, consent of the Members of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee constituted / may be constituted of the Board of Directors of the Company) to raise funds from time to time by way of issue, offer, invite for subscription and to allot rated/unrated, Secured/unsecured, listed/unlisted, Redeemable Non-Convertible Debentures (“NCDs”), on a private placement basis, in one or more series / tranches, aggregating upto Rs. 25,00,00,000/- (Rupees Twenty five Crores only), during the period of 1 (one) year from the date of passing of this Special Resolution, to Bank(s), Financial Institution(s),

International Lenders, Multilateral Financial Institutions, Agencies, Qualified Institutional Buyers, Mutual Funds, Pension Fund, Provident Fund and Gratuity Funds, Corporate, Insurance Companies, Investors and such other entities/ eligible persons as the Board may in absolute discretion decide, within the overall borrowing limits of the Company as approved by the Members of the Company;

**RESOLVED FURTHER THAT** for the purpose of giving effect to above Resolution, the Board/Committee of the Board or officers authorized by them in this regard be and are hereby severally authorized to do, from time to time, all such acts, deeds and things as may be deemed necessary pre and the post issue, in respect of issue of Non- Convertible Debentures including but not limited to number of issue/tranches, face value, issue price, issue size, timing, amount, tenor, method of issuance, security/charge creation, coupon/ interest rate(s), yield, listing, allotment and other terms and conditions of issue of Non-Convertible Debentures as proper and most beneficial to the Company, including as to when the said Non-Convertible Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto and to select, appoint and finalize the Remuneration of various agencies, including but not limited to Credit Rating Agencies, Trustee, Legal Counsels, Arrangers, Joint Lead Managers, Process Agents and any other agency associated with the issue of secured/unsecured Redeemable Non-Convertible Debentures as they may be, in their absolute discretion, deemed necessary for this purpose, as the case may be.”

#### 4. TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS WITH RELATED PARTIES OF THE COMPANY

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

**“RESOLVED that** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“SEBI Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transaction(s)/ Contract(s)/Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with entities falling within the definition of ‘Related Party’ under Section 2(76) of the Act, Regulation 2(1)(zb) of the SEBI Listing Regulations and the following Related Party on arm’s length basis for the maximum amount of Rs. 10 Cr (Rupees Ten Crores only) from the conclusion of this AGM to the conclusion of the next AGM, with respective Related Parties as mentioned herein below:

Name of Related Parties and Relationship		Nature of Transaction	Expected Value of Transaction
Mr. I C Jain;	Chairman, Promoter and Non- executive Director	<div>➤ Loan Transaction (not falling under loan to Directors);</div> <div>➤ sale, purchase or supply of any goods or materials or Services;</div> <div>➤ selling or otherwise disposing of, or buying, property of any kind;</div> <div>➤ leasing of property of any kind;</div> <div>➤ availing or rendering of any services;</div> <div>➤ Related Party's appointment to any office or place of profit in the company, its Subsidiary Company or Associate Company;</div> <div>➤ Commission;</div> <div>➤ Remuneration;</div> <div>➤ Transfer of resources, services or obligations between a Company and a Related Party</div>	Rs 10 Cr.
IC Jain HUF;	Promoter		
Mrs. Chanddevi Jain;	Promoter and Spouse of Mr. I C Jain		
Mr.Rajnesh Inderchand Jain;	Whole time Director (WTD), Promoter and Son of Mr. IC Jain		
Mrs. Shraddha Rajnesh Jain;	Spouse of WTD and Daughter in law of Mr. I C Jain		
Mr. Pratham Jain	Son of WTD		
Ms. Aayushi Jain	Daughter of WTD		
Mr. Girish Inderchand Jain;	Promoter, Non-Executive Director, Son of Mr. I C Jain and Brother of WTD		
Mrs. Aditi Jain	Spouse of Mr. Girish Jain and Daughter in law of Mr. I C Jain		
Mr. Jaivardhan Jain	Son of Mr. Girish Jain		
Ms. Khushali Jain	Daughter of Mr. Girish Jain		
Mr. Pankaj Jain	Son of Chairman, Brother of Mr. Girish Jain & Mr. Rajnesh Jain		
Mrs. Archana Jain	Spouse of Mr. Pankaj Jain and Daughter in law of Mr. I C Jain		
<b>Enterprises over which key management personnel/relatives are able to exercise significant influence:</b> <div><ul style="list-style-type: none"><li>• KJMC Trading &amp; Agency Limited;</li><li>• KJMC Platinum Builders Private Limited;</li><li>• KJMC Corporate Advisors India Limited;</li><li>• KJMC Shares and Securities Limited</li><li>• KJMC Credit Marketing Limited</li><li>• KJMC Capital Market Services Limited;</li><li>• Prathamesh Enterprises Private Limited;</li><li>• KJMC Realty Private Limited;</li><li>• Puja Trades &amp; Investments Private Limited-</li><li>• Khandelwal Jain &amp; Co.</li><li>• AKIP Venture Private Limited</li><li>• KJMC Investment Company</li></ul></div>			

“**RESOLVED FURTHER** that the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER** that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

#### 5. TO APPROVE MATERIAL RELATED PARTY TRANSACTION

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

“**RESOLVED THAT** pursuant to the applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 and Regulation 23 and the other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company be and is hereby authorised to grant loan to Mr. Rajnesh Jain, (DIN: 00151988) Whole-Time-Director of the Company, for a period

of 12 months up to an amount of Rs.1,00,00,000/- (Rupees One Crore only) at an interest of 14% p.a. and such other terms and conditions as may be approved by the Board from time to time.;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things they may deem desirable and necessary for the purpose of giving effect to the above resolution

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

**Mahipal Singh Chouhan  
Company Secretary  
ACS-41460**

Place: Mumbai

Date: August 11, 2022

**Registered Office:**

162, Atlanta, 16<sup>th</sup> Floor, Nariman Point, Mumbai-400021.

**Email:** investor.finance@kjmc.com

**Website:** www.kjmcfinserve.com

**CIN:** L65100MH1988PLC047873

## NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item Nos. 3 to 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also 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.  
  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
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 authorizations, 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. A proxy shall not have a right to speak at the meeting and shall not be entitled to vote except on a poll.
7. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.
8. The proxy – holder shall prove his identity at the time of attending the Meeting.
9. In case of joint holders attending the Annual General Meeting (AGM), only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.
10. 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.
11. 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 advance notice in writing is given to the Company.
12. 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.
13. The Register of Members and Share Transfer Books will remain closed from Thursday, September 22, 2022 to Wednesday, September 28, 2022 (both days inclusive) for the purpose of AGM.
14. 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).
15. Members are requested to address all correspondence to the Registrar and Share Transfer Agents (RTA), Bigshare Services Pvt. Ltd., Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India, Tel. No.022- 62638200, Fax No. 022- 62638299, mail id : investor@bigshareonline.com.
16. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares

in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrars and Share Transfer Agent.

17. As per regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended the securities of the company can be transferred only in dematerialized form with effect from April 01, 2019 except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrars and Transfer Agent.
18. In pursuance of Sections 124 and 125 of the Companies Act 2013, dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, and shares on which dividend remains unclaimed for seven consecutive years have been transferred to the Investor Education and Protection Fund.
19. In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5
20. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit to the RTA of the Company the prescribed Form SH.13 for nomination and Form SH.14 for cancellation/ variation, as the case may be. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.
21. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
22. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from on the website of the RTA at [www.iboss.bigshareonline.com](http://www.iboss.bigshareonline.com). It may be noted that any service request can be processed only after the folio is KYC Compliant.
23. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and

transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, the members are advised to dematerialise their holdings

24. Copies of the Annual Report 2021-2022, the notice of the 34th 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. In view of the COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs ("MCA") has vide its circular and subsequently SEBI vide its circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 Dated May 13, 2022 directed the Companies to send the Annual Report only by e-mail to all the Members of the Company.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 34th AGM and Annual Report for the financial year 2021-2022 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

- A. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company at: [investor.finance@kjmcc.com](mailto:investor.finance@kjmcc.com)
- B. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
25. Members who hold shares in the certificate form or who have not registered their e-mail addresses with the Company or with the Depositories and wish to receive the AGM Notice and the Report and Accounts 2022, or participate in the AGM, or cast their votes through remote e-voting or e-voting during the meeting, are required to register their e-mail addresses with the Company at [investor.finance@kjmcc.com](mailto:investor.finance@kjmcc.com). Alternatively, Members may send a letter requesting for registration of their e-mail addresses, mentioning their name and DP ID & Client ID / folio number, through email [rajeshm@bigshareonline.com](mailto:rajeshm@bigshareonline.com), [info@bigshareonline.com](mailto:info@bigshareonline.com).
26. 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.
27. 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.
28. The remote e-voting period commences from Friday, September 23, 2022 at 9.00 a.m. and ends on Tuesday, September 27, 2022 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on September 21, 2022 (cut-off date) may cast their vote electronically.



29. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/modify it subsequently or cast the vote again.
30. The voting rights of shareholders shall be in proportion to the share in the paid up equity share capital of the Company as on September 21, 2022 i.e. the cut off date.
31. The Company has appointed Mr. C S Surjan Singh Rauthan, Proprietor of M/s S. S. Rauthan & Associates, a firm of Practicing Company Secretaries as a scrutinizer for conducting the remote e-voting and polling process at the Annual General Meeting in a fair and transparent manner.
32. The scrutinizer shall not later than forty eight (48) hours from the conclusion of the meeting, 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 or person authorised by him in writing, who shall countersign the same.
33. 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.
34. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 34th Annual General Meeting of the Company scheduled to be held on Wednesday, September 28, 2022. The results along with the scrutinizer's report shall be placed on the Company's website [www.kjmcfinserv.com](http://www.kjmcfinserv.com), within 48 hours from the conclusion of the 34th Annual General Meeting of the Company and communicated to BSE Limited.
35. 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. Girish Jain

Name & Designation	Mr. Girish Jain, Non- Executive Director
Director Identification Number (DIN)	00151673
Date of Birth	May 7, 1971
Qualifications	B.E. (Electronic) and PGDBM (Finance)

Name & Designation	Mr. Girish Jain, Non- Executive Director		
Expertise in specific functional area	<ul style="list-style-type: none"> <li>Engineer and a graduate in Business Management</li> <li>Responsible for setting up and running the Investment Banking, Broking, Research and Distribution Business</li> <li>Whole Time Director in KJMC Corporate Advisors (India) Limited and Directors in KJMC Financial Services Ltd. and its subsidiary and associate companies</li> <li>Past Chairman of the Association of Merchant Bankers of India (AMBI)</li> <li>Ex member of SEBI committee of primary market advisory committee</li> </ul>		
Director of the Company since	September 21, 1994.		
Number of Shares held in the Company as on March 31, 2022	1,97,335		
Disclosure of relationships between directors inter-se	Sr. No.	Name & Designation of Director	Relationship
	1.	Mr. Inderchand Jain, Director	Father
	2.	Mr. Rajnesh Jain, Director	Brother
	3.	Mrs. Shraddha Jain	Brother's wife

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

Name of the Company (Directorship)	Committee Chairmanship/ Membership
KJMC Corporate Advisors (India) Limited	1. Member - Share Transfer and Stakeholders Relationship Committee. 2. Member – Credit & Investment Committee
KJMC Credit Marketing Limited	-
KJMC Capital Market Services Limited	-
KJMC Shares and Securities Limited	-
KJMC Platinum Builders Private Limited	-

36. The route map showing directions to reach the venue of the 34th AGM is annexed herewith to this Annual Report.
37. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 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 alternative 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:-

- (i) The e-voting period begins from September 23, 2022 (09:00 a.m.) and ends on September 27, 2022 (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 21, 2022, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Now click on "Shareholders" tab.
- (iv) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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>

	For members holding shares in Demat Form and Physical Form
<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 changed 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 linked in the login 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.

(xx) 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).

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins from September 23, 2022 (09:00 a.m.) and ends on September 27, 2022 (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 21, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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**

**Mahipal Singh Chouhan  
Company Secretary  
ACS 41460**

Place: Mumbai  
Date: August 11, 2022

**Registered Office:**

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

**Email:** [investor.finance@kjmc.com](mailto:investor.finance@kjmc.com)

**Website:** [www.kjmcfinserv.com](http://www.kjmcfinserv.com)

**CIN:** L65100MH1988PLC047873

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

As required under Section 102 Of the Companies Act, 2013 the following explanatory statement sets out the material facts relating to business mentioned in Item Nos 3 to 5 of the accompanying Notice:

**ITEM NO. 3**

As per the provisions of Section 42 of the Companies Act, 2013 including any statutory modifications or re-enactments thereof for the time being in force, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make an offer or invitation to subscribe to securities through Private Placement unless the proposal has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers or invitations. Further, in case of offer or invitation to subscribe Non-Convertible Debentures (NCDs) on private placement basis, where the proposed amount to be raised through such offer or invitation exceeds the limits specified in clause (c) of sub-section (1) of section 180 it shall be sufficient if the Company passes a Special Resolution only once in a year for all the offers or invitations to subscribe NCDs. The Special Resolution shall be valid for a period of one year from the date of passing of the resolution

The Non-Convertible Debentures (NCDs) issued on private placement basis is one of the most cost effective sources for long term borrowings.

As part of the measures to further strengthen its funds position and to augment the long term resources of the Company for its lending, Financing and Investment activities, inter alia, for the strategic business expansion in future and for general corporate purpose, the Board of Directors at their meeting held on August, 11, 2022, subject to the approval of the Members of the Company, accorded their approval to raise funds from time to time by way of issue, offer, invite for subscription and to allot rated/unrated, Secured/unsecured, listed/unlisted, redeemable Non Convertible Debentures ('NCDs'), for Cash on a private placement basis, in one or more series / tranches, aggregating upto Rs. 25,00,00,000 /- (Rupees Twenty five Crores only) within the overall borrowing limits of the Company of Rs. 2000 crores at any point of time, as approved by the Members of the Company.

Accordingly, Consent of the members is sought for passing the Special Resolution as set out in Item no. 3. This is enabling resolution to authorize the Board of Directors of the Company to issue, offer, invite for subscription of the NCDs as may be required by the Company, from time to time for a year from the date of passing this resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the proposed Resolution.

The Board recommends the Special Resolution as set out at Item No. 3 for approval by the members.

**ITEM NO. 4**

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 and provisions of Regulation 23 of SEBI (LODR) Regulations, 2015 that govern the Related Party Transactions, requires that for Material Related Party Transaction Company must obtain prior approval of the Shareholders by way of a Resolution, in case the threshold limits are exceeded.

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

In the light of provisions of Section 188 of Companies Act, 2013 read with Rules made there under and Regulation 23 of SEBI (LODR) 2015, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties.

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Name of Related Parties and Relationship		Nature of Transaction	Expected Value of Transaction
Mr. I C Jain;	Chairman, Promoter and Non- executive Director	➤ Loan Transaction (not falling under loan to Directors);	Rs 10 Cr.
IC Jain HUF;	Promoter		
Mrs. Chanddevi Jain;	Promoter and Spouse of Mr. I C Jain	➤ sale, purchase or supply of any goods or materials or Services;	
Mr.Rajnesh Inderchand Jain;	Whole time Director (WTD), Promoter and Son of Mr. IC Jain		
Mrs. Shraddha Rajnesh Jain;	Spouse of WTD and Daughter in law of Mr. I C Jain	➤ selling or otherwise disposing of, or buying, property of any kind;	
Mr. Pratham Jain	Son of WTD		
Ms. Aayushi Jain	Daughter of WTD	➤ leasing of property of any kind;	
Mr. Girish Inderchand Jain;	Promoter, Non-Executive Director, Son of Mr. I C Jain and Brother of WTD		
Mrs. Aditi Jain	Spouse of Mr. Girish Jain and Daughter in law of Mr. I C Jain	➤ availing or rendering of any services;	
Mr. Jaivardhan Jain	Son of Mr. Girish Jain		
Ms. Khushali Jain	Daughter of Mr. Girish Jain	➤ Related Party's appointment to any office or place of profit in the company, its Subsidiary Company or Associate Company;	
Mr. Pankaj Jain	Son of Chairman, Brother of Mr. Girish Jain & Mr. Rajnesh Jain		
Mrs. Archana Jain	Spouse of Mr. Pankaj Jain and Daughter in law of Mr. I C Jain	➤ Commission;	
<b>Enterprises over which key management personnel/relatives are able to exercise significant influence:</b>			
<ul style="list-style-type: none"><li>• KJMC Trading &amp; Agency Limited;</li><li>• KJMC Platinum Builders Private Limited;</li><li>• KJMC Corporate Advisors India Limited;</li><li>• KJMC Shares and Securities Limited</li><li>• KJMC Credit Marketing Limited</li><li>• KJMC Capital Market Services Limited;</li><li>• Prathamesh Enterprises Private Limited;</li><li>• KJMC Realty Private Limited;</li><li>• Puja Trades &amp; Investments Private Limited-</li><li>• Khandelwal Jain &amp; Co.</li><li>• AKIP Venture Private Limited</li><li>• KJMC Investment Company</li></ul>		➤ Remuneration;	
		➤ Transfer of resources, services or obligations between a Company and a Related Party	

Members are hereby informed that no members of the company shall vote on such resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

Mr. Rajnesh Jain, Mr. Inderchand Jain, Mr. Girish Jain and Mrs. Shraddha Jain alongwith there relatives are interested in the Resolution. No other Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested financially or otherwise in the proposed Resolution.

The Directors recommend the Item No. 4 of the Notice for consent and approval by the Members.

### ITEM NO. 5

Mr. Rajnesh Jain (DIN: 00151988) is the Whole time Director of the Company and is responsible for managing the day to day operations and management of the Company.

The Company has received a request from Mr. Rajnesh Jain (DIN: 00151988) for availing a loan upto an amount of Rs. 1,00,00,000 (Rupees One Crore) from the Company. The said loan is proposed to be given for a period of 1 year bearing interest of 14% p.a.. The said transaction is on arm's length basis and since the Company is a Registered Non-Banking Financial Company, the said loan is also in the ordinary course of business of the Company.

However, pursuant to the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Company is required to obtain the approval of shareholders by way of a Special Resolution for entering into any transaction with Related Party which is in nature of material transaction as per SEBI (LODR) Regulation 2015.

Since, the aforesaid transaction is falling in the ambit of the material transaction as per SEBI (LODR) Regulation 2015, the said matter is placed before the members at Item no. 5 for approval. Considering the contributions made by Mr. Rajnesh Jain (DIN: 00151988) over the period of time for growth of the Company and since the transaction is also on arm's length basis, the Board intends to extend the said loan to Mr. Rajnesh Jain and accordingly, recommends the members to approve the same.

Mr. Rajnesh Jain (DIN: 00151988) himself alongwith his relatives' viz. Mr. Inderchand Jain, Mr. Girish Jain and Mrs. Shraddha Jain can be deemed concerned or interested in the Resolution. No other Directors, Key Managerial Personnel of the Company and their relatives are in any

way, concerned or interested financially or otherwise in the proposed Resolution.

The Board recommends the Ordinary Resolution as set out at Item No.5. for approval by the members

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

**Mahipal Singh Chouhan  
Company Secretary  
ACS-41460**

Place: Mumbai  
Date: August 11, 2022

**Registered Office:**  
162, Atlanta, 16th Floor, Nariman Point, Mumbai-400021.  
**Email:** investor.finance@kjmc.com  
**Website:** www.kjmcfinserv.com  
**CIN:** L65100MH1988PLC047873

## DIRECTORS REPORT

Dear Members,

Your Directors' hereby present the 34th Annual Report of the KJMC Financial Services Limited (KFSL), together with the Audited Financial Statements of the Company for the financial year ended March 31, 2022. The consolidated performances of the Company and its subsidiary company has been referred to wherever required.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2022 is summarized below:

(Rs. in "000")

Particulars	Standalone		Consolidated	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
<b>FINANCIAL RESULTS</b>				
Revenue from operation	35804	14976	35956	15001
Other Income	1546	4559	1935	4559
<b>Total Revenue</b>	<b>37350</b>	<b>19535</b>	<b>37891</b>	<b>19560</b>
Total Expenses	38324	37901	39617	39290
<b>Profit before Tax</b>	<b>(974)</b>	<b>(18366)</b>	<b>(1726)</b>	<b>(19730)</b>
<b>Less: Provision for Tax</b>				
- Current Tax	-	2085		2085
- Deferred Tax	(774)	(4378)	(775)	(4378)
- MAT Credit	-	(2085)		(2085)
- Earlier year Provision Written off	(2085)		(2085)	
- MAT Credit written off	6192		6192	
Profit/(loss) after tax	(4307)	(13988)	(5058)	(15352)
Share in Associates' profit/(Loss)	-	-	(9)	48
<b>Profit/(loss) for the year</b>	<b>(4307)</b>	<b>(13988)</b>	<b>(5067)</b>	<b>(15304)</b>
<b>APPROPRIATIONS</b>				
Profit/(loss) for the year	(4307)	(13988)	(5067)	(15304)
Add: Balance brought forward from previous year	(12538)	1450	(14855)	449
Amount available for appropriations	(16845)	(12538)	(19922)	(14855)
<b>Less: Appropriations</b>				
Special Reserve	-	-		-
General Reserve	-	-		-
Balance carried to Balance Sheet	(16845)	(12538)	(19922)	(14854)
<b>EPS</b>				
-Basic	(0.90)	(2.92)	(1.06)	(3.20)
-Diluted	(0.90)	(2.92)	(1.06)	(3.20)

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On standalone basis, your Company earned the gross income of Rs 37350 (Rs. in 000) as against Rs 19535 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs 38324 (Rs. in 000) as against Rs 37901 (Rs. in 000) in the previous year. The Net Loss after tax before OCI was Rs (4307) (Rs. in 000) as against Rs (13988) (Rs. in 000) in the previous year.

On consolidated basis, your Company earned the gross income of Rs 37891 (Rs. in 000) as against Rs 19560 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs 39617 (Rs. in 000) as against Rs 39290 (Rs. in 000) in the previous year. The Net Loss after tax before OCI was Rs (5067) (Rs. in 000) as against Rs (15304) (Rs. in 000) in the previous year.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2021-22, together with the Auditors' Report form part of this Annual Report.

### PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES AND ASSOCIATES

#### Subsidiary Company:

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the report on performance and financial position of subsidiary company is included in the Consolidated Financial Statements (CFS) in the Company.

A statement containing the salient features of financial statements of subsidiary company of the Company in the prescribed **Form AOC – 1** forms a part of Consolidated Financial Statements (CFS) in compliance with Section 129 (3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014.

In accordance with Section 136 of the Act, the financial statements of the subsidiary and associate companies are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the AGM. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at [www.kjmcinserv.com](http://www.kjmcinserv.com).

#### Brief Financial and Operation of subsidiary company are given hereunder:

- (i) **KJMC Trading & Agency Limited:** It earned gross income of Rs 1669 (Rs. in 000) as against Rs 1800 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs 2420 (Rs. in 000) as against Rs 3164 (Rs. in 000) in the previous year. The Net Loss after tax before OCI was Rs (751) (Rs. in 000) as against Net Loss of Rs (1364) (Rs. in 000) in the previous year.

#### Associate

- (i) **KJMC Platinum Builders Private Limited:** It earned gross income of Rs 554 (Rs. in 000) as against Rs 762 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs 581 (Rs. in 000) as against Rs 572 (Rs. in 000) in the previous year. The Net Loss after tax was Rs (27) (Rs. in 000) as against Net Profit after tax Rs 140 (Rs. in 000) in the previous year.

## **DIVIDEND**

In order to conserve the resources for operations of the Company, your Directors' do not recommend any dividend for the year under review.

## **TRANSFER TO RESERVES**

The Company has not transferred any amount to reserves of the Company due to the loss incurred by the Company during the financial year 2021-22.

## **INDIAN ACCOUNTING STANDARD (IND AS)**

The Company has adopted Indian Accounting Standards ("IND AS") and accordingly, the financial statement for the year 2021-22 have been prepared in accordance with IND-AS, prescribed under Section 133 of the Act, read with the relevant rules issued there under and the other recognised accounting practices and policies to the extent applicable.

## **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 of the Company as on March 31st 2022, is available on the website of the Company at [https://www.kjmcfinserv.com/investor\\_relation](https://www.kjmcfinserv.com/investor_relation).

## **NUMBER OF MEETINGS OF THE BOARD**

During the Financial Year 2021-22, 4 meetings were held. The details of the Board Meetings and the attendance of the Directors are provided in the Report on Corporate Governance forming part of this report.

## **COMMITTEES OF THE BOARD**

The Company has constituted/reconstituted various level committees in accordance with the requirements of Companies Act, 2013 which are as follows:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Share Transfer and Stakeholders Relationship Committee
- iv. Credit and Investment Committee
- v. Debenture Allotment Committee
- vi. IT Strategy Committee

## **AUDIT COMMITTEE**

During the year under review all the recommendations made by the Audit Committee were accepted by the Board. Four (4) Audit Committee Meetings were convened and held during the financial year. 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.

## **NOMINATION AND REMUNERATION COMMITTEE**

During the year under review, Two (2) Nomination and Remuneration Committee Meeting was 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.

## **SHARE TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE**

During the year, One (1) 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.

## **CREDIT AND INVESTMENT COMMITTEE**

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

## **DEBENTURE ALLOTMENT COMMITTEE**

During the year no meeting was held. The details pertaining to composition of Debenture Allotment Committee are provided in the Corporate Governance Report, which forms part of the annual report.

## **IT STRATEGY COMMITTEE**

During the year, One (1) IT Strategy Committee Meetings were convened and held. The details pertaining to composition of IT Strategy Committee and the attendance of IT Strategy 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:

- a. in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. the Directors' 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 Loss of the Company for the year ended March 31, 2022;
- c. the Directors' 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;

- d. the Directors' have prepared the annual accounts for the financial year ended March 31, 2022 on a going concern basis;
- e. the Directors' have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f. the Directors' have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

During the reporting period, no frauds were reported by Auditors under sub section (12) of section 143, as such no offence involving fraud was committed against the Company by officers or employees of the Company.

### **FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS**

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments are made at the separate meetings of the Independent Directors from time to time.

### **CODE OF CONDUCT**

The Company has in place a comprehensive Code of Conduct ('the code') applicable to the Directors and employees. The Code is applicable to Non-executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the core values of the Company.

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

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

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

The provisions of Section 186 of Companies Act, 2013 except Sub section (1) is not applicable to the Company. However, the details of Loans, Guarantees and Investments made are disclosed in the Notes to the Financial Statements.

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

All transaction entered into by the Company with related parties, during the financial year 2021-22, were in ordinary course of business and on

arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued there under and relevant provisions of Listing Regulations.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and Materiality of Related Party Transactions, formulated by the Company.

The Policy is also available on the website of the Company at <https://www.kjmcinserv.com>

All transactions with related party which as required to be reported in Form AOC- 2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith and forms part of this report.

The details of the related party transactions as per IND-AS set out in Note 33 to the Standalone Financial Statements of the Company which 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 THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and on the date of this report. There has been no change in the nature of business of the Company.

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

Since the Company is engaged in providing financial services, the details required under Section 134 of the Companies Act, 2013 are not applicable to the Company. However, Company believes in conserving the natural resources and uses CFL and LED Lighting in the office premises which has low energy consumption. The Company has no disclosures to be made in connection with technology absorption.

During the reporting period there was no foreign exchange earnings and foreign exchange expenditure.

### **RISK MANAGEMENT**

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

### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.



## ANNUAL 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 degree of fulfilment of key responsibilities, Board composition and structure, effectiveness of board processes, information and functioning etc.

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

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Girish Jain (DIN: 00151673), Non-Executive Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The Board of Directors on the recommendation of the Nomination and Remuneration Committee and based on report of performance evaluation, has recommended re-appointment of Mr. Girish Jain as Director of the Company liable to retire by rotation.

Mr. Akash Anchan ceased to be the Company Secretary and Compliance Officer (KMP) of the Company w.e.f December 04, 2021 and accordingly Mr. Mahipal Singh Chouhan has been appointed as the Compliance officer and Company Secretary (KMP) of the Company w.e.f. December 05, 2021 and February 09, 2022 respectively.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the following declarations from all the Independent Directors confirming that:

1. They meet the criteria of Independence as prescribed under the provisions of Section 149(7) of Companies Act, 2013 read with Rules and Schedules issued thereunder and also Regulation 25 of Listing Regulations.
2. They have registered themselves with the Independent Director's Database maintained by IICA.
3. None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

## REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment (s) thereof for the time being in force) and as per section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 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).

## 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 Company has in place adequate financial controls commensurate with its size, scale and complexity of its operations. The company has in place policies and procedures required and efficiently conduct its business, safeguard its assets, detect frauds and errors, maintain accuracy and completeness of accounting records in a timely and reliable manner.

The Company continues to have periodical internal audits conducted of all its functions and activities to ensure that system and processes are followed across all areas.

## SECRETARIAL STANDARDS:

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

## 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 2021-22;

Non-Executive Directors	Ratio to median remuneration
Mr. Inderchand Jain*	1.61%
Mr. Anil Sampat*	1.61%
Mr. S.C. Aythora *	2.09%
Mr. Nitin Kulkarni *	2.09%
Mr. Vijay Joshi*	1.61%
Mrs. Shraddha Jain*	1.28%
Mr. Girish Jain*	1.44%
<b>Executive Directors</b>	-
Mr. Rajnesh Jain	932.74%

\*Sitting fees paid to all the Non-Executive Directors and Independent Directors of the Company.

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

The median remuneration is calculated based on the salary paid during the financial year to employees on payroll as on March 31, 2022.

- 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. 2021-22
Mr. Inderchand Jain	Non Executive Director	No Increase
Mr. S.C. Aythora	Non Executive Director	No Increase
Mr. Nitin Kulkarni	Non Executive Director	No Increase
Mr. Anil Sampat	Non Executive Director	No increase
Mr. Vijay Joshi	Non Executive Director	No increase
Mr. Girish Jain	Non Executive Director	No Increase
Mrs. Shraddha Jain	Non Executive Director	No Increase
Mr. Rajnesh Jain	Whole Time Director	No Increase
Mr. Akash Anchan (Resigned w.e.f 04th December 2021)	Company Secretary	*
Mr. Mahipal Singh Chouhan (Appointed w.e.f. 09th February 2022)	Company Secretary	*

\* Since Mr. Akash Anchan has resigned and Mr. Mahipal Singh Chouhan has joined employment in the current financial year and hence provisions relating to increase in their salary is not applicable

- iii. **The percentage increase in the median remuneration of employees in the financial year:** 10%
- iv. **The number of permanent employees on the rolls of Company as on March 31, 2022:** 3 (Three)
- 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:**

There is no increase in Average percentile in salaries of employees other than managerial Personnel

**Note :- The average percentile increase in the salaries of the employees other than the managerial Personnel is calculated based on the employees on payroll as on March 31, 2022.**

- 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.

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

#### STATUTORY AUDITOR

The Company at its Annual General Meeting ('AGM') held on December 24, 2020, appointed M/s. Batliboi & Purohit as the Statutory Auditors for a term of 5 (five) years from the conclusion of the 32nd AGM to the conclusion of the 37th AGM of the Company.

They have confirmed their eligibility and qualification required under Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under for continuation as Auditors of the Company

The Independent Auditors' Report for the financial year ended March 31, 2022 on the financial statements of the Company forms part of Annual report.

The Auditors' Report for the financial year ended March 31, 2022 does not contain any qualification, reservation or adverse remark.

#### INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has re-appointed M/s Sanjay Raja Jain & Co., as an internal auditor of the Company for the financial year 2022-23.

#### 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 Board of Directors of the Company has appointed M/s. Bhadresh Shah & Associates, a firm of Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2022-23.

The Report of the Secretarial Auditor issued by M/s. Bhadresh Shah and Associates for the FY 2021-22 forms part of this Report.

The Secretarial Audit Report issued by M/s. Bhadresh Shah and Associates for the FY 2021-22 does not contain any qualifications, reservations, or adverse remarks or disclaimer, is annexed and forms part of this report.

#### PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading as amended from time to time with a view to regulates trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

#### 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. During the financial year, no cases under this mechanism were reported to the Company and/or to any of its subsidiaries/associate. The Whistle Blower Policy has been posted on the website of the Company.

#### SHARE CAPITAL

The Authorised share capital of your Company as on March 31, 2022, was Rs 62,15,00,000. The issued subscribed and paid up share capital of your Company as on 31st March, 2022 was Rs 4,78,57,400 comprising of 47,85,740 equity shares of Rs 10/- each. During the reporting period, the Company has not altered its share capital.

#### LISTING OF SHARES

The 47,85,740 Equity Shares of the Company are listed on BSE Limited. The annual listing fee for the financial year 2022-23 has been paid to BSE Limited (BSE).

#### INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of the Act, read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('Rules'), Shares pertaining to dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF. Accordingly, Shares pertaining to unclaimed dividends of Shareholders for FY 1995, 1996, 1997, 1998, 1999, 2000 and 2002 have been transferred to IEPF as per their due date which was lying in the Unpaid Dividend Account of the Company.

Further, the shares pertaining to which dividend remains unclaimed for a consecutive period of seven years from the date of transfer of the dividend to the Unpaid Dividend Account is also mandatorily required to be transferred to the IEPF Authority established by the Central Government.

Shareholders /claimants whose shares, unclaimed dividend, have been transferred to the aforesaid IEPF Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time.

Details of the Shares transferred to IEPF Account

Sr. No.	No of shares Transferred to IEPF	No of Shareholders
1	16,215	316

Further Company has appointed Mr. Mahipal Singh Chouhan, Company Secretary & Compliance Officer as Nodal Officer under the provisions of IEPF.

#### POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Policy on Prevention of Sexual Harassment at work place is not applicable to the Company

#### 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 Rs. 10 Crores and net worth does not exceed of Rs. 25 Crores as on March 31, 2022.

However, to maintain highest standards of 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.

#### 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. Sajjan Bawri, Chief Financial Officer, as specified in Part B of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the financial year ended March 31, 2022 was placed before the Board of Directors of the Company at its meeting held on May 16, 2022.

#### OTHER DISCLOSURES

- Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, is not required by the company.
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- The Company has not issued any sweat equity shares to its directors or employees;
- No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable;
- There was no revision of financial statements and Board's Report of the Company during the year under review;
- There has not been any instance of one - time settlement done with banks / Financial Institution during the Financial Year.

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

### 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**

**Inderchand Jain  
Chairman  
DIN: 00178901**

Place: Mumbai  
Date: August 11, 2022

### 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/joint ventures**

#### Part "A": SUBSIDIARY

(Rs. in 000)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	KJMC Trading & Agency Limited
2.	The date since when subsidiary was acquired	07-09-2015
3.	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)
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5.	Share capital	1,000
6.	Reserves & surplus	145,457
7.	Total assets	152,075
8.	Total Liabilities	5,618
9.	Investments	151,465
10.	Turnover	1,669
11.	Profit before taxation	(751)
12.	Provision for taxation	Nil
13.	Profit after taxation before Other Comprehensive Income	(751)
14.	Other comprehensive income	22,208
15.	Profit for the Year	21,457
16.	Proposed Dividend	Nil
17.	% of shareholding	100%

### Part "B": ASSOCIATE

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

(Rs. In 000)

	Name of Associates	KJMC Platinum Builders Private Limited
1.	Latest audited Balance Sheet Date	31-03-2022
2.	Date on which the Associate was associated or acquired	13-03-2013
3.	Shares of Associate held by the company on the year end No.	79,800
	Amount of Investment in Associates	12,635
	Extend of Holding%	34.04%
4.	Description of how there is significant influence	Holding more than 20% of Equity Shares
5.	Reason why the associate/joint venture is not consolidated	NA
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	20,473
7.	Profit/Loss for the year	
i.	Considered in Consolidation	156.25
ii.	Not Considered in Consolidation	302.75

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

**Girish Jain**  
Director  
DIN : 00151673

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

**Sajjan Bawri**  
Chief Financial Officer

**Mahipal Singh Chouhan**  
Company Secretary

Place: Mumbai  
Date: August 11, 2022

**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 arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Nil
2. **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.	Mr. Rajnesh Jain, Whole Time Director Mrs. Shraddha Jain, Non- Executive Director and Mrs. Chanddevi Jain, Promoter of the Company	Leave and License Agreement for a period of 11 months	11 months	Rs. 1,50,000/- monthly	01.06.2021	-
2.	Mr. Rajnesh Jain, Whole Time Director	Approval for Remuneration FY 2021-22 as per the Shareholders approval in their meeting dated 24th December 2020	12 months	The amount will not be more than Rs. 1,20,00,000/-	01.06.2021	-
3.	Mr. Rajnesh Jain Whole-Time-Director of the Company.	Approval of material related party transaction to Grant the Loan upto Rs. 1,00,00,000 to Mr. Rajnesh Jain	12 months	Granted loan upto Rs. 1,00,00,000 at Interest rate of 14%	09.08.2021	-
4.	KJMC Trading & Agency Limited, Wholly owned Subsidiary of the Company	Omnibus approval for availing Manpower services by Company from KJMC Trading & Agency Limited during FY – 2022-23	12 months (FY-2022-23)	The amount of contract will not be more than Rs. 20,00,000/-	09.02.2022	-

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

**Inderchand Jain**  
Chairman  
DIN: 00178901

Place: Mumbai  
Date : August 11, 2022

## MANAGEMENT DISCUSSION & ANALYSIS

### OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI), prudential norms issued by RBI, Ind AS i.e. Indian accounting standards prescribed by the Institute of Chartered Accountants of India and the Generally Accepted Accounting Principles in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner and reasonably present our state of affairs, profits and cash flows for the year.

### GLOBAL ECONOMY

The world has shown remarkable resilience in the face of two consecutive waves of COVID-19 caused by the Delta and Omicron variants of the virus in FY 2022. The lockdowns imposed by governments across the world were quite significant during the Delta variant but was limited during the third wave. The economic activities however were on an upswing but supply side constraints disrupted financial markets and businesses. Central banks implemented an array of measures to ensure credit was available to businesses and individuals. Large-scale vaccination drives around the world, coupled with accommodative policy measures, boosted economic recovery.

However, many low-income, emerging economies continue to struggle with the uncertainties unleashed by the pandemic. Rising supply chain disruptions, semiconductor shortages and the continued energy crisis complicated by the ongoing geopolitical conflict in Ukraine, are creating short-term challenges for business. According to the International Monetary Fund (IMF) outlook, global growth is predicted to be 3.6% in 2022, down from 6.1% in 2021. But the forecast hinges upon improved health conditions across the world on the back of aggressive vaccination drive and equitable access to treatment, coupled with the availability of advanced and effective therapies. By the second quarter of 2022, the negative impact of the pandemic is expected to lessen, provided there are no fresh outbreaks.

### INDIAN ECONOMY

The Indian economy gained momentum after the second wave of COVID-19 but the emergence of the third wave in January 2022 led to a worsening performance across several high frequency indicators. As per National Statistical Office's second advance estimates, the Indian economy grew by 8.7% in 2021-22 while GDP growth slowed to 4.1% in Q4 2021-22.

The growth in FY 2022 was driven by increased exports, investment and consumer demand and was supported by fiscal and monetary policies. Better capacity utilisation in the agricultural sector, revival of manufacturing, higher consumer confidence with the increase in vaccination rate and increase in mobility stimulated the economy. Increased capital expenditure in infrastructure and the rise of the real estate industry contributed to the construction sector's resurgence, boosting the economy.

The rural economy was significantly impacted by the second wave of COVID-19. However, as the year progressed, favourable monsoons,

good harvest, increasing acreage along with higher support prices improved cash flow in the rural segment.

The Consumer Price Index (CPI) inflation in India stood at 6.95% in March 2022 and have since then moved upwards to touch an 8-year high of 7.79% recorded for April 2022. The rising inflation and uncertainty around its outlook is a reflection of persisting geopolitical tensions and sanctions resulting in elevated prices of crude oil and other commodities along with continuing Covid related supply chain bottlenecks and disruptions in the labour market.

GDP trends in India					
Year	2017-18	2018-19	2019-20	2020-21	2021-22
India's GDP	7.0%	6.1%	4.2%	(6.6)%	8.7%

### OUTLOOK

The outlook for the Indian economy, along with other world economies has been revised to factor the impact of the Russia-Ukraine conflict along with the ongoing expectations of recovery post the COVID-19 pandemic. Meanwhile, the Reserve Bank of India (RBI) has clarified on continuation of its accommodative policy stance in view of the persistent challenges and the rising inflationary pressure. However, with the fundamentals of the country being intact, with higher vaccination coverage, gains from the supply-side reforms, regulatory easing out, healthy export growth, and availability of fiscal headroom is likely to lead India's march as the fastest-growing economy in 2022-23 as well.

### INDUSTRY OVERVIEW

The all-time high capital adequacy at all of the country's tier-I banks should have a trickle-down effect on the overall health of the BFSI sector. With balance sheets reflecting robustness, granularity and liquidity, risk appetite is expected to return. Credit issuance is set to grow as systemic credit growth seems to have bottomed out. Thus, competition is expected to intensify as providers increasingly focus on retail lending.

The regulator continues to periodically stress test the overall sector's performance to check for soundness and resilience; it continues to maintain a strong watch over the performance of NBFCs, some of which were found to be vulnerable to liquidity shocks. The regulator has also continued its accommodative policy stance put in place since June 2019, which continued even post the commencement of the COVID-19 pandemic.

Since H1 2020-21, loans and advances have started to rebound, showing growth in the balance sheets of the NBFCs, coming on the back of tumultuous two-year period of liquidity crunch. The macroeconomic uncertainty prevailing has moderated expectations of a dramatic recovery. However, as alternate channels of credit, NBFCs and MFIs continue to play a critical role in fulfilling credit demand. The outstanding Gross Loan Portfolio of NBFC-MFIs grew by 18.3% during H1 2021-22 over the corresponding year-ago period. (Source: CareEdge Research)

### INDUSTRY GROWTH PROSPECTS

#### Automobile (Two Wheeler) Industry

Overall, the automobile sector witnessed a de-growth of 6% in FY 2022. All segments are facing supply-side challenges and the industry is yet to see complete recovery from the disruptions it has been facing since

early 2020. Ongoing challenges due to the pandemic, supply chain disruptions and semi-conductor shortages are some of the reasons for the poor performance.

The domestic market for automobiles remained lacklustre during year, with some pockets of strengths in the passenger vehicles (PVs) and tractors segments. The outlook is positive for the forthcoming year, given the economic recovery, the opening up of schools and offices, and increasing consumer confidence from the vaccination drives.



The degrowth in the two-wheeler and three-wheeler market continued for the third straight year due to soft demand in rural India and high cost of ownership. Rural demand has generally been a key driver of the two-wheeler and entry-level PV segments. The Government's plan for Rs. 2.3 lakh crore direct payment as minimum support price (MSP) to farmers may boost sales in the two-wheeler and entry level PV categories. A gradual recovery in two-wheeler demand is expected in FY 23 with a decent growth year on year considering a low base.

NBFCs are seeing a rise in demand for used vehicle financing amid Covid. The pandemic preference for owning second and third cars in households, upgrades by two-wheeler owners to preowned cars and lower cost of used vehicles are some of the drivers for the increase in demand for used vehicles. NBFCs offering loans for used vehicles are bullish about rapid growth in the financial year.

### MSMEs Industry

MSMEs employ 40% of the country's workforce; contribute 30% of the nation's GDP and are responsible for 50% of its exports. The MSME sector was among the hardest hit during the pandemic. In view of the significance of the sector for income and employment generation, the RBI and the central government introduced several measures in FY 2021 to revive the sector. During FY 2022, many of these regulatory policies were extended including:

- The scheme of one-time restructuring of loans to MSMEs without an asset classification downgrade was extended in May 2021
- The Tap Targeted Long-Term Repo Operations (TLTRO) scheme was extended till 31st December 2021
- The special refinance facility was bolstered in April 2021 by providing fresh support of Rs. 15,000 crore to Small Industries Development Bank of India (SIDBI) to meet the funding requirements of MSMEs during FY 2022
- In June 2021, another special liquidity facility of Rs. 16,000 crore was provided to SIDBI for on-lending/ refinancing through novel models and structures to meet MSMEs' short- and medium-term credit needs

- The Central government extended the Emergency Credit Line Guarantee Scheme (ECLGS) facility till 30th September 2021 or till guarantees worth Rs. 3 lakh crore are issued
- Bank lending to registered NBFCs for on-lending to agriculture, MSMEs and housing was permitted to be classified as Priority Sector Lending till 30th September 2021

Additionally, the recent amendment of the Factoring Regulation Act can incentivise all NBFCs to boost the MSME sector

Performance in FY 2022 :- According to RBI, credit growth to micro and small industries accelerated to 19.9% to Rs. 4.84 lakh crore in FY 2022 from 3.1% in FY 2021. According to a study by Assocham-CRISIL, the MSME sector is expected to rebound sharply with 15-17% growth in revenues for FY 2022, on the back of demand recovery following the easing of pandemic restrictions.



### BUSINESS AND INDUSTRY REVIEW:-

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 for purchase of two wheeler vehicle. The Company is also involved in providing fund based financial services and funding solutions to the Indian Corporate, institutions, SME's etc. Your Company focuses on following lending products:

- Loan for purchase of Two Wheelers
- MSME Loans (Small Ticket Loans )

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 building its own proprietary technology for Lending including assessment and collection. This technology will utilize several third Party API's for assessing customer's credit worthiness using data collected through loan application and other credit verification of the documents of the customer using technology. Your Company believes that its focus on positioning itself as a Tech based NBFC 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.

## FINANCIAL REVIEW

On standalone basis, your Company earned the gross income of Rs37350 (Rs. in 000) as against Rs 19535 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs 38324 (Rs. in 000) as against Rs 37901 (Rs. in 000) in the previous year. The Net Loss after tax before OCI was Rs (4307) (Rs. in 000) as against Rs (13988) (Rs. in 000) in the previous year.

On consolidated basis, your Company earned the gross income of Rs 37891 (Rs. in 000) as against Rs 19560 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs 39617 (Rs. in 000) as against Rs 39290 (Rs. in 000) in the previous year. The Net Loss after tax before OCI was Rs (5067) (Rs. in 000) as against Rs (15304) (Rs. in 000) in the previous year.

## KEY FINANCIAL RATIOS

Sr. No.	Ratio	31.03.2022	31.03.2021	Key Ratio Analysis
1	Debtors Turnover Ratio	-	-	-
2	Inventory Turnover Ratio	-	-	-
3	Interest Coverage Ratio	0.89	(1.33)	On Standalone basis, the interest coverage ratio as on 31st March 22 is 0.89 as against (1.33) as on 31st March 2021. The reduction is primarily on Increase in the EBIT to 76.11 Lakhs in the current year as from (104.76) Lakh in the previous year.
4	Current Ratio	1.33	1.11	On Standalone basis the current ratio as on 31st March 22 is 1.33 as against 1.11 as on 31st March 2021. The increase in the current ratio is primarily due to increase in the current asset.
5	Debit Equity Ratio	0.06	0.04	On Standalone basis the debt equity ratio as on 31st March 22 is 0.06 as against 0.04 as on 31st March 2021. The increase in the debt equity ratio is primarily due to increase in debt.

Sr. No.	Ratio	31.03.2022	31.03.2021	Key Ratio Analysis
6	Operating profit Margin	0.20	(0.54)	On Standalone basis, the interest coverage ratio as on 31st March 22 is (0.20) as against (0.54) as on 31st March 2021. The reduction is primarily on Increase in the EBIT to 76.11 Lakhs in the current year as from (104.76) Lakh in the previous year.
7	Net Profit Margin	(0.12)	(0.72)	On Standalone basis, the interest coverage ratio as on 31st March 22 is (0.12) as against (0.72) as on 31st March 2021. The reduction is primarily on increase in the PAT to (43.07) Lakhs in the current year as from (139.88) Lakh in the previous year.

## RISKS AND CONCERNS

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

- Impact of markets on our revenues and investments, sustainability of the business across cycles.
- Sharp movement / Volatility 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
- Risk of default or non-repayment of loan by a borrower due to liquidity crisis, economic downturns, bankruptcy or other reasons
- Risk due to mismatch between assets and liabilities on account of inadequate liquidity, changes in interest rates, etc.
- Failure of processes and controls with respect to the operations can have adverse impact on the business continuity, reputation and profitability of the Company
- Risk due to changes in Regulatory framework



- Inability to conduct business and service clients in the event of a contingency such as a natural calamity breakdown of infrastructure, etc.
- Higher pricing pressure with the risk of increase in weighted average cost of funds
- Depreciation in the rupee and hardening global yields to have risks of effects on Overseas Investors

The gross non-performing assets (NPAs) of Indian banks may rise to 8-9 per cent by the end of this fiscal year (FY22), 50-150 basis points higher than FY21 levels, but much below the FY18 levels when NPAs reached a peak of 11.2 per cent, said rating agency Crisil in a research note. This will constrain the banking system from growing in aggregate. The changing behaviour of the retail consumer is reflected in credit off-take becoming increasingly broad-based and monetisation of savings. All of these factors augur well for Non - Banking Finance Companies ("NBFC"). The Company has a cautiously optimistic outlook for the next financial year. Improving growth dynamics, domestic consumption and infrastructure spending and supportive tailwinds from global growth are likely positives. The Company will be closely watching the monsoons, timing of monetary policy tightening by the large central banks in advanced economies, protectionist tendencies of large global economies as they have the ability to impact liquidity and inflation, both critical variables impacting our largest resource – "Money".

## OPPORTUNITIES AND THREATS

The USD 100 billion Indian automobile industry is one of the core sectors of the Indian economy, contributing about 49% to the country's manufacturing GDP and 7.5% to its overall GDP. The industry value chain employs over 32 million people, and the Indian automobile market is the fourth largest in the world. In the last decade, production of 2-Wheelers has nearly tripled, and that of passenger vehicles (PVs) and commercial vehicles (CVs) has doubled. The industry is also witnessing a massive qualitative jump, with increased focus on safer and more environment-friendly vehicles, driven by a mix of policy changes and changing consumer preference. As per National Automotive Mission Plan 2016-2026, the sector is expected to account for 65 million new jobs within India by 2026.

As per SIAM data, the industry produced a total 22,933,230 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in April 2021 to March 2022, as against 22,655,609 units in April 2020 to March 2021. Two Wheelers sales decreased by 10.94% from 15,120,783 to 13,466,412 units in April 2021 to March 2022 over same period last year and Two Wheelers Exports increased by 35.34% from 3,282,786 to 4,443,018 units in April 2021 to March 2022 over same period last year.

## ADEQUACY OF INTERNAL CONTROLS

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

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 2021-22.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

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

**FORM NO. – MR-3  
Secretarial Audit Report**

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

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

To,  
The Members  
**KJMC Financial Services Limited**  
(CIN: L65100MH1988PLC047873)  
162, Atlanta 16th Floor Nariman Point Mumbai  
Mumbai 400021.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 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 March 31, 2022 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- I. The Companies Act, 2013 and Amendments made from time to time (hereinafter collectively referred to as the ("the Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and Amendments made from time to time and the Rules made thereunder;
- III. The Depositories Act, 1996 and Amendments made from time to time and the Regulations and Bye-laws framed thereunder;
- IV. During the Audit period, there was no transaction relating to Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings observed under Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. – Not Applicable as the Company has not offered any stock options to the Employees under the said regulation.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable as Debt securities were not listed on stock exchange
  - f. 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;- Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- Not applicable as the Company has not delisted its Equity Shares from the Stock Exchange
  - h. the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the Company has not bought back any of its securities
- VI. Other laws specifically applicable to the Company:
- Reserve Bank of India Act, 1934
  - Income Tax Act 1961, and Goods and Service Tax Act 2017
  - Information Technology (Amendment), Act 2008

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and amendments from time to time.
- iii. The Listing Agreement entered into by the Company with BSE Limited.

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

**I further report that** on the basis of information received and records maintained by the Company that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. There were no changes in the composition of the Board of Directors during the year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and Detailed Notes on Agenda were sent at least seven days in advance, and in case of Meetings convened at shorter notice, requisite consent for holding such meetings at shorter notice was obtained by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation in the meeting.

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

**I further report that** as per the explanation and clarification given to me, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I report that the** Company has filled all the forms and returns as required under the Companies Act, 2013. The Company is generally regular in filing the forms and returns within the prescribed time, where there were delays in filing of e-form, the said e-forms were filled with additional fees;

**I further report that** during the Audit period under review, the Company has not undertaken any event/action except those as mentioned hereunder, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**I further report that** during the audit period the Company has the following specific events:

1. The Board of Directors has passed a Resolution that the Company has neither accepted any Public Deposit nor is holding any Public Deposit as on March 31, 2022. Further the Company shall not accept any Public Deposit in future without the prior approval of Reserve Bank of India.

**Bhadresh Shah**  
**Proprietor**  
**Bhadresh Shah and Associates**

**Membership No.: A23847**  
**CP No.:15957**  
**PR Certificate No.: 1917/ 2022**  
**UDIN: A023847D000780108**  
**Place: Mumbai**  
**Date: 11.08.2022**

Note: This Report is to be read with our letter annexed as Annexure-A which forms an integral part of this report.

## **ANNEXURE A**

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

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

1. Maintenance of Secretarial Records is the responsibility of the management of the company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my report.
3. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to Secretarial Compliances
4. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for our opinion
5. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, wherever required
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

### **Disclaimer:**

- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 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.

**Bhadresh Shah**  
**Proprietor**  
**Bhadresh Shah and Associates**

**Membership No.: A23847**  
**CP No.:15957**  
**PR Certificate No.: 1917/ 2022**  
**UDIN: A023847D000780108**  
**Place: Mumbai**  
**Date: 11.08.2022**

**REPORT ON CORPORATE GOVERNANCE**

Pursuant to Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company voluntarily submits the following report:

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

We, at KJMC Financial Services Limited, strongly believe in the practice of conducting the business activities in an ethical manner that ensures high level of accountability and trust for all our stakeholders. For us, Corporate Governance is a reflection of principles entrenched in our values and policies and also embedded in our day-to-day business practices, leading to value driven growth. We have adopted the best governance practices and disclosure standards leading to enhanced shareholders' value while protecting the interests of all the stakeholders.

Our values reflect our continued commitment to ethical business practices across our operations. The timely disclosures, transparent accountability policies and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long term corporate value. Our actions are governed by our values and principles, viz., integrity, teamwork, client focus, innovation, implementation, performance and partnership, which is reinforced at all, levels across the KJMC Financial group.

We conduct our business in accordance with prevailing statutes and regulations, with due focus on transparent and fair practices, efficiency, customer-orientation and corporate governance principles. We also constantly strive to adopt emerging best practices. It is our constant endeavour to provide the stakeholders' an oversight for strategy implementation, risk management and fulfilment of stated goals and objectives and provide them relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in corporate governance process.

The Company continuously strives at improving and adhering to the good governance practice as stipulated in various legislations viz., Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as "the Listing Regulations"), the Companies Act, 2013 (hereinafter referred to as "the Act") and all other applicable rules and regulations.

A report on Corporate Governance is given below:

**2. BOARD OF DIRECTORS**

The Directors on the Board of the Company possess varied skills and expertise, have diverse background and possess requisite qualifications and experience which enables them to discharge their responsibilities, provide effective leadership and independent views to the management. The Directors of the Company helps the Company in adhering to high standards of corporate governance practices.

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

The composition of the Board complies with the provisions of the Companies Act, 2013. As at March 31, 2022 the Board consists of eight Directors comprising of three Non-Executive Directors including a woman Director, four 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 a Non-Executive Director. The Independent Directors have confirmed to the Board that they meet the criteria of Independence as specified under Section 149(6) of the Act and that they qualify to be Independent Directors pursuant to Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have further confirmed to the Board that they meet the required criteria for being the independent directors as outlined under Regulation 16(1)(b) of the Listing Regulations.

The Board meetings are held at regular intervals to consider, discuss and approve inter alia, the unaudited and audited standalone and consolidated financial results of the Company, strategy and policy, risk management, competitive scenario, etc.

During the financial year, the Board met Four (4) times during the year on June 01, 2021, August 09, 2021, November 11, 2021 and February 09, 2022. The required quorum was present at 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, 2022 are given herein below.

Name of the Director	Category	Relationship with each other	Directorships held in other listed entities	Number of Board meetings during the year 2021-22		Whether attended last AGM held on September 29, 2021	Number of directorships in other Public Companies	Number of committee positions held in other public companies*		No. of shares held in the Company along with % to the paid up share capital of the Company ***
				Held	Attended			Chairman	Member	
Mr. Inderchand Jain DIN:00178901	Promoter & Non Executive Director (Chairman)	Father of Mr. Rajnesh Jain and Mr. Girish Jain & Father in law of Mrs. Shraddha Jain	Non-Executive - Non Independent Director of KJMC Corporate Advisors India Limited	4	4	No	2	1	2	2,13,000 (4.45%)
Mr. Rajnesh Jain (Whole Time Director) DIN:00151988	Promoter & Executive Director	Son of Mr. Inderchand Jain, Brother of Mr. Girish Jain and Husband of Mrs. Shraddha Jain	Non-Executive - Non Independent Director of KJMC Corporate Advisors India Limited	4	4	Yes	5	-	2	1,97,335 (4.12%)
Mr. Girish Jain DIN:00151673	Promoter & Non-Executive Director	Son of Mr. Inderchand Jain and Brother of Mr. Rajnesh Jain and Brother-in-law of Mrs. Shraddha Jain	Whole time Director of KJMC Corporate Advisors India Limited	4	4	Yes	4	-	1	1,97,335 (4.12%)
Mr. S.C. Aythora DIN:00085407	Independent Director	**	Non-Executive Independent Director of KJMC Corporate Advisors India Limited and Gold Rock Investments Limited	4	4	Yes	4	2	4	350 (0.00%)
Mr. Nitin Kulkarni DIN: 02297383	Independent Director	**	Non-Executive Independent Director of KJMC Corporate Advisors India Limited	4	4	Yes	2	2	3	10 (0.00%)
Mrs. Shraddha Jain DIN:00156306	Non-Executive Director	Daughter-in law of Mr. Inderchand Jain and Wife of Mr. Rajnesh Jain	Non-Executive Director of KJMC Corporate Advisors India Limited	4	4	Yes	3	-	-	-
Mr. Anil Sampat DIN: 06735051	Independent Director	**	Non-Executive Independent Director of KJMC Corporate Advisors India Limited	4	4	Yes	1	-	-	5,500 (0.01%)
Mr. Vijay Joshi DIN: 00151550	Independent Director	**	Non-Executive Independent Director of KJMC Corporate Advisors India Limited	4	4	Yes	1	-	-	-

**Notes:**

\*Position in Audit Committee and Stakeholders Relationship Committee only (excluding Private Limited Company, Foreign Company and Section 8 Company) as provided in Regulation 26(1) of Listing Regulations.

\*\* No inter-se relationship with any of the Directors of the Company.

\*\*\* As per the declarations made to the Company by the Directors as to the shares held in their own name or held jointly as the first holder or held on beneficial basis as the first holder.

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the directors on the board hold directorships in more than ten public companies and none of them is a member of more than ten committees or chairman of more than five committees across all public companies in which they are directors. In compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies at the same time with the directorship in public companies not exceeding 10 (Ten).

The familiarisation programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company: [www.kjmcfinserve.com](http://www.kjmcfinserve.com).

## (b) Board Procedures:

The Agenda for the meetings 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.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued there under, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors and its Committees.

The day-to-day management of the Company is entrusted with the Executive Director and the Senior Management Personnel of the Company who function under the overall supervision, director and control of the Board of Directors

## 3. AUDIT COMMITTEE

The Committee composition and terms of reference are in compliance with the provision of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess requisite qualifications and expertise.

### (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 June 01, 2021, August 09, 2021, November 11, 2021 and February 09, 2022. 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 2021-22	
		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

All the member of the Audit Committee are financially literate and have accounting or related financial management expertise. 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 last Annual General Meeting (AGM) of the Company was held on September 29th, 2021.

## 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 reference of Nomination and Remuneration Committee consists of making recommendations on matters related to remuneration of Directors and Senior Management, review of performance-based remuneration with reference to corporate goals and objectives, frame policy and review the process of succession planning at key levels in the Company and other related matters.

### (b) Composition & Meetings:

The Committee met Two (2) time during the year on June 01, 2021 and February 09, 2022. 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 2021-22	
		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) Remuneration Policy:**

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

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

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

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

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

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, 2022:**

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 Rs.)

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. Anil Sampat	16000	-	-	4000
Mr. Vijay Joshi	16000	-	-	4000
Mr. Inderchand Jain	16000	4000	-	-
Mr. Girish Jain	16000	-	2000	-
Mrs. Shraddha Jain	16000	-	-	-

**(e) Details of remuneration paid to the Executive Directors for the year ended March 31, 2022:**

(Rs. in 000)

Name of Director	Salary Basic and allowances	Benefits Perquisites	others	Total	Service contract / Notice period
Mr. Rajnesh Jain	2400	9221	-	11621	Reappointed for a period of three years w.e.f. 11th August, 2020.

**(f) Details of equity shares of the Company held by the Directors as on March 31, 2022 are given below:**

Name	Number of equity shares
Mr. Inderchand Jain	2,13,000
Mr. Rajnesh Jain	1,97,335
Mr. Girish Jain	1,97,335
Mr. S. C. Aythora	350
Mr. Nitin Kulkarni	10
Mr. Anil Sampat	5500

**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 overviews the steps to be taken for further value addition in the quality of service to the investors.

During the year, Company was received 1 complaint and the same has been redressed/resolved effectively by the Company. As on March 31, 2022, 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, 2022, 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, 2022, One (1) meeting was convened and held on January 6, 2022.

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 2021-22	
			Held	Attended
1.	Mr. Inderchand Jain	Chairman (Non-Executive Director)	1	1
2.	Mr. Nitin Kulkarni	Member (Independent Director)	1	1
3.	Mr. Rajnesh Jain	Member (Executive Director)	1	1
4.	Mr. Girish Jain	Member (Non-Executive Director)	1	1

## 6. 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 at least 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 February 09, 2022 and attended by all Independent Directors i.e. Mr. S. C. Aythora, Mr. Nitin Kulkarni, Mr. Anil Sampat and Mr. Vijay Joshi.

## 7. CREDIT & 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 Credit and Investment Committee.

The composition of the Credit and Investment Committee is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Inderchand Jain	Chairman - Non-Executive Director
2.	Mr. Girish Jain	Non-Executive Director
3.	Mr. Rajnesh Jain	Executive Director

During the year ended on March 31, 2022, Two (2) meeting was convened and held on November 11, 2021 and February 9, 2022.

## 8. DEBENTURE ALLOTMENT 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 Debenture Allotment Committee for considering and approving Allotment of Debentures. The committee comprises of Mr. Inderchand Jain, Chairman, Mr. Girish Jain and Mr. Rajnesh Jain as the members of the Debenture Allotment Committee.

The composition of the Debenture Allotment Committee is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Inderchand Jain	Chairman - Non-Executive Director
2.	Mr. Girish Jain	Non-Executive Director
3.	Mr. Rajnesh Jain	Executive Director

During the year, No meeting of the Debenture Allotment Committee was held.

## 9. IT STRATEGY COMMITTEE

As per the Master Direction - Information Technology Framework for the NBFC Sector dated 08.06.2017 (Ref. Master Direction DNBS.PPD.No.04/66.15.001/2016-17), NBFC's are required to form IT Strategy Committee on or before 30.09.2018. Therefore the Board constituted the IT Strategy Committee. The said Committee will be responsible for reviewing and amending the IT strategies in line with the corporate strategies, Board policy reviews, cyber security arrangements and any other matter related to IT Governance.

The composition of the IT Strategy Committee is as follows:

Sr. No.	Name of Director	Category	No. of meetings during the financial year 2021-22	
			Held	Attended
1.	Mr. Nitin Kulkarni	Chairman (Independent Director)	1	1
2.	Sajjan Bawri	Member (Chief Financial Officer & Chief Information Officer)	1	1
3.	Mr. Raj Randhawa	Member (Group Chief Technology Officer)	1	1



During the financial year 2021-22, One meetings of the IT Strategy Committee was held on 09.02.2022

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

**Mahipal Singh Chouhan**  
**Company Secretary and Compliance officer**

KJMC Financial Services Limited  
162, Atlanta, 16th Floor, Nariman Point, Mumbai 400 021  
Telephone: 022-40945500, Ext: 104 Fax: 91 22 22852892  
Email: investor.finance@kjmc.com

**10. 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
2020-21***	AGM	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point Mumbai – 400021	29/09/2021	11.00 A.M.
2019-20**	AGM	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point Mumbai – 400021	24/12/2020	11.00 A.M.
2018-19*	AGM	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point Mumbai – 400021	30/09/2019	12.15 A.M.

\* Special Resolution pursuant to the provisions of section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Re-appointment of Mr. S.C. Aythora (DIN: 00085407), as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 26th September 2019 to 25th September 2024 AND THAT his office shall not be liable to retire by rotation the resolution was passed in the AGM held on 30th September 2019.

\* Special Resolution pursuant to the provisions of section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Re-appointment of Mr. Nitin Kulkarni (DIN: 02297383), as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 26th September 2019 to 25th September 2024 AND THAT his office shall not be liable to retire by rotation the resolution was passed in the AGM held on 30th September 2019.

\*\* Special Resolution was passed in AGM held on December 24, 2020 for Continuation of appointment of Mr. Inderchand Jain, Chairman and Non-Executive Director.

\*\* Special Resolution pursuant to the provisions of section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Appointment of Mr. Anil Sampat (DIN: 06735051), aged 77 years, as an Independent Non-Executive Director of the Company to hold office for a term of five consecutive years with effect from July 15, 2020 AND THAT his office shall not be liable to retire by rotation the resolution was passed in the AGM held on 24th December 2020.

\*\* Special Resolution pursuant to section 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made there under, for Re-appointment and terms of remuneration payable to, including remuneration to be paid in the event of loss or inadequacy of profits in any of the Financial Year during the tenure of appointment of Mr. Rajnesh Jain (DIN: 00151988), Whole-time Director of the Company, for a period of 3 (three) years w.e.f. August 11, 2020 to August 10, 2023.

\*\* Special Resolution pursuant to section 42, and 71 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modifications or re-enactments thereof for the time being in force), and in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable SEBI Regulations and Guidelines, if any, the Foreign Exchange Management Act, to raise funds from time to time by way of issue, offer, invite for subscription and to allot rated/unrated, Secured/unsecured, listed/unlisted, Redeemable Non-Convertible Debentures ('NCDs'), on a private placement basis, in one or more series / tranches, aggregating upto Rs. 25,00,00,000/- (Rupees Twenty five Crores only), during the period of 1 (one) year from the date of passing of this Special Resolution.

\*\*\* Special Resolution pursuant to section 185 and other applicable provisions of the Companies Act, 2013 and rules made there under, grant loan to Mr. Rajnesh Jain, (DIN: 00151988) Whole-Time-Director of the Company, for a period of 12 months up to an amount of Rs.1,00,00,000/- (Rupees One Crore only) at an interest of 14% p.a. and such other terms and conditions as may be approved by the Board from time to time on arm's length basis and since the Company is a Registered Non-Banking Financial Company, the said loan is also in the ordinary course of business of the Company.

\*\*\*Special Resolution pursuant to section 42, and 71 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modifications or re-enactments thereof for the time being in force), and in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable SEBI Regulations and Guidelines, if any, the Foreign Exchange Management Act, to raise funds from time to time by way of issue, offer, invite for subscription and to allot rated/unrated, Secured/

unsecured, listed/unlisted, Redeemable Non-Convertible Debentures ('NCDs'), on a private placement basis, in one or more series / tranches, aggregating upto Rs. 25,00,00,000/- (Rupees Twenty five Crores only), during the period of 1 (one) year from the date of passing of this Special Resolution.

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

No extraordinary general meeting of the members was held during the financial year 2021-22.

**(c) Postal Ballot:**

No postal ballot approval is taken by the members during the financial year 2021-22.

**(d) NCLT Convened meeting**

No NCLT convened meeting was held during the financial year 2021-22.

**11. DISCLOSURES**

- i. 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.
- ii. The Company has complied with all 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.
- iii. The Company has adopted Whistle Blower Policy/Vigil Mechanism for Directors and Employees to report concerns about unethical behaviour. No person has been denied access to the audit committee. The said policy has also been put up on the website of the Company.
- iv. 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.
- v. There have been no instances of non-compliances by the Company and no penalties and/or strictures have been imposed on it by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during the previous three financial years.

**12. MEANS OF COMMUNICATION**

Effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes relations between the management and shareholders. The Company regularly interacts with its shareholders through multiple channels of communication.

**a. Quarterly Results**

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 NavShakti. 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.

**b. Website**

The Company's website viz., [www.kjmcfinserve.com](http://www.kjmcfinserve.com) provides information about the businesses carried on by the Company, its subsidiaries and associate. It is the primary source of information to all the stakeholders of the Company and to general public at large. It also contains a separate dedicated section on Investor Relations. Financial Results, Annual Reports, Shareholding Pattern, Official News Releases various policies adopted by the Board and other general information about the Company and such other disclosures as required under the Listing Regulations, are made available on the Company's website.

**c. Annual Report**

Annual Report containing, inter alia, the Standalone and Consolidated Financial Statements, Board's Report, Auditors' Report and other important information is circulated to the shareholders of the Company prior to the Annual General Meeting. The Report on Management Discussion and Analysis forms part of this Annual Report. The Annual Report of the Company is also available on its website and also on the website of BSE.

**d. Designated Exclusive Email-ID**

The Company has designated an email id exclusively for its shareholders viz., [investor.finance@kjmc.com](mailto:investor.finance@kjmc.com) for the purpose of registering complaints by investors and the same is displayed on the Company's website.

**e. Price Sensitive Information**

All price sensitive information and such other matters which in the opinion of the Company are of importance to the shareholders/investors are promptly intimated to the Stock Exchanges in terms of the Company's Policy for Determination of Materiality of Events/Information and the Listing Regulations.

**13. GENERAL SHAREHOLDER'S INFORMATION**

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

**Date** : September 28, 2022  
**Time** : 11:30 a.m.  
**Venue** : Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021.

**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 2021-22 is as under:

Financial Reporting for the Financial Year 2022-23	Tentative month of reporting
Un-audited Financial Results for the quarter ending June 30, 2022	On or before August 14, 2022
Un-audited Financial Results for the quarter and half year ending September 30, 2022	On or before November 14, 2022
Un-audited Financial Results for the quarter and nine months ending December 31, 2022	On or before February 14, 2023
Audited Financial Results for the quarter and year ending March 31, 2023	On or before May 30, 2023

**iii. Book Closure:**

The Register of Members and Share Transfer Books will remain closed from Thursday, September 22, 2022 to Wednesday, September 28, 2022 (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 (BSE).

**Address:** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Annual listing fees for the financial year 2022-2023 have 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, 2021 to March, 2022 are as under:

Month	BSE Limited (BSE)	
	High (Rs.)	Low (Rs.)
April, 2021	14.25	11.51
May, 2021	13.12	10.00
June, 2021	24.21	13.00
July, 2021	32.55	24.65

Month	BSE Limited (BSE)	
	High (Rs.)	Low (Rs.)
August, 2021	32.10	20.90
September, 2021	36.95	27.40
October, 2021	33.60	22.45
November, 2021	31.90	22.75
December, 2021	30.95	27.55
January, 2022	33.65	26.65
February, 2022	34.15	25.45
March, 2022	32.50	22.40

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

**ix. Registrar & Transfer Agent:**

Bigshare Services Pvt. Ltd., Office No S6-2, 6th floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India., 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 statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains, from a Company Secretary in Practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges. The Share Transfer Committee meets generally as and when required basis to consider the transfer proposals.

## xi. Shareholding as on March 31, 2022:

### a. Distribution of shareholding as on March 31, 2022.

Category (Shares)		Number of Shareholders	% of Total	Shares	% of Total
1	500	3138	95.88	240927	5.03
501	1000	49	1.50	37750	0.79
1001	2000	26	0.79	37565	0.78
2001	3000	7	0.21	17172	0.36
3001	4000	7	0.21	23038	0.48
4001	5000	7	0.21	33700	0.70
5001	10000	8	0.24	60217	1.26
10001	99999999	31	0.95	4335371	90.59
Total		3273	100.00	4785740	100.00

### b. Shareholding pattern as on March 31, 2022

The shareholding of different categories of the shareholders as on March 31, 2022 is given below:

Category	Number of shares	Percentage %
Promoter and Promoters Group	3531977	73.80
Directors, their Relatives	6760	0.14
Central / State Govt (s) (IEPF)	16215	0.34
Bodies Corporate	494940	10.34
Financial Institutions/Banks	65400	1.37
Foreign Investors (FIIs/NRIs/ OCBs/ Foreign Bank/ Foreign Corporate Bodies)	370	0.01
Others	670078	14.00
<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, 2022, out of total Equity Capital 4785740 Equity Shares, 45,21,924 Equity Shares representing 94.48% 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, 2022, the Company does not have any outstanding GDRs / ADRs or any Warrants.

## xiv. Plant Locations:

The Company is engaged in financial services business and does not have any plant.

## 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

## 14. OTHER INFORMATION

### i. Prevention of Insider Trading Code:

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from 1st April, 2019.

In accordance with the said amendments to the SEBI Insider Trading Regulations, it was, inter alia, required to amend/formulate the following:

- Code of Conduct to Regulate, Monitor and Report trading by Designated Persons
- Formulate a Policy for determination of 'legitimate purposes' as a part of 'Code of Fair Disclosure and Conduct'
- Policy for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI)
- Whistle Blower Policy to enable reporting in case of leak of UPSI

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

The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations w.r.t. action taken against such defaulters. The said non-compliances are promptly intimated to SEBI. The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons, Code of Fair Disclosure & Conduct and Whistle Blower Policy have been uploaded on website of the Company

## 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, 2022 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.

**iii. Compliance with Mandatory Requirements and adoption of Non-Mandatory Requirements**

The Company has complied with all mandatory requirements of the listing regulations.

**iv. Modified/ Unmodified opinion(s) in audit report**

The Company is in the regime of financial statements with unmodified audit opinion.

**v. Separate posts of chairperson and chief Executive Officer**

The Chairman is not the Chief Executive officer or Managing Director of company

**vi. Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee

**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, 2022.

**Rajesh Jain**  
**Whole Time Director**

Place : Mumbai  
Date : August 11, 2022

## INDEPENDENT AUDITOR'S REPORT

To the Members of KJMC Financial Services Limited.

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of KJMC Financial Services Limited. ("the Company"), which comprise the Balance Sheet as at March 31 2022 and the statement of Profit and Loss, (Including other comprehensive income), Statement of Changes in Equity and statement of Cash Flows for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2022 and its loss and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the

Auditor's Responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter Paragraph

We refer note no. 37 to the Standalone Financial Statements of the Company, wherein financial impact of COVID-19 on the lower business acquisitions of the Company and constraints on recovery of dues has been disclosed.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

No.	Key Audit Matter	Auditor's Response
1	<b>Impairment of Investments</b>  Where impairment indicators have been identified, the quantification of impairment in the carrying value of investments is considered to be a risk area due to the judgmental nature of key assumptions. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The most significant judgements are: <ul style="list-style-type: none"> <li>Timely identification of diminution in the value of investments.</li> </ul> Proper estimation of fair market value in respect of listed and unlisted investments	<b>Auditor's Response</b> Tested the design and effectiveness of internal controls implemented by the management for following: <ul style="list-style-type: none"> <li>Identification of any diminution in the value of investments.</li> <li>Collection of relevant data to estimate the fair market value of investments at the balance sheet date.</li> <li>To ascertain the sufficiency of amount of provision in case of diminution in value of investments</li> <li>Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision.</li> <li>Completeness and accuracy of the data inputs used.</li> <li>We critically assessed and tested the key underlying assumptions and significant judgements used by management.</li> <li>For investments identified by management as potentially impaired, examined the same and checked the calculation of the impairment</li> </ul> Examined the investments which had not been identified by management as potentially impaired and formed our own judgement as to whether that was appropriate through examining available information
2	<b>Impairment of financial assets as at the balance sheet (Expected Credit Losses)</b>	<b>Auditors Response</b> <ul style="list-style-type: none"> <li>Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109</li> <li>Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis</li> </ul>

No.	Key Audit Matter	Auditor's Response
	<p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p> <p>In the process, a significant degree of judgment has been applied by the Management for:</p> <ul style="list-style-type: none"> <li>• Grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>• Estimation of behavioral life;</li> <li>• Determining macro-economic factors impacting credit quality of receivables;</li> </ul> <p>Estimation of losses for loan products with no/minimal historical defaults.</p>	<ul style="list-style-type: none"> <li>• Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</li> <li>• Tested the ECL model, including assumptions and underlying computation.</li> <li>• Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults.</li> <li>• Tested assumptions used by the Management in determining the overlay for macro-economic factors (including COVID-19 pandemic).</li> </ul> <p>Assessed disclosures included in the standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on ECL estimation.</p>

#### Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### 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, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
4. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

1. 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.
2. 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.
3. The Balance Sheet, the Statement of Profit and Loss (Including other comprehensive Income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
4. 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.
5. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
6. 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".

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

7. With respect to the other matters to be included in the Auditors' 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:
  - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note on contingent liabilities to the financial statements
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
- The Company has not declared any dividend during the current financial year ended March 31, 2022.

**For Batliboi & Purohit  
Chartered Accountants  
Firm Registration Number:101048W**

**Raman Hangekar  
Partner  
Membership No. 030615**

**Place: Mumbai  
Date: May 16, 2022  
UDIN: 22030615AJASJC8762**

**The Annexure A referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2022 we report that:**

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
- b) As explained to us, the fixed assets have been physically verified by management at reasonable intervals under a phased programme of verification. In accordance with this program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
- c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Investment properties are held in the name of the Company as at the balance sheet date.
- d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year.
- e) No proceedings have been initiated or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
- b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from bank on the basis of security of current assets. Accordingly, the provision of the said sub clause is not applicable.
- (iii) a) The Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it
- b) The Company, being a Non-Banking Financial Company ('NBFC'), is registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
- c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income

Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

- d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note no 34 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.
- e) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(e) of the Order is not applicable to it.
- (iv) In our opinion and according to the information and explanations given to us, the Company has granted loans to party covered under Section 185 of the Act. The provision of section 185 and 186 of the Companies Act 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and Rules framed there under to extent notified.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company
- (vii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion,
  - a) the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employee state insurance, income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable, with the appropriate authorities.

Further no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at March 31 2022 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, and the records of the company examined by us, the dues in respect of sales tax, income-tax, duty of customs, Goods and Service tax, entry tax, value added tax, central sales tax, duty of excise, there are no amounts which have not been deposited with the appropriate authority on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) a) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government as at the Balance sheet date.
- b) The company is not declared as a wilful defaulter by any bank or financial institution or other lenders.
- c) Company has vehicle loan from Banks. The said loan has been applied for the purpose for which it was obtained.
- d) According to the records of the company examined by us and the information and explanation given to us, the funds raised on short term basis have not been utilised for long term purposes.
- e) As per the records of the company examined by us and the information and explanation given to us no funds are taken from any entity to meet the obligations of the subsidiary or associate companies.
- f) As per the records of the company examined by us and the information and explanation given to us, the company has raised no loans during the year on pledge of securities held in its subsidiaries.
- (x) The Company did not raise any moneys by way of initial public offer or further public offer including debt instruments) nor has made any preferential allotment of shares during the year, hence paragraph 3 (x) of the order is not applicable to the Company.
- (xi) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management.
- b) As there are no frauds, hence sub para (b) of clause (xi) of the order is not applicable to the company.
- c) Whistle blower complaints if any received during the year were considered by us.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required under Ind AS and Companies Act, 2013.
- (xiv) (a) In our opinion, the Company have an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31st March, 2022.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
- b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.
- d) As per information provided in course of our audit, the Group to which the Company belongs has no CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) The Company has not incurred any cash loss during the current financial year as well as immediately preceding financial year.
- (xviii) There is no resignation of the Statutory auditor during the current financial year.
- (xix) According to the information and explanation given to us including the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and on the basis of Board of Directors and management plans, nothing has come to our attention which causes us to believe that material uncertainty exists as on the date of the audit report indicating that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the explanation given to us and based on our scrutiny of the books of accounts, Section 135 of the Companies Act 2013 is not applicable for the financial year 2021-22 and hence the said clause of the order is not applicable to the Company.

**For Batliboi & Purohit**  
**Chartered Accountants**  
**Firm Registration Number:101048W**

**Raman Hangekar**  
**Partner**  
**Membership No. 030615**

**Place: Mumbai**  
**Date: May 16, 2022**  
**UDIN: 22030615AJASJC8762**

**Annexure - B to the Auditor's Report****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 31 March 2022 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 ('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 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") 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorizations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. 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 and to the best of our information & according to the explanations give to us, 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 31 March 2022, 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 Batliboi & Purohit**  
**Chartered Accountants**  
**Firm Registration Number:101048W**

**Place: Mumbai**  
**Date: May 16, 2022**  
**UDIN: 22030615AJASJC8762**

**Raman Hangekar**  
**Partner**  
**Membership No. 030615**

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2022**

CIN NO : L65100MH1988PLC047873

(Rs. in '000')

PARTICULARS	NOTE NO.	As At 31.03.2022	As At 31.03.2021
<b>ASSETS</b>			
<b>Financial Assets</b>			
(a) Cash and cash equivalents	4	3,318	2,527
(b) Bank Balance other than (a)	5	400	-
(c ) Derivative Financial Instrument		-	-
(d) Loans	6	50,831	50,182
(e) Investments	7	7,14,011	6,09,418
(f) Other Financial Assets.	8	22,955	22,749
<b>Non-Financial Assets</b>			
(a) Current Tax Assets	9	4,339	1,936
(b) (i) Property, Plant & Equipment	10	8,490	1,876
(ii) Intangible assets		1	7
(c) Other Non Financial Assets.	11	435	191
<b>Total assets</b>		<b>8,04,780</b>	<b>6,88,886</b>
<b>Financial Liabilities</b>			
<b>(a) Payables</b>			
(I) Other Payables			
(A) Micro & Small Enterprises			
(B) Others	12	857	821
(b) Debt Securities	13	-	25,000
(c) Borrowings(other than Debt Securities)	14	39,895	917
(d) Deposits	15	11,110	11,172
(e) Other Financial Liabilities	16	737	703
<b>Non-Financial Liabilities</b>			
(a) Provision	17	4,542	3,845
(b ) Other Non Financial Liabilities	18	753	1,576
(c ) Deferred Tax Liability (Net)	19	43,731	54,555
<b>Equity</b>			
(a) Equity Share Capital	20	47,857	47,857
(b) Other Equity	21	6,55,298	5,42,440
<b>Total liabilities and equity</b>		<b>8,04,780</b>	<b>6,88,886</b>

Significant Accounting Policies and Notes to Accounts

1 to 40

As per our report of even date attached

**For Batliboi & Purohit**

Chartered Accountants

Registration No: 101048W

**Raman Hangekar**

Partner

Membership No. 030615

Place : Mumbai

Date : 16<sup>th</sup> May 2022

For and on behalf of the Board of Directors

**KJMC FINANCIAL SERVICES LIMITED**

**Rajnesh Jain**

Whole time Director

DIN: 00151988

**Sajjan Bawri**

Chief Financial Officer

Place : Mumbai

Date : 16<sup>th</sup> May 2022

**Girish Jain**

Director

DIN: 00151673

**Mahipal Chouhan**

Company Secretary

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

### STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

CIN NO : L65100MH1988PLC047873

(Rs. in '000')

PARTICULARS	NOTE NO.	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Interest Income		7,278	8,764
Profit on sale of Investments - Mutual Fund		165	7
Professional Fees Income		-	2,305
Dividend Income		2,007	213
Processing , Documention & other Charges		860	2,021
Profit on Equity Shares & Derivative Instruments		23,244	479
Net gain on Fair Value Changes _Equity		2,250	1,187
Revenue from Operations	22	<b>35,804</b>	<b>14,976</b>
Other Income	23	1,546	4,559
<b>Total Revenue</b>		<b>37,350</b>	<b>19,535</b>
Expenses:			
Finance Costs	24	8,585	7,890
Employee Benefits Expenses	25	14,765	14,189
Depreciation and Amortization Expenses	10	1,069	1,907
Other Expenses	26	13,905	13,915
<b>Total Expenses</b>		<b>38,324</b>	<b>37,901</b>
<b>Profit Before Tax</b>		<b>(974)</b>	<b>(18,366)</b>
Tax Expense:			
(1) Current tax		-	2,085
(2) Deferred tax		(774)	(4,378)
(3) MAT Credit		-	(2,085)
(5) Earlier year Provision Written off		(2,085)	-
(6) Mat Credit Written off		6,192	-
		3,333	(4,378)
<b>Profit for the Year</b>		<b>(4,307)</b>	<b>(13,988)</b>
<b>Other comprehensive income (OCI)</b>			
Items that will not be reclassified to profit or loss:			
Profit / (Loss) on Sale of Investments (Equity) - Realised		2,556	11,905
Remeasurement gains/(losses) on defined benefit plans		69	5
Net Gain / (Loss) on Fair Value Changes - Unrealised		98,298	4,06,296
Tax impact on above		16,242	(56,386)
Other comprehensive income for the year (net of tax)		<b>1,17,165</b>	<b>3,61,820</b>
<b>Total</b>		<b>1,12,858</b>	<b>3,47,832</b>
Earnings per Equity Share: (Rs)			
(1) Basic		(0.90)	(2.92)
(2) Diluted		(0.90)	(2.92)

Significant Accounting Policies and Notes to Accounts

1 to 40

As per our report of even date attached

**For Batliboi & Purohit**

Chartered Accountants

Registration No: 101048W

**Raman Hangekar**

Partner

Membership No. 030615

Place : Mumbai

Date : 16<sup>th</sup> May 2022

For and on behalf of the Board of Directors

**KJMC FINANCIAL SERVICES LIMITED**

**Rajnesh Jain**

Whole time Director

DIN: 00151988

**Sajjan Bawri**

Chief Financial Officer

Place : Mumbai

Date : 16<sup>th</sup> May 2022

**Girish Jain**

Director

DIN: 00151673

**Mahipal Chouhan**

Company Secretary



# KJMC FINANCIAL SERVICES LIMITED

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022

CIN NO : L65100MH1988PLC047873

(Rs. in '000')

PARTICULARS	For the Year ended 31-Mar-22	For the Year ended 31-Mar-21
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit Before Tax</b>	<b>(974)</b>	<b>(18,366)</b>
Adjustment for:		
Depreciation & amortisation	1,069	1,907
Gratuity Provision through OCI	69	5
Addition/(Reversal) of Provision of Standard Assets	621	2,966
Interest and Financial Charges	8,585	7,890
<b>Operating Profit Before Working Capital Changes</b>	<b>9,370</b>	<b>(5,598)</b>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Loans	(649)	16,015
(Increase)/Decrease in other financial assets	(206)	(576)
(Increase)/Decrease in other non financial assets	(244)	123
Stock in Trade (Securities held for trading)	(20,039)	(1,402)
Increase/( Decrease) in other payables	36	337
Increase/(Decrease) in other financial liabilities	34	(1,746)
Increase / (Decrease) in Deposit (Liability)	(62)	(328)
Increase / (Decrease) in provisions	76	129
Increase/(Decrease) in other non financial Liabilities	(823)	815
<b>(Increase)/ Decrease in Net Current Assets</b>	<b>(21,877)</b>	<b>13,367</b>
<b>Cash generated from Operations</b>	<b>(12,507)</b>	<b>7,769</b>
Direct taxes paid (Net of refund)	(318)	(2,064)
<b>Cash Flow Before Extraordinary Items</b>	<b>(12,825)</b>	<b>5,705</b>
<b>Extraordinary Items</b>		
<b>Net Cash flow from Operating Activities</b>	<b>(12,825)</b>	<b>5,705</b>
<b>Cash Flow from Investment Activities</b>		
Purchase & Sale of Shares/ units (Net)	(84,553)	(3,90,833)
Net (gain)/loss on Equity instruments at fair value through OCI	98,298	4,06,295
Net (gain)/loss on Equity instruments through OCI	2,556	11,905
Purchase of Property Plant & Equipment	(7,678)	(153)
<b>Net Cash Flow from Investing Activities</b>	<b>8,623</b>	<b>27,214</b>
<b>Cash Flow From Financing Activities</b>		
Borrowings other than debt securities issued (net)	13,978	(92,208)
Interest and Financial Charges	(8,585)	(7,890)
<b>Net Cash Flow from Financing Activities</b>	<b>5,393</b>	<b>(1,00,098)</b>
Net Increase in Cash and Cash Equivalents	1,191	(67,179)
Cash and Cash Equivalents at the beginning of the Year *	2,527	69,706
Cash and Cash Equivalents at the close of the Year *	<b>3,718</b>	<b>2,527</b>
<b>* Cash and Cash Equivalents comprise of :</b>		
Cash in hand	90	167
Balance in current account	3,228	2,360
In Deposit Accounts with Less than 12 months'	400	
<b>Total</b>	<b>3,718</b>	<b>2,527</b>

Note:-

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS -7 Statement of Cash Flows

As per our report of even date attached

**For Batliboi & Purohit**

Chartered Accountants

Registration No: 101048W

**Raman Hangekar**

Partner

Membership No. 030615

Place : Mumbai

Date : 16<sup>th</sup> May 2022

For and on behalf of the Board of Directors

**KJMC FINANCIAL SERVICES LIMITED**

**Rajnesh Jain**

Whole time Director

DIN: 00151988

**Sajjan Bawri**

Chief Financial Officer

Place : Mumbai

Date : 16<sup>th</sup> May 2022

**Girish Jain**

Director

DIN: 00151673

**Mahipal Chouhan**

Company Secretary

## Notes to standalone financial statements for the year ended 31 March 2022

### 1. Corporate information

KJMC Financial Services Ltd. ('the Company', 'KFSL') is a company limited by shares, incorporated on 29 June 1988 and domiciled in India. The Company is engaged in the business of lending. KFSL has a diversified lending portfolio across retail, MSME and commercial customers with a presence in Mumbai, Sangli and Ahmedabad. The Company has its registered office at Atlanta Society, Nariman Point, Mumbai, Maharashtra and its principal place of business is at 162, Atlanta Society, 16th floor, Nariman Point, Mumbai, Maharashtra, India.

The Company is a NBFC Non Deposit Accepting or Holding, classified as Investment Company in terms of Circular No. DNBS. PD, CC No.85/03-02-89/2006-07 dt. December 6, 2006. It is a Non deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) with effect from 5 March 1998, with Registration No. B-13.01633.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 16th May 2022, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its annual general meeting.

### 2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties

#### 2.1 Presentation of financial statements

##### The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

##### Critical accounting estimates and judgments

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved

in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgments are used in various line items in the financial statements for e.g.

- Fair value of financial instruments [Refer note no. 3.12.]
- Effective Interest Rate (EIR) [Refer note no. 3.1(i)]
- Provision for tax expenses [Refer note no. 3.5(i)]
- Residual value and useful life of property, plant and equipment [Refer note no. 3.6].

### 3 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated

#### 3.1 Income

##### (i) Interest income

The Company recognises interest income using Effective Interest Rate (EIR) on all deposits given measured at fair value or net present value through the profit and loss account. EIR is calculated by considering the interest earned by the company on its Fixed Deposits lying with the bank and it represents a rate that exactly discounts the future cash receipts through the contracted life of the deposits to the carrying amount of deposits as on the date of the balance sheet.

The Company recognises interest income by applying the EIR to the carrying amount of deposits given

Delayed payment interest (penal interest) levied on customers for delay in repayments/non-payment of contractual cash flows is recognised on realisation.

Interest on loans given to customers/borrowers are recognised at the contractual rate of interest

##### (ii) Dividend income

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

##### (iii) Other revenue from operations

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.



**(a) Fees and commission**

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Processing Fees collected from the customers is apportioned over the tenor of the loan.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

**(b) Net gain on fair value changes**

Investments are subsequently measured at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL), as applicable. The Company recognises gains/losses on fair value change of investments measured as FVOCI or FVTPL which is irreversible and even the realised gains/losses on subsequent sale of investments are recognized through FVOCI or FVTPL as applicable.

**(c) Recoveries of financial assets written off**

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

**(iv) Taxes.**

Incomes are recognised net of the Goods and Services Tax/Service Tax, wherever applicable.

**3.2 Expenditures**

**(i) Finance costs**

Borrowing costs on deposits taken are recognised using the EIR [refer note no. 3.1(i)].

**(ii) Fees and commission expenses**

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

**(iii) Taxes.**

Expenses are recognised net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

**3.3 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and balance with banks in current account

**3.4 Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

**(i) Financial Assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

**Initial measurement.**

All financial assets are recognised initially at cost including transaction costs that are attributable to the acquisition of financial assets

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified into four categories

- (a) Debt instruments at FVOCI
- (b) Debt & Equity instruments at FVTPL
- (c) Equity instruments designated at FVOCI

**(a) Debt instruments at FVOCI**

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

**(b) Debt and Equity instruments at FVTPL**

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value.

Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognized on net basis through profit or loss.

The Company's investments into equity (trading portfolio), mutual funds, Government securities (trading portfolio) and certificate of deposits for trading have been classified under this category.

## (c) Equity investments designated under FVOCI

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments.

## Impairment of financial assets

ECL are recognised for financial assets held under loan portfolio

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognized. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets.

At initial recognition, provision in the case of loan portfolio is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, additional provision would be required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL'). As the company has only recently ventured into the direct lending business, it is in the process of collecting sufficient data to determine the percentage of ECL which needs to be provided for loan portfolio classified under stage 2 and stage 3.

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

## (a) Credit impaired (stage 3)

The Company recognizes a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 180 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

## (b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 120 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios.

## (c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1.

## (ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

## Initial measurement

All financial liabilities other than Deposits taken are recognized at cost. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

### Subsequent measurement

After initial recognition, all deposits taken subsequently measured at Net Present Value using the EIR [Refer note no. 3.1(i)]. Any gains or losses arising on derecognition of liabilities are recognized in the Statement of Profit and Loss.

### Derecognition

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognized amounts with an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### (IV) Investment in subsidiaries

Investment in subsidiaries is recognized at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

## 3.5 Taxes

### (a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### (b) Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 3.6 Property, plant and equipment

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

Depreciation on property, plant and equipment

- a) Depreciation is provided on a pro-rata basis for all tangible assets on written down value method over the useful life of assets.
- b) Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.
- c) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- d) Assets having unit value up to Rs. 5,000 is depreciated fully in the financial year of purchase of asset.
- e) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised.

## 3.7 Intangible assets and amortisation thereof

Intangible assets, representing website development expenses are initially recognized at cost and subsequently carried at cost less accumulated amortization and accumulated impairment. The

intangible assets are amortized using the straight line method over a period of three years, which is the Management's estimate of its useful life.

## 3.8 Impairment of non-financial assets

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

## 3.9 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 3.10 Foreign currency translation

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

### Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss.

## 3.11 Retirement and other employee benefits

### (a) Gratuity

The company has not created any Gratuity Fund to which payment for present liability of future payment of gratuity can be made. However, provision for gratuity is made in the books based on the actuarial valuation report provided by an approved valuer. The actuarial liability as determined by an appointed actuary using the projected unit credit method are recognised as a liability. Gains

and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments are recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

### (b) Provident fund

Provident Fund Contributions are made to Recognized Provident Fund.

## 3.11 Leases

### Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's cost of borrowing. Subsequently, the lease liability is –

- (i) increased by interest on lease liability;
- (ii) reduced by lease payments made; and
- (iii) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

### Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any measurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company."

## 3.12 Fair value measurement

The Company measures its Investments and Deposits (Both Given and Taken) at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurement has been done for investments and Deposits (Both Given and Taken). Listed investments have been

valued at the market price at which the respective investments were quoting as on 31.03.2022. Unlisted investments have been valued on the basis of the valuation certificates issued by an approved valuer. Both deposits given and taken have been valued at the Net present value applying the EIR method as explained in 3.1

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Note -4 : Cash and cash equivalents</b>		
Cash in Hand	90	167
Balance with Banks	3,228	2,360
- In Current Accounts		
<b>Total</b>	<b>3,318</b>	<b>2,527</b>
<b>Note -5 : Bank Balance</b>		
<b>Other Bank Balances</b>		
- On Deposit Accounts		
With Less than 12 month's maturity	400	-
<b>Total</b>	<b>400</b>	<b>-</b>
<b>Note -6 : Loans</b>		
(Good unless otherwise stated )		
<b>Secured</b>		
Against hypothecation of automobiles.	9,091	23,619
Less - Impairment Loss allowance	-	-
<b>Total A</b>	<b>9,091</b>	<b>23,619</b>
<b>Unsecured</b>		
<b>Others</b>		
Loans to Others (Unsecured, Considered good)	31,602	16,647
Loans to Others (Secured by Pledge of Securities)	-	-
<b>Related Parties :</b>		
- Unsecured, Considered good		
Loans to Related Party ( Rate of Interest 14%)	10,138	9,916
Less - Impairment Loss allowance	-	-
<b>Total B</b>	<b>41,740</b>	<b>26,563</b>
<b>Total A+ B</b>	<b>50,831</b>	<b>50,182</b>
Note - Unsecured Loan given to related party @ 14 p.a		
<b>Note - 7: Investments</b>		
<b>(A) At Cost</b>		
Investment in Wholly Owned Subsidiary	1,000	1,000
Investment in Associates	12,635	12,635
<b>Total A</b>	<b>13,635</b>	<b>13,635</b>

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(B) At fair value through Other Comprehensive Income</b>		
<b>(i) In equity instruments</b>		
<b>Equity Shares</b>	69,596	81,682
Add: Fair value gains/(losses)	6,01,891	5,05,349
0% CCDs	4,000	3,000
Add: Fair value gains/(losses)	(43)	859
<b>Total B</b>	<b>6,75,444</b>	<b>5,90,890</b>
<b>(C) Stock in trade</b>		
<b>i) Mutual Fund</b>	140	433
Add: Fair value gains/(losses)		
<b>Equity Shares</b>	21,931	3,404
Add: Fair value gains/(losses)	2,861	1,056
<b>Total C</b>	<b>24,932</b>	<b>4,893</b>
<b>Grand Total (A+B+C)</b>	<b>7,14,011</b>	<b>6,09,418</b>
<b>Out of the above</b>		
In India	7,14,011	6,09,418
	<b>7,14,011</b>	<b>6,09,418</b>
<b>Note -8 : Other Finanacial Assets</b>		
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	4,132	3,698
Security Deposits		
Unsecured, considered good	11,092	10,364
Interest accrued and impact of EIR	7,731	8,687
<b>Total</b>	<b>22,955</b>	<b>22,749</b>
<b>Note -9 : Current Tax Assets</b>		
Advance Income Tax	7,546	7,229
Less: Provision for Taxation	(3,207)	(5,293)
<b>Total</b>	<b>4,339</b>	<b>1,936</b>

**Note -10 : Property, Plant , Equipment and Intangible Assets**  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Description	Gross Block				Depreciation			Net Block	
	As on 1.04.2021	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2022	As on 1.04.2021	Provided during the year	As on 31.03.2022	As on 31.03.2021
Building	10,849	-	-	-	10,849	9,852	181	10,033	816
Computers	673	25	-	-	698	618	40	658	40
Furniture & Fixtures	6,646	-	-	-	6,646	6,572	2	6,574	72
Office Equipments	2,340	86	-	-	2,426	2,210	112	2,322	104
Vehicles	2,397	7,567	-	-	9,964	1,778	728	2,506	7,458
Right of Use	2,759	-	-	-	2,759	2,759	-	2,759	-
<b>Total (A)</b>	<b>25,664</b>	<b>7,678</b>	<b>-</b>	<b>-</b>	<b>33,342</b>	<b>23,789</b>	<b>1,063</b>	<b>24,852</b>	<b>8,490</b>

**Fixed Assets - Intangible**

Description	Gross Block				Depreciation			Net Block	
	As on 1.04.2021	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2022	As on 1.04.2021	Provided during the year	As on 31.03.2022	As on 31.03.2021
Computer Software	80	-	-	-	80	73	6	79	1
Right of Use	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>73</b>	<b>6</b>	<b>79</b>	<b>1</b>
<b>Total (A+B)</b>	<b>25,744</b>	<b>7,678</b>	<b>-</b>	<b>-</b>	<b>33,422</b>	<b>23,862</b>	<b>1,069</b>	<b>24,931</b>	<b>1,883</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Description	Gross Block				Depreciation			Net Block	
	As on 1.04.2020	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2021	As on 1.04.2020	Provided during the year	As on 31.03.2021	As on 31.03.2020
Building	10,849	-	-	-	10,849	9,628	223	9,852	997
Computers	624	49	-	-	673	563	55	618	55
Furniture & Fixtures	6,646	-	-	-	6,646	6,569	3	6,572	74
Office Equipments	2,236	104	-	-	2,340	2,195	15	2,210	130
Vehicles	2,397	-	-	-	2,397	1,295	483	1,778	619
Right of Use	2,759	-	-	-	2,759	1,655	1,104	2,759	-
<b>Total (A)</b>	<b>25,511</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>25,664</b>	<b>21,905</b>	<b>1,883</b>	<b>23,789</b>	<b>1,875</b>
									<b>3,606</b>

**Fixed Assets - Intangible**

Description	Gross Block				Depreciation			Net Block	
	As on 1.04.2019	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2020	As on 1.04.2019	Provided during the year	As on 31.03.2020	As on 31.03.2019
Computer Software	80	-	-	-	80	49	24	73	31
Right of Use	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>49</b>	<b>24</b>	<b>73</b>	<b>31</b>
<b>Total (A+B)</b>	<b>25,591</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>25,744</b>	<b>21,954</b>	<b>1,907</b>	<b>23,862</b>	<b>1,882</b>
									<b>3,637</b>

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Note -11 : Other Non Financial Assets</b>		
Other	435	191
<b>Total</b>	<b>435</b>	<b>191</b>
<b>Note - 12 Payables</b>		
(II) Other Payables		
(A) Micro & Small Enterprises	-	-
(B) Others	857	821
<b>Total</b>	<b>857</b>	<b>821</b>

Particulars	Outstanding from due date of Payment				Total
	< 1 Year	1 to 2 years	2 to 3 years	>3 years	
<b>As at 31st March, 2022</b>					
MSME					
Trade Payable	-	-	-	-	-
Other Payable	776	57	24	-	857
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-
<b>Total</b>	<b>776</b>	<b>57</b>	<b>24</b>	<b>-</b>	<b>857</b>
<b>As at 31st March, 2021</b>					
MSME					
Trade Payable	-	-	-	-	-
Other Payable	797	24	-	-	821
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-
<b>Total</b>	<b>797</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>821</b>

(Rs. in '000')

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Note - 13 Debt Securities</b>		
<b>At amortised cost</b>		
<b>Secured</b>		
12% Non Convertible Debenture	-	25,000
<b>Total</b>	<b>-</b>	<b>25,000</b>
<b>Note -14 : Borrowings</b>		
<b>(A) In India</b>		
<b>At amortised Cost</b>		
Vehicle Loans (Term Value) :	6,737	917
(Secured against hypothecation of Vehicle)		
Loan from NBFC (Secured)		
(Loans secured against pledge of shares bearing interest rate @ 8.25%, repayable on demand.)	33,158	-



(Rs. in '000')

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Total</b>	<b>39,895</b>	<b>917</b>
<b>Outside India</b>		
<b>(B) Out of Above</b>		
Secured(Against hypothecation of Fixed Deposit and Vehicles, Equitable mortgage of properties, Pledge of Shares)	39,895	917
Unsecured	-	-
<b>Total</b>	<b>39,895</b>	<b>917</b>
<b>Note -15 : Deposits</b>		
<b>At amortised cost</b>		
<b>Security Deposits</b>		
Interest free deposit from related party payable		
<b>from Related Parties :</b>	7,338	6,623
Interest accrued and impact of EIR	3,771	4,549
<b>Total</b>	<b>11,110</b>	<b>11,172</b>
<b>Note -16 : Other Financial Liabilities</b>		
Employee Dues	401	386
Provision for Expenses	336	318
<b>Total</b>	<b>737</b>	<b>703</b>
<b>Note - 17 : Provision</b>		
Provision for Ex- Gratia	789	713
Provision against Standard Asset as per RBI & ECL	3,753	3,132
<b>Total</b>	<b>4,542</b>	<b>3,845</b>
<b>Note - 18 : Other Non Financial Liabilities</b>		
Statutory Dues	692	1,393
Other	61	183
<b>Total</b>	<b>753</b>	<b>1,576</b>
<b>Note -19 : Deferred Tax Liability (Net)</b>		
<b>Deferred Tax Assets</b>		
Business Loss	16,647	16,647
Unabsorbed Depreciation	1,160	409
Unabsorbed Long Term Capital Loss	470	470
Fixed Assets ( Diff in W.D.V)	385	375
Disallowance u/s 43B of the Income Tax, 1961	199	185
MAT credit Entitlement	-	6,192
<b>Total</b>	<b>18,861</b>	<b>24,280</b>
<b>Deferred Tax Liability</b>		
Deferred Tax created on Other Comprehensive Income	62,592	78,834
<b>Deferred tax Liability Net</b>	<b>43,731</b>	<b>54,555</b>

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

(Rs. in '000')

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Note -20 : Share Capital</b>		
<b>Authorised:</b>		
4,71,50,000 (Previous Year: 4,71,50,000 ) Equity Shares of Rs 10/- each	4,71,500	4,71,500
85,000 (Previous Year: 85,000) Redeemable Preference shares of Rs 100/- each	8,500	8,500
1,15,000 (Previous Year: 1,15,000) 0% Compulsorily Convertible Preference Shares of Rs 100/- each	11,500	11,500
13,00,000 (Previous Year: 13,00,000) Preference Shares of Rs 100/- each	1,30,000	1,30,000
	<b>6,21,500</b>	<b>6,21,500</b>
<b>Issued,Subscribed and Paid up:</b>		
47,85,740 (Previous Year: 47,85,740) Equity Shares of Rs 10/- each fully paid up	47,857	47,857
	<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

(Rs. in '000')

Particulars	Nos	Amount
As at 1st April 2020	47,857	47,857
Equity Share Capital issued Subscribed and fully paid up		
Additions during the year	-	-
<b>As at 31st March 2021</b>	<b>47,857</b>	<b>47,857</b>
As at 1st April 2021	47,857	47,857
Equity Share Capital issued Subscribed and fully paid up		
Additions during the year	-	-
<b>As at 31st March 2022</b>	<b>47,857</b>	<b>47,857</b>

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

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

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

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

Equity Shares of Rs 10 each	As at 31.03.2022		As at 31.03.2021	
	No. of Shares held	%age of Holding	No. of Shares held	%age of Holding
Chand Devi Jain	14,62,242	30.55%	13,87,242	28.99%
KJMC Corporate Advisors (I) Ltd.	9,50,000	19.85%	9,50,000	19.85%
KJMC Shares & Securities Ltd.	2,45,000	5.12%	2,45,000	5.12%
I. C. Jain HUF	2,67,065	5.58%	2,67,065	5.58%

d) Shares reserved for Issue under Employee Stock option plan is NIL.

(Rs. in '000')

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Note -21 : Other Equity</b>		
<b>Securities Premium</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	2,786	2,786
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>2,786</b>	<b>2,786</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>
Other Comprehensive Income <sup>1</sup>	4,77,458	1,15,638
Employee Benefit	69	5
Increase/(Loss) in Fair Value of Investment	98,298	4,06,296
Loss on Sale of Investments, Futures & Options (Net)	2,556	11,905
<b>Tax</b>	16,242	(56,386)
	<b>5,94,623</b>	<b>4,77,458</b>
<b>Special Reserve</b>		
As per last balance sheet	10,424	10,424
Add : Addition during the year	-	-
Less : Deduction during the year	-	-
<b>Closing Balance</b>	<b>10,424</b>	<b>10,424</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance brought forward from last year	(12,538)	1,450
Add:		
Profit for the Year	(4,307)	(13,988)
<b>Amount available for appropriation</b>	<b>(16,845)</b>	<b>(12,538)</b>
Less : Appropriations		
a) Special Reserve *	-	-
b) General Reserve	-	-
Balance carried forward	<b>(16,845)</b>	<b>(12,538)</b>
<b>Total</b>	<b>6,55,298</b>	<b>5,42,440</b>

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

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

(Rs. in '000')

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>Note -22 : Revenue from Operations</b>		
Interest Income	7,278	8,764
Profit on sale of Investments - Mutual Fund	165	7
Professional Fees Income	-	2,305
Net gain in fair value changes_Equity	2,250	1,187
Profit on Equity Shares & Derivative Instruments	23,244	479
Dividend Income	2,007	213
Processing & Documentation Fees	860	2,021
<b>Total</b>	<b>35,804</b>	<b>14,976</b>
<b>Note -23 : Other Income</b>		
Compensation for Use of Office & Common Facilities	808	1,004
Miscellaneous Income	-	760
Interest Income_Others	738	2,795
<b>Total</b>	<b>1,546</b>	<b>4,559</b>
<b>Note -24 : Finance Costs</b>		
Interest to other/NBFC	8,182	4,332
Interest to Bank	131	3,385
Bank Charges	272	173
<b>Total</b>	<b>8,585</b>	<b>7,890</b>
<b>Note -25 : Employee Benefit Expenses</b>		
	-	-
Salaries and wages	13,868	13,353
Contribution / provisions to provident, Gratuity and other provisions.	446	423
Staff welfare expenses	451	413
<b>Total</b>	<b>14,765</b>	<b>14,189</b>
<b>Note -26 : Other Expenses</b>		
Advertisement	50	74
Auditors Remuneration (for break up refer below)	139	140
Business Promotion Expenses	149	120
Electricity Expenses	232	279
Contractual Services	1,127	1,775
Infrastructural Support service Expenses	238	238
Insurance Expenses	19	28
Computer Software Expenses	377	695
Legal Fees	-	15
Listing Fees	300	300
Penal Charges - DL_NPA Reversal	926	-
Collection Charges_NPA Reversal	9	-
Miscellaneous Expenses	961	1,221
Motor Car Expenses	528	127

(Rs. in '000')

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Service Charge	44	387
Office Maintenance & Utility Expenses	182	175
Postage & Telegram	5	7
Printing & Stationery	42	81
Professional & Consul. Fees Exp	3,457	1,212
Rent	2,765	2,321
Repairs & Maintenance (Others)	294	63
Subscription & Membership	59	57
Travelling Expenses	1,344	1,608
Provision for ECL Provision	621	2,966
Loan Written off	37	26
<b>Total</b>	<b>13,905</b>	<b>13,915</b>

**27. Contingent Liabilities:**

Claims against the Company for the Financial Year 2021-22 is NIL ( PY 2020-21 is NIL)

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

**29.** 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:

(Rs. in 000')

Sr. No	Particulars	31.03.2022	31.03.2021
(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.

**30. Earnings and Expenditure in Foreign Currency**

Earnings in Foreign Currency - Rs. Nil ( Rs. Nil).

Expenditure in Foreign Currency – C.Y Rs. Nil ('000') (P.Y Rs. 0.99 (Rs. in'000')).

**31. 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:

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

(Rs. in 000')

Particulars	Year Ended	
	31.03.2022	31.03.2021
Lease rental recognized during the year	NIL	NIL
<b>Lease obligation Payable</b>		
Within one year of the balance sheet date	NIL	NIL
Due in a period between one year and five years	-	-

### 32. Earnings Per Share

(Rs. in 000')

Particulars	For the Year ended	
	31.03.2022	31.03.2021
Net Profit / (Loss) for the year (Rs. in '000's)	(4,307)	(13,988)
The weighted average Number of Equity Share (Nos.)- (Basic)	47,85,740	47,85,740
The weighted average Number of Equity Share (Nos.)- (Diluted)	47,85,740	47,85,740
Face Value (Rs.)	10	10
Earnings Per Share (Basic)	(0.90)	(2.92)
Earnings Per Share (Diluted)	(0.90)	(2.92)

### 33. Related party disclosures under Indian Accounting Standard 24

List of related parties

#### 1. Parties where control exists

##### Wholly owned subsidiary Companies

KJMC Trading & Agency Limited.

#### 2. Other parties

##### a) Key Management Personnel and Directors

Inderchand Jain	-	Director
Rajnish Jain	-	Whole Time Director
Girish Jain	-	Director
Sajjan Bawri	-	Chief Financial Officer.
Akash Anchan	-	Company Secretary (upto 04/12/2021)
Mahipal Chouhan	-	Company Secretary (Appointed as a Compliance officer w.e.f. 04/12/2021 and as a Company Secretary w.e.f. 09-02-2022)
Nitin Kulkarni	-	Independent Director
Anil Sampat	-	Independent Director
Vijay Joshi	-	Independent Director
S C Aythora	-	Independent Director

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

Inderchand Jain	-	Father of Whole time Director
Chanddevi Jain	-	Mother of Whole time Director
Girish Jain	-	Brother of Whole time Director
Shraddha Rajnish Jain	-	Wife of Whole time Director
Pratham Jain	-	Son of Whole time Director
Aayushi Jain	-	Daughter of Whole Time Director

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

KJMC Corporate Advisors (India) Limited  
 KJMC Shares and Securities Limited  
 Prathamesh Enterprises Private Limited  
 KJMC Investment Company  
 AKIP Venture Private Limited  
 KJMC Credit Marketing Limited  
 KJMC Capital Market Services Limited  
 Puja Trades & Investments Pvt Ltd  
 KJMC Realty Private Limited  
 Khandelwal Jain & Co

**d) Associates**

KJMC Platinum Builders Private Limited

(Rs. 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	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>1</b>	<b>Interest Income</b>								
	Prathamesh Enterprises Pvt Ltd	-	-	-	-	-	-	-	104
	KJMC Trading & Agency Ltd	38	-	-	-	-	-	-	-
	Rajesh Jain	-	-	-	-	1372	1,372	-	-
<b>2</b>	<b>Interest Paid</b>								
	KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	-	37	407
	KJMC Realty Pvt Ltd	-	-	-	-	-	-	24	-
<b>3</b>	<b>Board Meeting Fees</b>								
	Inderchand Jain	-	-	-	-	20	20	-	-
	Shraddha Jain	-	-	-	-	16	16	-	-
	Girish Jain	-	-	-	-	18	19	-	-
<b>4</b>	<b>Salary and Perquisites</b>								
	Rajesh Jain	-	-	-	-	11,621	10,762	-	-
<b>5</b>	<b>Rent Paid</b>								
	Rajesh Jain	-	-	-	-	1,296	1,065	-	-
	Shraddha Jain	-	-	-	-	460	191	-	-
	Chanddevi Jain	-	-	-	-	46	19	-	-
<b>6</b>	<b>Professional Fees Paid</b>								
	Aayushi Jain	-	-	-	-	250	400	-	-
	Khandelwal Jain & Co	-	-	-	-	-	-	163	-
<b>7</b>	<b>Loan given to Borrower</b>								
	KJMC Trading & Agency Limited	15500	-	-	-	-	-	-	-
<b>8</b>	<b>Repayment of Loan by Borrower</b>								
	Prathamesh Enterprises Pvt Ltd	-	-	-	-	-	-	-	950
	KJMC Trading & Agency Limited	15500	-	-	-	-	-	-	-
<b>9</b>	<b>Loan Taken</b>								
	KJMC Platinum Builders Pvt Ltd	-	-	66	-	-	-	-	-

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

(Rs. 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	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	KJMC Realty Pvt Ltd	-	-	38	-	-	-	-	-
<b>10</b>	<b>Loan Repaid</b>								
	KJMC Platinum Builders Pvt Ltd	-	-	66	4,750	-	-	-	-
	KJMC Realty Pvt Ltd	-	-	38	-	-	-	-	-
<b>11</b>	<b>Rent Income</b>								
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	-	30	30
<b>12</b>	<b>Infrastructural Support Services</b>								
	KJMC Capital Market Services Ltd	-	-	-	-	-	-	238	238
<b>13</b>	<b>Brokerage Charges</b>								
	KJMC Capital Market Services Ltd	-	-	-	-	-	-	162	113
<b>14</b>	<b>Depository Charges</b>								
	KJMC Capital Market Services Ltd	-	-	-	-	-	-	73	32
<b>15</b>	<b>Sale of Shares</b>								
	KJMC Trading & Agency Ltd	-	44	-	-	-	-	-	-
	KJMC Corporate Advisors (I) Ltd	-	-	-	-	-	-	5,000	-
	KJMC Platinum Builders Pvt Ltd	-	-	162	-	-	-	-	-
<b>16</b>	<b>Service Received</b>								
	KJMC Trading & Agency Ltd	1128	1,775	-	-	-	-	-	-
<b>17</b>	<b>Reimbursement of Expenses Paid</b>								
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	-	12	16
<b>18</b>	<b>Net Receivables</b>								
	Rajesh Jain	-	-	-	-	10,138	9,917	-	-
	Puja Trades & Investments Pvt Ltd (Security Deposit)	-	-	-	-	-	-	19,000	19,000
<b>19</b>	<b>Net Payables</b>								
	KJMC Capital Market Services Ltd (Security Deposit)	-	-	-	-	-	-	10,000	10,000
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	-	1,500	1,500
<b>20</b>	<b>Balances in Investment in Associates</b>								
	KJMC Platinum Builders Private Limited	-	-	12,635	12,635	-	-	-	-
<b>21</b>	<b>Security and Corporate Guarantee given to Union Bank of India on behalf of KJMC Financial Services Limited by</b>								
	Puja Trades & Investments Pvt Ltd.	-	-	-	-	-	-	36,600	39,300

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



**34. 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]**

(Rs. in 000's)

	Particulars	As on 31.03.2022	
		Amount outstanding	Amount overdue
	<b>Liabilities side :</b>		
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	6,737	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)		
	Secured Loans against office premises	-	-
	Secured Loans against FD of Wholly owned Subsidiary	-	-
	Secured Loans against Shares	33,158	-

**Asset Side :**

<b>2</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>	<b>Amount outstanding (Rs. in 000's)</b>
	(a) Secured	9,091
	(b) Unsecured	41,740
<b>3</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
	(i) Lease assets including lease rentals under sundry debtors :	NIL
	(a) Financial lease	
	(b) Operating lease	
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	
	(b) Repossessed Assets	
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been	
	<b>Repossessed</b>	
	(b) Loans other than (a) above	

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

### 4. Break-up of Investments:

(Rs. in 000's)

<b>Current Investments :</b>	
1. Quoted :	
(i) Shares : (a) Equity	24,792
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Un Quoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	140
(iv) Government Securities	-
(v) Others (please specify)	-
<b>Long Term Investments :</b>	
1. Quoted :	
(i) Shares : (a) Equity	6,85,122
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Un Quoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	3,957
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

(Rs. in 000's)

5. Borrower group-wise classification of assets financed as in (2) and (3) above	Amount Net of Provisions		
	Secured	Unsecured	Total
1. Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	10138	10138
2. Other than related parties	9,091	31,602	40,693

(Rs. in 000's)

<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	1,000	1,000
(b) Companies in the same group	38,304	12,635
(c) Other related parties	-	-
2. Other than related parties	7,00,376	7,00,376
<b>Total</b>	<b>7,39,680</b>	<b>7,14,011</b>

<b>Other information</b>	
<b>Particulars</b>	<b>Amount</b>
<b>Gross Non-Performing Assets</b>	
(a) Related parties	5,172
(b) Other than related parties	-
<b>Non-Performing Assets</b>	
(a) Related parties	-
(b) Other than related parties	1,537
Assets acquired in satisfaction of debt	1,326

### 35. Financial risk management objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade receivables, other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

#### a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

#### 1) Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term loan from banks. Redeemable preference shares carries fixed coupon rate and hence is not considered for calculation of interest rate sensitivity of the company.

(Rs.. in '000's)

	<b>As at 31st March'22</b>	<b>As at 31st March'21</b>
Variable rate borrowings*	33,158	Nil

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

(Rs.. in '000's)

	Increase/ decrease in basis points	Effect on Profit before tax
As on 31 March 2022	+ 50 / - 50	165.79
As on 31 March 2021	+ 50 / - 50	NIL

### 2) Foreign currency risk:

The company enters into transactions relating to expenses in currency other than its functional currency. The company makes advance payment for buying of foreign currency to be used for expenses incurred and is therefore not exposed to foreign currency risk. As there are no outstanding assets or liabilities denominated in foreign currency at any point of time, there is no need to hedge the currency risk. Thus, exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

The Company does not have any foreign currency risk. Hence no sensitivity analysis is required.

### 3) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposits and loans given, investments and balances at bank.

The Company measures the expected credit loss of on loans given to customers/borrowers based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss(ECL) on loans is calculated based on past trends based on the historical data

(Rs.. in'000's)

	As at 31st March'22	As at 31st March'21
Movement in allowance for credit loss during the year was as follows :		
Opening Balance	3,132	166
Add :- Provided during the year	621	2,966
Less :- Reversal during the year	-	-
Balance as at 31 March	3,753	3,132
<b>Loans</b>	<b>50,831</b>	<b>50,182</b>

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in equity shares, Mutual Funds and Convertible Debentures.

### b) Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents and investments provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at:

(Rs.. in '000's)

	Carrying Amount / fair value	31-Mar-22			
		Less than 1 year	2-5 years	More than 5 years	Total
<b>Financial Liabilities</b>					
Other payables	857	776	81	-	857
Borrowings	39,895	34,210	5,685	-	39,895
Other financial liabilities	737	737	-	-	703
Deposits	11,110			11,110	11,172
	<b>52,599</b>	<b>35,723</b>	<b>5,766</b>	<b>11,110</b>	<b>52,599</b>

(Rs.. in '000's)

	Carrying Amount / fair value	31-Mar-21			
		Less than 1 year	2-5 years	More than 5 years	Total
<b>Financial Liabilities</b>					
Other payables	821	821	-	-	821
Borrowings	917	-	917	-	917
Debt Securities	25,000	25,000	-	-	25,000
Other financial liabilities	703	703	-	-	703
Deposits	11,172	-	-	11,172	11,172
	<b>38.163</b>	<b>26,524</b>	<b>917</b>	<b>11,172</b>	<b>38,163</b>

**ii) Capital Management**

For the purpose of Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants

The company monitors capital using gearing ratio, which is Net debt divided by total capital.

(Rs. in'000')

	As at 31-Mar-22	As at 31-Mar-21
Gross debt (inclusive of long term and short term borrowing)	39,895	25,917
Less: Cash and cash equivalents	3,718	2,527
<b>Net debt</b>	<b>36,177</b>	<b>23,390</b>
Total equity	7,03,155	5,90,297
<b>Total capital</b>	<b>7,39,332</b>	<b>6,13,687</b>
<b>Gearing ratio</b>	<b>4.89%</b>	<b>3.81%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021

**iii) Categories of financial instruments and fair value thereof**

(Rs. in'000')

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
<b>A) Financial assets (other than investment in subsidiaries &amp; Associates)</b>						
Cash and cash equivalents	-	-	3,318	-	-	2,527
Bank Balance other than (a) above	-	-	400	-	-	-
Loans	-	-	50,831	-	-	50,182
Investments	6,75,444	24,932	13,635	5,90,890	4,894	13,635
Other financial assets	-	-	22,955	-	-	22,749
<b>Total financial assets</b>	<b>6,75,444</b>	<b>24,932</b>	<b>91,139</b>	<b>5,90,890</b>	<b>4,894</b>	<b>89,093</b>
<b>B ) Financial liabilities</b>						
Other payables	-	-	857	-	-	821
Borrowings	-	-	39,895	-	-	917
Debt Securities	-	-	-	-	-	25,000
Other financial liabilities	-	-	737	-	-	703
Deposits	-	11,110	-	-	11,172	-
<b>Total financial liabilities</b>	<b>-</b>	<b>11,110</b>	<b>41,489</b>	<b>-</b>	<b>11,172</b>	<b>27,441</b>

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, certain investments, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year presented.

### iv) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.  
Disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2022

(Rs. in '000')

Financial assets	As at 31 March 2022				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
<b>Financial assets measured at FVTOCI</b>					
Investments	6,75,444	6,75,444	6,71,487		3957
<b>Financial assets measured at FVTPL</b>					
Investments	24932	24932	24932	-	-
<b>Financial assets measured at amortised cost</b>					
Investments	13,635	13,635	-	13,635	-
<b>Total</b>	<b>7,14,011</b>	<b>7,14,011</b>	<b>6,96,419</b>	<b>13,635</b>	<b>3957</b>

(Rs. in '000')

Financial assets	As at 31 March 2021				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
<b>Financial assets measured at FVTOCI</b>					
Investments	5,90,890	5,90,890	5,87,031	-	3,859
<b>Financial assets measured at FVTPL</b>					
Investments	4,894	4,894	3,809	-	1,085
<b>Financial assets measured at amortised cost</b>					
Investments	13,635	13,635	-	13,635	-
<b>Total</b>	<b>6,09,419</b>	<b>6,09,419</b>	<b>5,90,840</b>	<b>13,635</b>	<b>4,944</b>

### Fair Value Hierarchy :

- Investments included in Level 1 of fair value hierarchy are based on prices quoted in stock exchange and/ or NAV declared by the funds.
- Investments included in Level 2 of fair value hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/ FEDAI
- Investments included in Level 3 of fair value hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/ or Discounted Cash Flow Method.

Note : All financial instruments for which fair value is recognised or disclosed are categorised within the Fair Value Hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

### Note 36. Employee Benefits plans

#### Defined Benefit plans

#### A. Gratuity

The Gratuity plan is governed by the payment of Gratuity Act, 1972 . The Gratuity Act is not applicable to the company, however the company provides gratuity benefits to the whole time director of the company. The company has not created any fund for the payment of the gratuity liability but has created a provision for gratuity liability based on Actuary Valuer report.

**Movement in defined benefits obligations**

(Rs. in '000')

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Present Value of Benefit Obligation at the Beginning of the Period</b>	713	584
Interest Cost	46	39
Current Service Cost	99	94
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(1)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(33)	24
Actuarial (Gains)/Losses on Obligations - Due to Experience	(35)	(28)
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>789</b>	<b>713</b>

**Reconciliation of net liability / asset**

(Rs. in '000')

Particulars	As at 31st March 2022	As at 31st March 2021
Opening Net Liability	713	584
Expenses Recognized in Statement of Profit or Loss	145	134
Expenses Recognized in OCI	(69)	(5)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>789</b>	<b>713</b>

**Expenses charged to the statement of Profit and Loss**

(Rs. in '000')

Particulars	As at 31st March 2022	As at 31st March 2021
Current Service Cost	99	94
Net Interest Cost	46	39
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Expenses Recognized</b>	<b>145</b>	<b>133</b>

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

### Measurement (gains)/ Losses in other comprehensive income.

(Rs. in '000')

Particulars	As at 31st March 2022	As at 31st March 2021
Actuarial (Gains)/Losses on Obligation For the Period	(69)	(5)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(69)</b>	<b>(5)</b>

### Amount recognized in Balance Sheet.

(Rs. in '000')

Particulars	As at 31st March 2022	As at 31st March 2021
(Present Value of Benefit Obligation at the end of the Period)	(789)	(713)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(789)	(713)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(789)</b>	<b>(713)</b>

### Change in the Fair Value of Plan Assets

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Fair Value of Plan Assets at the Beginning of the Period</b>	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
<b>Fair Value of Plan Assets at the End of the Period</b>	-	-

### B. Defined Contribution Scheme

The Employee's Provident Funds Scheme, 1952 is not applicable to the company. However, the company extends provident fund benefits to its whole time director. The employer contribution to the Provident Fund together with the employee deduction is deposited in the Recognized Provident Fund and is charged as an expense as and when accrued and incurred.

Other than the above, the company does not operate any superannuation, pension, ESOP or any other defined benefit or defined contribution scheme for the benefit of its employees.

37. The COVID-19 pandemic have resulted in a lower business operations and put constraints on recovery of dues from customers during this period.



38. 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.

**39. Additional regulatory information required by Schedule III of the Act:**

**a) Title deeds of immovable properties not held in name of the Company.**

The title deeds of all the immovable (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in notes to the financial statements, are held in the name of the Company.

**b) Valuation of PP&E and Intangible Assets :**

The Company has not revalued its property, plant and equipment or intangible or both during the current or previous year.

**c) Loans or Advances in the nature of Loans granted to Promoters, Directors, Key Managerial Personnel and Related Parties.**

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	NIL	NIL
Directors (Rs in 'ooo')	10,138	19.94%
KMPs	NIL	NIL
Related Parties	NIL	NIL

**d) Capital-Work-in-Progress (CWIP).**

(i) CWIP ageing Schedule

Particulars	Amount of CWIP for a period of				Total
	Less than 1	1-2 Years	2-3 Years	More than 3	
Project in Progress	-	-	-	-	-

**e) Details of benami property held :**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions.

**f) Borrowing secured against current assets :**

The Company has borrowings from banks on the basis of security of current and non-current assets.

**g) Wilful defaulter :**

The Company has not been declared wilful defaulter by any bank of financial institution or government or any government authority.

**h) Relationship with struck**

The Company has no transactions with the Companies struck off under the Act or Companies Act, 1956.

**i) Registration of charges or satisfaction with Registrar of Companies :**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**j) Compliance with number of layers of Companies :**

The Company has complied with the number of layers prescribed under the Act.

**k) Financial ratios**

Ratios	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	1.33	1.11	19.9%	
Debt-equity ratio	Total Debt	Shareholder's Equity	5.7%	4.4%	29.2%	Loan has been increased during the year
Debt service coverage ratio	Earnings available debt service	Debt Service	11%	-12%	-188.9%	Debt has been increased
Return on equity ratio	Net Profits after taxes	Shareholder's Equity	-0.61%	-2.37%	-74.2%	Profit has been increased during the year
Trade receivables turnover ratio	Sales	Average Accounts Receivable	NA	NA	NA	
Trade Payable turnover ratio	Sales	Average Accounts Receivable	NA	NA	NA	
Net Capital turnover ratio	Net Sales	Average working Capital	253%	457%	-44.5%	
Net profit ratio	Net Profit after tax	Net Sales	-12.03%	-93.40%	-87.1%	Profit has been increased during the year
Return on Capital employed	Earnings before interest and taxes	Capital Employed	1.08%	-1.77%	-161.0%	Profit has been increased during the year
Return on investment	Earnings before interest and tax	Average total assets	1.02%	-1.96%	-152.0%	Return on Investment Increased

**Notes :**

- Earning for debt service = Net profit after taxes + Non-Cash operating expenses like depreciation and other amortisations + Interest + other.
- Working capital + Current assets minus Current liabilities.
- Capital employed = Tangible net worth + Total debt + Deferred tax liability.

**l) Compliance with approved schemes (s) arrangements :**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**m) Utilisation of borrowed funds and share premium:**

- The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

**n) Undisclosed income:**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act,

**o) Details of crypto currency or virtual currency:**

The Company has not traded or invested in crypto currency during the current or previous year

**40.** 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 Batliboi & Purohit**

Chartered Accountants

Registration No: 101048W

**Raman Hangekar**

Partner

Membership No. 030615

Place : Mumbai

Date : 16<sup>th</sup> May 2022

For and on behalf of the Board of Directors

**KJMC FINANCIAL SERVICES LIMITED**

**Rajnish Jain**

Whole time Director

DIN: 00151988

**Sajjan Bawri**

Chief Financial Officer

Place : Mumbai

Date : 16<sup>th</sup> May 2022

**Girish Jain**

Director

DIN: 00151673

**Mahipal Chouhan**

Company Secretary

## INDEPENDENT AUDITORS' REPORT

To the Members of KJMC Financial Services Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the Consolidated Financial Statements of KJMC Financial Services Limited. Ltd, ("the parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31 2022, and the Consolidated Statement of Profit and Loss, (Including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 state of affairs of the group as at March 31, 2022, and its Consolidated Profit and Other Comprehensive Income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013.

Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

#### Emphasis of Matter Paragraph

We refer note no. 35 to the Consolidated Financial Statements of the Company, wherein financial impact of COVID-19 on the lower business acquisitions of the Company and constraints on recovery of dues has been disclosed.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

No.	Key Audit Matters	Auditor's Response
1	<p><b>Impairment of Investments</b></p> <p>(As per Standalone financial statement of the Parent company)</p> <p>Where impairment indicators have been identified, the quantification of impairment in the carrying value of investments is considered to be a risk area due to the judgmental nature of key assumptions. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The most significant judgements are:</p> <ul style="list-style-type: none"> <li>Timely identification of diminution in the value of investments.</li> </ul> <p>Proper estimation of fair market value in respect of listed and unlisted investments</p>	<p><b>Auditor's Response</b></p> <p>Tested the design and effectiveness of internal controls implemented by the management for following:</p> <ul style="list-style-type: none"> <li>Identification of any diminution in the value of investments.</li> <li>Collection of relevant data to estimate the fair market value of investments at the balance sheet date.</li> <li>To ascertain the sufficiency of amount of provision in case of diminution in value of investments</li> <li>Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision.</li> <li>Completeness and accuracy of the data inputs used.</li> <li>We critically assessed and tested the key underlying assumptions and significant judgements used by management.</li> <li>For investments identified by management as potentially impaired, examined the same and checked the calculation of the impairment</li> </ul> <p>Examined the investments which had not been identified by management as potentially impaired and formed our own judgement as to whether that was appropriate through examining available information</p>

No.	Key Audit Matters	Auditor's Response
2	<p><b>Impairment of financial assets as at balance sheet date (expected credit losses) (As per Standalone financial statement of the Parent company)</b></p> <p>Ind AS 109 requires the Group to provide for impairment of its financial assets designated at amortised cost and fair value through other comprehensive income (including loan receivables and investments) using the expected credit loss (ECL) approach.</p> <p>ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's financial assets.</p> <p>In the process, a significant degree of judgment has been applied by the Management for:</p> <ul style="list-style-type: none"> <li>• staging of the financial assets (i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories);</li> <li>• determining macro-economic factors impacting credit quality of receivables;</li> <li>• estimation of losses for financial assets which are secured.</li> <li>• Identifying the loan wise details for risk categorization.</li> <li>• Security value to be considered while calculating the ECL for loans which are secured.</li> </ul> <p>Considering the materiality of the amounts and management estimates involved, these matters have been identified as a key audit matters for the current year audit.</p>	<p><b>Our process includes:</b></p> <ul style="list-style-type: none"> <li>• Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</li> <li>• Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</li> <li>• Assessed the criteria for staging of financial assets based on their past-due status to check compliance with requirement of Ind AS 109.</li> <li>• Assessed the additional considerations applied by the Management for staging of loans or default categories.</li> <li>• Tested the ECL model, including assumptions and underlying computation.</li> <li>• Assessed the assumption for non-provisioning applied by the Group for financial assets with no dues.</li> <li>• Tested assumptions used by the Management for determining fair value of investments and the cash flow projections of the investee with reference to past experience.</li> </ul>

**Information other than the Financial Statements and Auditors' Report thereon**

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

The Parent 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 Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This respective board of directors of parent and its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing these consolidated financial statements, respective board of directors are responsible for assessing the group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the parent or to cease operations, or has no realistic alternative but to do so. Those respective Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the parent company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
4. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

1. The Consolidated annual Financial Statement includes the Holding Company's share of net profit (Including other comprehensive income) in associate of Rs 1.57 Lakhs for the year ended March 2022 as considered in the Statement, whose audited financial results have not been audited by us. These financial result and information have been furnished to us by the Management, and our conclusion on the statement in so far as it related to the amounts and disclosures included in respect of this associate company is based solely on such financial results and audit report issued by other auditor

Our opinion is not modified in respect of this matters.

## Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Companies Act, 2013, based on our audit and on consideration of audit report of other auditors as stated in para above, we report, to the extent applicable.

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

1. 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.
2. In our opinion, proper books of account as required by law have been kept by the parent and its subsidiaries so far as it appears from our examination of those books and on the basis of other auditors' report.
3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including other comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

4. 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.
5. On the basis of the written representations received from the parent company directors as on 31st March, 2022 taken on record by the parent company Board of Directors and on the basis of audit report of subsidiaries, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
6. 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 A"**
7. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, is not applicable to parent. On the basis of audit report of one of the subsidiaries to whom the requirement of section 197(16) applies, the said subsidiary have complied with the requirement.
8. With respect to the other matters to be included in the Auditors' 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:
  - The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note on contingent liabilities to the consolidated financial statements
  - The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.
  - The respective board of directors have represented that, to the best of their knowledge and belief, as disclosed in the consolidated notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the parent and its subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent and its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - The respective board of directors have represented, that, to the best of their knowledge and belief, as disclosed in the consolidated notes to accounts, no funds have been received by the parent and its subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the parent or its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice and on the basis of other auditor report that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
  - The Company has not declared any dividend during the current financial year ended March 31, 2022.

**For Batliboi & Purohit**  
**Chartered Accountants**  
**Firm Registration Number:101048W**

**Raman Hangekar**  
**Partner**  
**Membership No. 030615**

**Place: Mumbai**  
**Date: May 16, 2022**  
**UDIN: 22030615AJXWY5589**

**Annexure - A to the Auditors' Report****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 parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group") as of 31 March 2022 in conjunction with our audit of the consolidated financial statements of the parent company for the year ended on that date.

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

The respective Management of the parent and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group 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 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 group internal financial controls over financial reporting based on our audit and on the basis of report of other auditor of subsidiaries. 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and on the basis of audit report of other auditors are 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 authorizations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. 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 and to the best of our information & according to the explanations give to us and based on the consideration of other auditor as referred in "Other Matter" para below, the group 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 31 March 2022, 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 Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies and associate company is not applicable as the said section 143(3)(i) is not applicable for subsidiary and associate companies.

**For Batliboi & Purohit**  
**Chartered Accountants**  
**Firm Registration Number:101048W**

**Place: Mumbai**  
**Date: May 16, 2022**  
**UDIN: 22030615AJXWY5589**

**Raman Hangekar**  
**Partner**  
**Membership No. 030615**



**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022**

CIN NO : L65100MH1988PLC047873

(Rs in '000')

PARTICULARS	NOTE NO.	As At	As At
		31.03.2022	31.03.2021
<b>ASSETS</b>			
<b>Financial Assets</b>			
(a) Cash and cash equivalents	4	3,588	2,823
(b) Bank Balance other than (a)	5	400	-
(c) Derivative Financial Instrument			
(d) Loans	6	50,831	50,182
(e) Investments	7	8,65,039	7,46,752
(f) Other Financial Assets.	8	22,955	22,749
<b>Non-Financial Assets</b>			
(a) Current Tax Assets	9	4,442	2,011
(b) (i) Property, Plant & Equipment	10	8,490	1,876
(ii) Intangible assets		1	7
(c) Other Non Financial Assets.	11	435	204
<b>Total assets</b>		<b>9,56,181</b>	<b>8,26,604</b>
<b>Financial Liabilities</b>			
(a) Payables			
(i) Other Payables			
(A) Micro & Small Enterprises			
(A) Others	12	622	687
(b) Debt Securities	13	-	25,000
(c) Borrowings(other than Debt Securities)	14	45,395	14,180
(d) Deposits	15	11,110	11,172
(e) Other Financial Liabilities	16	842	848
<b>Non-Financial Liabilities</b>			
(a) Provision	17	4,542	3,845
(b) Other Non Financial Liabilities	18	766	1,614
(c) Deferred Tax Liability (Net)	19	43,731	54,555
<b>Equity</b>			
(a) Equity Share Capital	20	47,857	47,857
(b) Other Equity	21	8,01,316	6,66,846
<b>Total liabilities and equity</b>		<b>9,56,181</b>	<b>8,26,604</b>

Significant Accounting Policies and Notes to Accounts

1 to 38

The above notes are integral part of the financial statements

For and on behalf of the Board of Directors

**KJMC FINANCIAL SERVICES LIMITED**

As per our report of even date attached

**For Batliboi & Purohit**

Chartered Accountants

Registration No: 101048W

**Raman Hangekar**

Partner

Membership No. 030615

Place : Mumbai

Date : 16th May 2022

**Rajnesh Jain**

Whole time Director

DIN: 00151988

**Sajjan Bawri**

Chief Financial Officer

Place : Mumbai

Date : 16th May 2022

**Girish Jain**

Director

DIN: 00151673

**Mahipal Chouhan**

Company Secretary

# 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

## CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

CIN NO : L65100MH1988PLC047873

(Rs in '000')

PARTICULARS	NOTE NO.	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Interest Income		7,278	8,764
Profit on Sale of Investments		165	13
Net gain on Fair Value Changes _ MF		-	18
Professional Fees Income		-	2,305
Dividend Income		2,007	213
Processing , Documentation & other Charges		860	2,022
Gain on Equity Investments		23,396	479
Net gain on Fair Value Changes _Equity		2,250	1,187
Revenue from Operations	22	35,956	15,001
Other Income	23	1,935	4,559
<b>Total Revenue</b>		<b>37,891</b>	<b>19,560</b>
<b>Expenses:</b>			
Finance Costs	24	9,766	9,289
Employee Benefits Expenses	25	15,723	15,682
Depreciation and Amortization Expenses	11	1,069	1,907
Other Expenses	26	13,059	12,412
<b>Total Expenses</b>		<b>39,617</b>	<b>39,290</b>
<b>Profit Before Tax</b>		<b>(1,726)</b>	<b>(19,730)</b>
<b>Tax Expense:</b>			
(1) Current tax		-	2,085
(2) Deferred tax		(775)	(4,378)
(3) MAT Credit		-	(2,085)
(5) Earlier year Provision Written off		(2,085)	-
(6) Mat Credit Written off		6,192	-
		<b>3,332</b>	<b>(4,378)</b>
<b>Profit for the Year</b>		<b>(5,058)</b>	<b>(15,352)</b>
Add : Profit / (Loss) in Share of Associates		(9)	48
		<b>(5,067)</b>	<b>(15,304)</b>
<b>Other comprehensive income (OCI)</b>			
Items that will not be reclassified to profit or loss:			
Profit / (Loss) on Sale of Investments (Equity) - Realised		2,556	11,905
Remeasurement gains/(losses) on defined benefit plans		69	5
Net Gain / (Loss) on Fair Value Changes - Unrealised		98,298	4,06,295
Share in Partnership Firm		22,207	98,677
Tax impact on above		16,241	(56,386)
Add : Profit / (Loss) in Share of Associates		166	-
Other comprehensive income for the year (net of tax)		1,39,537	4,60,496
<b>Total</b>		<b>1,34,470</b>	<b>4,45,192</b>
<b>Earnings per Equity Share: (Rs.)</b>			
(1) Basic		(1.06)	(3.20)
(2) Diluted		(1.06)	(3.20)

Significant Accounting Policies and Notes to Accounts

1 to 38

The above notes are integral part of the financial statements

For and on behalf of the Board of Directors  
**KJMC FINANCIAL SERVICES LIMITED**

As per our report of even date attached

**For Batliboi & Purohit**  
Chartered Accountants  
Registration No: 101048W

**Raman Hangekar**  
Partner  
Membership No. 030615  
Place : Mumbai  
Date : 16th May 2022

**Rajnish Jain**  
Whole time Director  
DIN: 00151988  
  
**Sajjan Bawri**  
Chief Financial Officer  
Place : Mumbai  
Date : 16th May 2022

**Girish Jain**  
Director  
DIN: 00151673

**Mahipal Chouhan**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022**

CIN NO : L65100MH1988PLC047873

(Rs in '000')

<b>PARTICULARS</b>	<b>For the Year Ended 31.03.2022 (Audited)</b>	<b>For the Year Ended 31.03.2021 (Audited)</b>
Cash Flow from Operating Activities		
<b>Net Profit Before Tax</b>	<b>(1,570)</b>	<b>(19,682)</b>
<b>Adjustment for:</b>		
Depreciation & amortisation	1,069	1,907
Gratuity Provision through OCI	69	5
Addition/(Reversal) of Provision of Standard Assets	621	2,966
Interest and Financial Charges	9,766	9,289
<b>Operating Profit Before Working Capital Changes</b>	<b>9,955</b>	<b>(5,515)</b>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Loans	(650)	16,014
(Increase)/Decrease in other financial assets	(206)	(576)
Stock in Trade (Securities held for trading)	(20,039)	(1,400)
(Increase)/Decrease in other non financial assets	(231)	113
Increase/( Decrease) in other payables	(65)	351
Increase/(Decrease) in other financial liabilities	(6)	(1,747)
Increase / (Decrease) in Deposit (Liability)	(62)	(328)
Increase / (Decrease) in provisions	76	129
Increase/(Decrease) in other non financial Liabilities	(849)	827
(Increase)/ Decrease in Net Current Assets	(22,032)	13,383
Cash generated from Operations	(12,077)	7,868
Direct taxes paid (Net of refund)	(345)	(2,090)
Cash Flow Before Extraordinary Items	(12,422)	5,778
Extraordinary Items		
<b>Net Cash flow from Operating Activities</b>	<b>(12,422)</b>	<b>5,778</b>
<b>Cash Flow from Investment Activities</b>		
Purchase & Sale of Shares/ units (Net)	(98,247)	(4,88,645)
Net (gain)/loss on Equity instruments at fair value through OCI	1,20,507	5,04,972
Net (gain)/loss on Equity instruments through OCI	2,555	11,905
Purchase of Property Plant & Equipment	(7,677)	(153)
<b>Net Cash Flow from Investing Activities</b>	<b>17,138</b>	<b>28,079</b>
<b>Cash Flow From Financing Activities</b>		
Borrowings other than debt securities issued (net)	6,215	(91,640)
Interest and Financial Charges	(9,766)	(9,289)
<b>Net Cash Flow from Financing Activities</b>	<b>(3,551)</b>	<b>(1,00,929)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,165</b>	<b>(67,072)</b>

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

PARTICULARS	For the Year Ended 31.03.2022 (Audited)	For the Year Ended 31.03.2021 (Audited)
Cash and Cash Equivalents at the beginning of the Year *	2,823	69,895
<b>Cash and Cash Equivalents at the close of the Year *</b>	<b>3,988</b>	<b>2,823</b>
<b>* Cash and Cash Equivalents comprise of :</b>		
Cash in hand	255	372
Balance in current account	3,333	2,452
In Deposit Accounts with Less than 12 months'	400	-
<b>Total</b>	<b>3,988</b>	<b>2,823</b>

Note:-

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS -7 Statement of Cash Flows

The above notes are integral part of the financial statements

As per our report of even date attached

**For Batliboi & Purohit**

Chartered Accountants

Registration No: 101048W

**Raman Hangekar**

Partner

Membership No. 030615

Place : Mumbai

Date : 16th May 2022

For and on behalf of the Board of Directors

**KJMC FINANCIAL SERVICES LIMITED**

**Rajnish Jain**

Whole time Director

DIN: 00151988

**Sajjan Bawri**

Chief Financial Officer

Place : Mumbai

Date : 16th May 2022

**Girish Jain**

Director

DIN: 00151673

**Mahipal Chouhan**

Company Secretary

**Notes to Consolidated financial statements for the year ended 31 March 2022**

**1. Corporate information**

KJMC Financial Services Ltd. ('the parent Company', 'KFSL') is a company limited by shares, incorporated on 29 June 1988 and domiciled in India. The Parent Company is engaged in the business of lending. KFSL has a diversified lending portfolio across retail, MSME and commercial customers with a presence in Mumbai, Sangli and Ahmedabad. The Parent Company has its registered office at Atlanta Society, Nariman Point, Mumbai, Maharashtra and its principal place of business is at 162, Atlanta Society, 16th floor, Nariman Point, Mumbai, Maharashtra, India.

The Parent Company is a NBFC Non Deposit Accepting or Holding, classified as Investment Company in terms of Circular No. DNBS. PD, CC No.85/03-02-89/2006-07 dt. December 6, 2006. It is a Non deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) with effect from 5 March 1998, with Registration No. B-13.01633.

The audited consolidated financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 16th May 2022, Board of Directors of the Company approved and recommended the audited consolidated financial statements for consideration and adoption by the shareholders in its annual general meeting.

**2. Basis of preparation**

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The Consolidated financial statements have been prepared on a going concern basis. The Group uses accrual basis of accounting except in case of significant uncertainties

**2.1 Presentation of financial statements**

**The Group presents its Balance Sheet in order of liquidity.**

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

**Critical accounting estimates and judgments**

The preparation of the Group's financial statements requires Management to make use of estimates and judgments. In view

of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgments are used in various line items in the financial statements for e.g.

- Fair value of financial instruments [Refer note no. 3.12,]
- Effective Interest Rate (EIR) [Refer note no. 3.1(i)]
- Provision for tax expenses [Refer note no. 3.5(i)]
- Residual value and useful life of property, plant and equipment [Refer note no. 3.6].

**2.2 Principles of consolidation**

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.

The Parent Company holds the entire shareholding in its subsidiaries and there are no contractual arrangements which rebut the control of the Parent Company over its subsidiaries. The financial statements of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements

- (ii) The Consolidated financial statements include results of the subsidiaries of KJMC Financial Services Limited. (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'

Sr. No.	Name of Subsidiary	Country of Incorporation	Ownership Interest	
			31.03.2022	31.03.2021
1.	KJMC Trading & Agency Ltd	India	100%	100%

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group

## (iii) Disclosure in terms of Schedule III of the Companies Act, 2013

(Rs. in '000')

	Net Assets , i.e. , total assets minus total liabilities		Share in profit or loss		Share in other comprehensive Income		Share in total comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5	6	7	8	9
<b>Parent : KJMC Financial Services Ltd</b>	82.80%	7,03,155	85.00%	-4,307	83.97%	1,17,164	83.93%	1,12,857
Subsidiaries -								
Indian								
KJMC Trading & Agency Ltd	17.25%	1,46,457	14.82%	-751	15.92%	22,207	15.96%	21,456
Minority interest in all subsidiaries	-	-	-	-	-	-	-	-
Associates (Investment as per the equity method ) -								
Indian								
KJMC Platinum Builders Pvt Ltd	-	-	0.18%	-9	0.12%	166	0.12%	157
Joint Ventures	-	-	-	-	-	-	-	-

## 3 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated

## 3.1 Income

## (i) Interest income

The Group recognises interest income using Effective Interest Rate (EIR) on all deposits given measured at fair value or net present value through the profit and loss account. EIR is calculated by considering the interest earned by the Group on its Fixed Deposits lying with the bank and it represents a rate that exactly discounts the future cash receipts through the contracted life of the deposits to the carrying amount of deposits as on the date of the balance sheet.

The Group recognises interest income by applying the EIR to the carrying amount of deposits given

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cash flows is recognised on realisation.

Interest on loans given to customers/borrowers are recognised at the contractual rate of interest

## (ii) Dividend income

Dividend income on equity shares is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

## (iii) Other revenue from operations

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

## (a) Fees and commission

The Group recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Processing Fees collected from the customers is apportioned over the tenor of the loan.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

## (b) Net gain on fair value changes

Investments are subsequently measured at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL), as applicable. The Group recognises gains/losses on fair value change

of investments measured as FVOCI or FVTPL which is irreversible and even the realised gains/losses on subsequent sale of investments are recognized through FVOCI or FVTPL as applicable.

**(c) Recoveries of financial assets written off**

The Group recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

**(iv) Taxes.**

Incomes are recognised net of the Goods and Services Tax/ Service Tax, wherever applicable.

**3.2 Expenditures**

**(i) Finance costs**

Borrowing costs on deposits taken are recognised using the EIR [refer note no. 3.1(i)].

**(ii) Fees and commission expenses**

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/ incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

**(iii) Taxes.**

Expenses are recognised net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

**3.3 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and balance with banks in current account

**3.4 Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments. For tradable securities, the Group recognises the financial instruments on Trade date

**(i) Financial Assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples

of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

**Initial measurement.**

All financial assets are recognised initially at cost including transaction costs that are attributable to the acquisition of financial assets

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified into four categories

- (a) Debt instruments at FVOCI
- (b) Debt & Equity instruments at FVTPL
- (c) Equity instruments designated at FVOCI

**(a) Debt instruments at FVOCI**

The Group subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

**(b) Debt and Equity instruments at FVTPL**

The Group classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

The Group's investments into equity (trading portfolio), mutual funds, Government securities (trading portfolio) and certificate of deposits for trading have been classified under this category.

**(c) Equity investments designated under FVOCI**

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Group has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments.

## Impairment of financial assets

ECL are recognised for financial assets held under loan portfolio

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, provision in the case of loan portfolio is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, additional provision would be required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL'). As the parent company has only recently ventured into the direct lending business, it is in the process of collecting sufficient data to determine the percentage of ECL which needs to be provided for loan portfolio classified under stage 2 and stage 3.

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

### (a) Credit impaired (stage 3)

The Parent Company recognizes a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 180 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

### (b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 120 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios.

### (c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1.

### (ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

#### Initial measurement

All financial liabilities other than Deposits taken are recognised at cost. The Group's financial liabilities include trade payables, other payables, debt securities and other borrowings.

#### Subsequent measurement

After initial recognition, all deposits taken subsequently measured at Net Present Value using the EIR [Refer note no. 3.1(i)]. Any gains or losses arising on derecognition of liabilities are recognized in the Statement of Profit and Loss.

#### Derecognition

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognized amounts with an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.



#### (IV) Investment in subsidiaries

Investment in subsidiaries is recognized at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Parent Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the parent Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

### 3.5 Taxes

#### (a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 3.6 Property, plant and equipment

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

#### Depreciation on property, plant and equipment

- a) Depreciation is provided on a pro-rata basis for all tangible assets on written down value method over the useful life of assets.
- b) Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.
- c) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- d) Assets having unit value up to Rs. 5,000 is depreciated fully in the financial year of purchase of asset.
- e) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised.

### 3.7 Intangible assets and amortisation thereof

Intangible assets, representing website development expenses are initially recognized at cost and subsequently carried at cost less accumulated amortization and accumulated impairment. The intangible assets are amortized using the straight line method over a period of three years, which is the Management's estimate of its useful life.

### 3.8 Impairment of non-financial assets

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

## 3.9 Provisions and contingent liabilities

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Group also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 3.10 Foreign currency translation

The Group's financial statements are presented in Indian Rupee, which is also the Group's functional currency.

### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

### Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss.

## 3.11 Retirement and other employee benefits

### (a) Gratuity

The Group has not created any Gratuity Fund to which payment for present liability of future payment of gratuity can be made. However, provision for gratuity is made in the books based on the actuarial valuation report provided by an approved valuer. The actuarial liability as determined by an appointed actuary using the projected unit credit method are recognised as a liability. Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments are recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

### (b) Provident fund

Provident Fund Contributions are made to Recognized Provident Fund.

## 3.11 Leases

### Measurement of Lease Liability

At the time of initial recognition, the Group measures lease liability as present value of all lease payments discounted using the Group's cost of borrowing. Subsequently, the lease liability is –

- (i) increased by interest on lease liability;
- (ii) reduced by lease payments made; and
- (iii) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

### Measurement of Right-of-use assets

At the time of initial recognition, the Group measures 'Right-of-use assets' as present value of all lease payments discounted using the Group's cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Group."

## 3.12 Fair value measurement

The Group measures its Investments and Deposits (Both Given and Taken) at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value measurement has been done for investments and Deposits (Both Given and Taken). Listed investments have been valued at the market price at which the respective investments were quoting as on 31.03.2022. Unlisted investments have been valued on the basis of the valuation certificates issued by an approved valuer. Both deposits given and taken have been valued at the Net present value applying the EIR method as explained in 3.1

(Rs in '000')

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Note -4 : Cash and cash equivalents</b>		
Cash in Hand	255	371
<b>Balance with Banks</b>		
- In Current Accounts	3,333	2,452
<b>Total</b>	<b>3,588</b>	<b>2,823</b>
<b>Note -5 : Bank Balance</b>		
<b>Other Bank Balances</b>		
- On Deposit Accounts		
With Less than 12 month's maturity	400	-
<b>Total</b>	<b>400</b>	<b>-</b>
<b>Note -6 : Loans</b>		
<b>(Good unless otherwise stated )</b>		
<b>Secured</b>		
Against hypothecation of automobiles.	9,091	23,619
Less - Impairment Loss allowance	-	-
<b>Total A</b>	<b>9,091</b>	<b>23,619</b>
<b>Unsecured</b>		
<b>Others</b>		
Loans to Others (Unsecured, Considered good)	31,602	16,647
Loans to Others (Secured by Pledge of Securities)	-	-
<b>Related Parties :</b>		
- Unsecured, Considered good		
Loans to Related Party ( Rate of Interest 14%)	10,138	9,916
Less - Impairment Loss allowance	-	-
<b>Total B</b>	<b>41,740</b>	<b>26,563</b>
<b>Total A+ B</b>	<b>50,831</b>	<b>50,182</b>
Note - Unsecured Loan given to related party @ 14 p.a		
<b>Note - 7: Investments</b>		
<b>(A) At Cost</b>		
Investment in Associates	13,198	13,041
<b>Total A</b>	<b>13,198</b>	<b>13,041</b>
<b>(B) At fair value through Other Comprehensive Income</b>		
<b>(i) In equity instruments</b>		
Equity Shares	72,168	93,075
Add: Fair value gains/(losses)	7,50,784	6,31,884
0% CCDs	4,000	3,000
Add: Fair value gains/(losses)	(43)	859
<b>Total B</b>	<b>8,26,909</b>	<b>7,28,818</b>

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(C) Stock in trade</b>		
i) Mutual Fund	140	433
Add: Fair value gains/(losses)	-	-
Equity Shares	21,931	3,404
Add: Fair value gains/(losses)	2,861	1,056
<b>Total C</b>	<b>24,932</b>	<b>4,893</b>
<b>Grand Total (A+B+C)</b>	<b>8,65,039</b>	<b>7,46,752</b>
<b>Out of the above</b>		
In India	8,65,039	7,46,752
Outside India		
	<b>8,65,039</b>	<b>7,46,752</b>
<b>Note -8 : Other Finanacial Assets</b>		
<b>Advances recoverable in cash or kind or for value to be received</b>		
Unsecured, considered good	4,132	3,698
<b>Security Deposits</b>		
Unsecured, considered good	11,092	10,364
Interest accrued and impact of EIR	7,731	8,687
<b>Total</b>	<b>22,955</b>	<b>22,749</b>
<b>Note -9 : Current Tax Assets</b>		
Advance Income Tax	7,649	7,304
Less: Provision for Taxation	(3,207)	(5,293)
<b>Total</b>	<b>4,442</b>	<b>2,011</b>

**Note -10 : Property, Plant, Equipment and Intangible Assets**

(Rs in '000')

Description	Gross Block				Depreciation			Net Block	
	As on 1.04.2021	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2022	As on 1.04.2021	Provided during the year	As on 31.03.2022	As on 31.03.2021
Building	10,849	-	-	-	10,849	9,852	181	10,033	998
Computers	673	25	-	-	698	618	40	658	55
Furniture & Fixtures	6,646	-	-	-	6,646	6,572	2	6,574	74
Office Equipments	2,340	86	-	-	2,426	2,210	112	2,322	130
Vehicles	2,397	7,567	-	-	9,964	1,778	728	2,506	619
Right of Use	2,759	-	-	-	2,759	2,759	-	2,759	-
<b>Total (A)</b>	<b>22,905</b>	<b>7,678</b>	<b>-</b>	<b>-</b>	<b>30,583</b>	<b>21,030</b>	<b>1,063</b>	<b>22,093</b>	<b>1,876</b>

**Fixed Assets - Intangible**

(Rs in '000')

Description	Gross Block				Depreciation			Net Block	
	As on 1.04.2021	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2022	As on 1.04.2021	Provided during the year	As on 31.03.2022	As on 31.03.2021
Computer Software	80	-	-	-	80	73	6	79	7
Right of Use	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>73</b>	<b>6</b>	<b>79</b>	<b>7</b>
<b>Total (A+B)</b>	<b>22,985</b>	<b>7,678</b>	<b>-</b>	<b>-</b>	<b>30,663</b>	<b>21,103</b>	<b>1,069</b>	<b>22,172</b>	<b>1,883</b>

(Rs in '000')

Description	Gross Block				Depreciation			Net Block	
	As on 01.04.2020	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2021	As on 01.04.2020	Provided during the year	As on 31.03.2021	As on 31.03.2020
Building	10,849	-	-	-	10,849	9,628	223	9,852	1,221
Computers	624	49	-	-	673	563	55	618	61
Furniture & Fixtures	6,646	-	-	-	6,646	6,569	3	6,572	77
Office Equipments	2,236	104	-	-	2,340	2,195	15	2,210	41
Vehicles	2,397	-	-	-	2,397	1,295	483	1,778	1,102
Right of Use	2,759	-	-	-	2,759	1,655	1,104	2,759	1,104
<b>Total (A)</b>	<b>25,511</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>25,664</b>	<b>21,905</b>	<b>1,883</b>	<b>23,789</b>	<b>3,606</b>

**Fixed Assets - Intangible**

(Rs in '000')

Description	Gross Block				Depreciation			Net Block	
	As on 01.04.2020	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2021	As on 01.04.2020	Provided during the year	As on 31.03.2021	As on 31.03.2020
Computer Software	80	-	-	-	80	49	24	73	31
Right of Use	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>49</b>	<b>24</b>	<b>73</b>	<b>31</b>
<b>Total (A+B)</b>	<b>25,591</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>25,744</b>	<b>21,954</b>	<b>1,907</b>	<b>23,862</b>	<b>3,637</b>

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

(Rs in '000')

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Note -11 : Other Non Financial Assets</b>		
Other	435	204
<b>Total</b>	<b>435</b>	<b>204</b>
<b>Note - 12 Payables</b>		
<b>(II) Other Payables</b>		
(A) Micro & Small Enterprises	-	-
(B) Others	622	687
<b>Total</b>	<b>622</b>	<b>687</b>

Particulars	Outstanding from due date of Payment				
	< 1 Year	1 to 2 years	2 to 3 years	>3 years	Total
<b>As at 31st March, 2022</b>					
MSME					
Trade Payable	-	-	-	-	-
Other Payable	541	57	24	-	622
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-
<b>Total</b>	<b>541</b>	<b>57</b>	<b>24</b>	<b>-</b>	<b>622</b>
<b>As at 31st March, 2021</b>					
MSME					
Trade Payable	-	-	-	-	-
Other Payable	663	24	-	-	687
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-
<b>Total</b>	<b>663</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>687</b>

(Rs in '000')

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Note - 13 Debt Securities</b>		
<b>At amortised cost</b>		
<b>Secured</b>		
12% Non Convertible Debenture	-	25,000
<b>Total</b>	<b>-</b>	<b>25,000</b>
<b>Note -14 : Borrowings</b>		
<b>(A) In India</b>		
<b>At amortised Cost</b>		
<b>Vehicle Loans (Term Value) :</b>		
(Secured against hypothecation of Vehicle)	6,737	917
<b>Loan from NBFC (Secured)</b>		

Particulars	As at 31.03.2022	As at 31.03.2021
(Loans secured against pledge of shares bearing interest rate @ 8.25%, repayable on demand.)	33,158	-
Loan from Group Company (Unsecured) bearing interest rate @ 14%	5,500	12,263
Loan from Related Party	-	1,000
<b>Total</b>	<b>45,395</b>	<b>14,180</b>
<b>Outside India</b>		
<b>(B) Out of Above</b>		
Secured(Against hypothecation of Fixed Deposit and Vehicles, Equitable mortgage of properties, Pledge of Shares)	39,895	917
Unsecured	-	-
<b>Total</b>	<b>39,895</b>	<b>917</b>
<b>Note -15 : Deposits</b>		
<b>At amortised cost</b>		
<b>Security Deposits</b>		
Interest free deposit from related party payable		
<b>from Related Parties :</b>		
Interest accrued and impact of EIR	7,339	6,623
	3,771	4,549
<b>Total</b>	<b>11,110</b>	<b>11,172</b>
<b>Note -16 : Other Financial Liabilities</b>		
Employee Dues	484	499
Provision for Expenses	336	318
Other	22	31
<b>Total</b>	<b>842</b>	<b>848</b>
<b>Note - 17 : Provision</b>		
Provision for Ex- Gratia	789	713
Provision against Standard Asset as per RBI & ECL	3,753	3,132
<b>Total</b>	<b>4,542</b>	<b>3,845</b>
<b>Note - 18 : Other Non Financial Liabilities</b>		
Statutory Dues	705	1,431
Other	61	183
<b>Total</b>	<b>766</b>	<b>1,614</b>
<b>Note -19 : Deferred Taxation</b>		
<b>Deferred Tax Assets</b>		
Business Loss	16,647	16,647
Unabsorbed Depreciation	1,161	409
Unabsorbed Long Term Capital Loss	470	470
Fixed Assets ( Diff in W.D.V)	385	375
Disallowance u/s 43B of the Income Tax, 1961	199	185
MAT credit Entitlement	-	6,192
	<b>18,862</b>	<b>24,278</b>
<b>Deferred Tax Liability</b>		
Deferred Tax created on Other Comprehensive Income	62,593	78,833
<b>Deferred tax Liability Net</b>	<b>43,731</b>	<b>54,555</b>

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

(Rs in '000')

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Note -20 : Share Capital</b>		
<b>Authorised:</b>		
4,71,50,000 (Previous Year: 4,71,50,000 ) Equity Shares of Rs 10/- each	4,71,500	4,71,500
85,000 (Previous Year: 85,000) Redeemable Preference shares of Rs 100/- each	8,500	8,500
1,15,000 (Previous Year: 1,15,000) 0% Compulsorily Convertible Preference Shares of Rs 100/- each	11,500	11,500
13,00,000 (Previous Year: 13,00,000) Preference Shares of Rs 100/- each	1,30,000	1,30,000
	<b>6,21,500</b>	<b>6,21,500</b>
<b>Issued,Subscribed and Paid up:</b>		
47,85,740 (Previous Year: 47,85,740) Equity Shares of Rs 10/- each fully paid up	47,857	47,857
<b>Total</b>	<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

(Rs in '000')

Particulars	Nos	Amount
Equity Share Capital issued Subscribed and fully paid up	47,857	47,857
Additions during the year	-	-
<b>As at 31st March 2021</b>	<b>47,857</b>	<b>47,857</b>
<b>As at 1st April 2021</b>	<b>47,857</b>	<b>47,857</b>
Equity Share Capital issued Subscribed and fully paid up		
Additions during the year	-	-
<b>As at 31st March 2022</b>	<b>47,857</b>	<b>47,857</b>

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

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

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

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

Equity Shares of Rs.10 each	As at 31.03.2022		As at 31.03.2021	
	No. of Shares held	%age of Holding	No. of Shares held	%age of Holding
Chand Devi Jain	14,62,242	30.55%	13,87,242	28.99%
KJMC Corporate Advisors (I) Ltd.	9,50,000	19.85%	9,50,000	19.85%
KJMC Shares & Securities Ltd.	2,45,000	5.12%	2,45,000	5.12%
I. C. Jain HUF	2,67,065	5.58%	2,67,065	5.58%



d) Shares reserved for Issue under Employee Stock option plan is NIL.

(Rs in '000')

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Note -21 : Other Equity</b>		
<b>Securities Premium</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	2,786	2,786
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>2,786</b>	<b>2,786</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>
Other Comprehensive Income <sup>1</sup>	6,04,181	1,43,685
Employee Benefit	69	5
Share in Partnership Firm	22,207	98,677
Increase/(Loss) in Fair Value of Investment	98,464	4,06,295
Loss on Sale of Investments, Futures & Options (Net)	2,556	11,905
Tax	16,241	(56,386)
	<b>7,43,718</b>	<b>6,04,181</b>
<b>Special Reserve</b>		
As per last balance sheet	10,424	10,424
Add : Addition during the year	-	-
Less : Deduction during the year	-	-
<b>Closing Balance</b>	<b>10,424</b>	<b>10,424</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance brought forward from last year	(14,855)	449
Add:		
Profit for the Year	(5,067)	(15,304)
Amount available for appropriation	(19,922)	(14,855)
Less : Appropriations		
a) Special Reserve *	-	-
b) General Reserve	-	-
<b>Balance carried forward</b>	<b>(19,922)</b>	<b>(14,855)</b>
<b>Total</b>	<b>8,01,316</b>	<b>6,66,846</b>

## 34<sup>TH</sup> ANNUAL REPORT 2021 - 2022

( Rs in '000')

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>Note -22 : Revenue from Operations</b>		
Interest Income	7,278	8,764
Profit on Sale of Investments,Futures & Options & Mutual Fund (Net)	165	13
Professional Fees Income	-	2,305
Net gain in fair value changes	-	18
Net gain in fair value changes_Equity	2,250	1,187
Gain on Equity Investments	23,396	479
Dividend Income	2,007	213
Processing & Documentation Fees	860	2,022
<b>Total</b>	<b>35,956</b>	<b>15,001</b>
<b>Note -23 : Other Income</b>		
Compensation for Use of Office & Common Facilities	808	1,003
Miscellaneous Income	-	760
Interest Income_Others	978	2,796
Share in Partnership Firm	149	-
<b>Total</b>	<b>1,935</b>	<b>4,559</b>
<b>Note -24 : Finance Costs</b>		
Interest to other/NBFC	9,363	5,731
Interest to Bank	131	3,385
Bank Charges	272	173
<b>Total</b>	<b>9,766</b>	<b>9,289</b>
<b>Note -25 : Employee Benefit Expenses</b>		
Salaries and wages	14,817	14,827
Contribution / provisions to provident, Gratuity and other provisions.	446	423
Staff welfare expenses	460	432
<b>Total</b>	<b>15,723</b>	<b>15,682</b>
<b>Note -26 : Other Expenses</b>		
Advertisement	50	74
Auditors Remuneration (for break up refer below)	151	152
Business Promotion Expenses	149	120
Electricity Expenses	232	279
Infrastructural Support service Expenses	238	238
Insurance Expenses	19	28
Computer Software Expenses	377	695
Legal Fees	-	15
Listing Fees	300	300
Penal Charges - DL_NPA Reversal	926	-

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Collection Charges_NPA Reversal	9	-
Miscellaneous Expenses	984	1,229
Motor Car Expenses	528	127
Service Charge	44	387
Office Maintenance & Utility Expenses	182	175
Postage & Telegram	5	7
Printing & Stationery	41	81
Professional & Consul. Fees Exp	3,466	1,217
Rent	2,765	2,321
Repairs & Maintenance (Others)	294	63
Subscription & Membership	59	57
Travelling Expenses	1,582	1,855
Provision for ECL Provision	621	2,966
Loan Written off	37	26
<b>Total</b>	<b>13,059</b>	<b>12,412</b>

**27. Contingent Liabilities**

Claims against the Group for the financial Year is NIL (Previous Year Nil)

**28. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. NIL (Previous Year Rs. NIL)**
**29. Earnings per Share:**

(Rs. in '000')

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Net Profit / (Loss) for the year (Rs. in '000)	1,34,470	4,45,192
Less : Other Comprehensive Income	1,39,537	4,60,496
Net Profit/(Loss) for calculation of EPS (Rs. in '000 )	(5,067)	(15,304)
The weighted average Number of Equity Share (Nos.)- (Basic)	47,85,740	47,85,740
The weighted average Number of Equity Share (Nos.)- (Diluted)	47,85,740	47,85,740
Face value (Rs.)	10	10
Earnings per Share (Basic)	(1.06)	(3.20)
Earnings per Share (Diluted)	(1.06)	(3.20)

- 30.** Earnings in Foreign Currency      Rs. Nil (Rs. Nil)  
 Expenditure in Foreign Currency      C.Y Rs. Nil ('000') (P.Y Rs. 0.99 (Rs. in'000')).

## 31. Related party disclosures under Indian Accounting Standard - 24:

List of related parties:

### a) Key Management Personnel

Inderchand Jain	-	Director
Rajnish Jain	-	Whole Time Director
Girish Jain	-	Director
Sajjan Bawri	-	Chief Financial Officer
Akash Anchan	-	Company Secretary (upto 04/12/2021)
Mahipal Chouhan	-	Company Secretary (Appointed as a Compliance officer w.e.f. 04/12/2021 and as a Company Secretary w.e.f. 09-02-2022)
Nitin Kulkarni	-	Independent Director
S C Aythora	-	Independent Director
Vijay Joshi	-	Independent Director
Anil Sampat	-	Independent Director

### b) Relatives of Whole Time Director.

Inderchand Jain	-	Father of Whole Time Director
Chanddevi Jain	-	Mother of Whole Time Director
Girish Jain	-	Brother of Whole Time Director
Shraddha Rajnish Jain	-	Wife of Whole Time Director
Pratham Jain	-	Son of Whole Time Director
Aayushi Jain	-	Daughter of Whole Time Director

### 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
Puja Trades & Investments Pvt Ltd	AKIP Venture Private Limited
Prathmesh Enterprises Private Ltd	KJMC Investment Company
Khandelwal Jain & Co	

### d) Associates

KJMC Platinum Builders Private Limited
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Transactions during the year with related parties:

(Rs. in '000')

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>1</b>	<b>Interest Income</b>						
	Prathmesh Enterprises Pvt Ltd	-	-	-	-	-	104
	Rajnish Jain	-	-	1372	1,372	-	-
<b>2</b>	<b>Interest Paid</b>						
	KJMC Platinum Builders Pvt Ltd	37	407	-	-		
	KJMC Realty Pvt Ltd	-	-	-	-	1205	1400
<b>3</b>	<b>Board Meeting Fees</b>						
	Inderchand Jain	-	-	20	20	-	-
	Shraddha Jain	-	-	16	16	-	-
	Girish Jain	-	-	18	19	-	-
<b>4</b>	<b>Salary and Perquisites</b>						
	Rajnish Jain	-	-	11621	10,762	-	-
<b>5</b>	<b>Rent Paid</b>						
	Rajnish Jain	-	-	1296	1,065	-	-
	Shraddha Jain	-	-	460	191	-	-

(Rs. in '000')

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	Chanddevi Jain	-	-	46	19	-	-
<b>6</b>	<b>Professional Fees Paid</b>						
	Aayushi Jain	-	-	250	400	-	-
	Khandelwal Jain & Co	-	-	-	-	163	-
<b>7</b>	<b>Repayment of Loan by Borrower</b>						
	Prathmesh Enterprises Pvt Ltd	-	-	-	-	-	950
<b>8</b>	<b>Loan Taken</b>						
	KJMC Platinum Builders Pvt Ltd	6600	-	-	-	-	-
	KJMC Realty Pvt Ltd		-	-	-	3800	-
<b>9</b>	<b>Loan Repaid</b>						
	KJMC Platinum Builders Pvt Ltd	6600	4,750	-	-	-	-
	KJMC Realty Pvt Ltd		-	-	-	10,190	-
	Inderchand Jain					1,000	
<b>10</b>	<b>Rent Income</b>						
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	30	30
<b>11</b>	<b>Infrastructural Support Services</b>						
	KJMC Capital Market Services Ltd	-	-	-	-	238	238
<b>12</b>	<b>Brokerage Charges</b>						
	KJMC Capital Market Services Ltd	-	-	-	-	162	113
<b>13</b>	<b>Depository Charges</b>						
	KJMC Capital Market Services Ltd	-	-	-	-	73	34
<b>14</b>	<b>Sale of Shares</b>						
	KJMC Corporate Advisors (I) Ltd	-	-	-	-	5,000	-
	KJMC Platinum Builders Pvt Ltd	162	-	-	-	-	-
<b>15</b>	<b>Service Received</b>						
	KJMC Investments Co	-	-	-	-	240	-
<b>16</b>	<b>Reimbursement of Expenses Paid</b>						
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	14	39
<b>17</b>	<b>Net Receivables</b>						
	Rajnesh Jain	-	-	10,138	9,917		
	Puja Trades & Investments Pvt Ltd (Security Deposit)	-	-	-	-	19,000	19,000
<b>18</b>	<b>Net Payables</b>						
	KJMC Capital Market Services Ltd (Security Deposit)	-	-	-	-	10,000	10,000
	Inderchand Jain (Loan)					-	1000
	KJMC Realty Pvt Ltd (Loan)					5500	12263
	KJMC Corporate Advisors (India) Ltd (Security Deposit)	-	-	-	-	1,500	1,500
<b>19</b>	<b>Balances in Investment in Associates</b>						
	KJMC Platinum Builders Private Limited	12,635	12,635	-	-	-	-
<b>20</b>	<b>Security and Corporate Guarantee given to Union Bank of India on behalf of KJMC Financial Services Limited by</b>						
	Puja Trades & Investments Pvt Ltd.	-	-	-	-	36,600	39,300

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

### 32 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:

(Rs. in '000')

Particulars	Year Ended	
	31.03.2022	31.03.2021
Lease rental recognized during the year	NIL	NIL
<b>Lease obligation Payable</b>		
Within one year of the balance sheet date	NIL	NIL
Due in a period between one year and five years	NIL	NIL

### 33. Financial risk management objective and policies

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Group's principal financial assets include investments, loans, trade receivables, and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks.

#### a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

#### 1) Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term loan from banks. Redeemable preference shares carries fixed coupon rate and hence is not considered for calculation of interest rate sensitivity of the company.

(Rs. in '000')

	As at 31st March'22	As at 31st March'21
Variable rate borrowings*	33,158	Nil

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(Rs. in '000')

	Increase/ decrease in basis points	Effect on Profit before tax
As on 31st March 2022	+ 50 / - 50	165.79
As on 31st March 2021	+ 50 / - 50	NIL

#### 2) Foreign currency risk:

The Group enters into transactions relating to expenses in currency other than its functional currency. The Group makes advance payment for buying of foreign currency to be used for expenses incurred and is therefore not exposed to foreign currency risk. As there are no outstanding assets or liabilities denominated in foreign currency at any point of time, there is no need to hedge the currency risk. Thus, exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

The Group does not have any foreign currency risk. Hence no sensitivity analysis is required.

#### 3) Credit Risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits and loans given, investments and balances at bank.

The Parent Company measures the expected credit loss of on loans given to customers/borrowers based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss (ECL) on loans is calculated based on past trends based on the historical data.

(Rs. in '000')

	As at 31st March'22	As at 31st March'21
<b>Movement in allowance for credit loss during the year was as follows :</b>		
Opening Balance	3132	166
Add :- Provided during the year	621	2966
Less :- Reversal during the year	-	-
Balance as at 31 March 2020	3753	3132
Loans	50,831	50,182

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in equity shares, Mutual Funds and Convertible Debentures.

**b) Liquidity Risk:**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Group's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Group consistently generated strong cash flows from operations which together with the available cash and cash equivalents and investments provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at:

(Rs. in '000')

	Carrying Amount / fair value	31-Mar-22			
		Less than 1 year	2-5 years	More than 5 years	Total
<b>Financial Liabilities</b>					
Other payables	622	541	81	-	622
Borrowings	45,395	39710	5685	-	45,395
Debt Securities	-	-	-	-	-
Other financial liabilities	842	842	-	-	842
Deposits	11,110	-	-	11,110	11,110
<b>Total</b>	<b>57,969</b>	<b>41,093</b>	<b>5766</b>	<b>11,110</b>	<b>57,969</b>

(Rs. in '000')

	Carrying Amount / fair value	31-Mar-21			
		Less than 1 year	2-5 years	More than 5 years	Total
<b>Financial Liabilities</b>					
Other payables	687	687	-	-	687
Borrowings	14180	13263	917	-	14180
Debt Securities	25,000	25,000	-	-	25,000
Other financial liabilities	848	848	-	-	848
Deposits	11,172	-	-	11,172	11,172
<b>Total</b>	<b>51,887</b>	<b>39,798</b>	<b>917</b>	<b>11,172</b>	<b>51,887</b>

## ii) Capital Management

For the purpose of Group's capital management, capital includes issued capital and other equity reserves. The primary objective of the Group's Capital Management is to maximize shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using gearing ratio, which is Net debt divided by total capital.

(Rs. in'000')

	As at 31-Mar-22	As at 31-Mar-21
Gross debt (inclusive of long term and short term borrowing)	45,395	39,180
Less: Cash and cash equivalents	3,988	2,823
<b>Net debt</b>	<b>41,407</b>	<b>36,357</b>
Total equity	8,49,173	7,14,703
<b>Total capital</b>	<b>8,90,580</b>	<b>7,51,060</b>
<b>Gearing ratio</b>	<b>4.65%</b>	<b>4.84%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021

## iii) Categories of financial instruments and fair value thereof

(Rs. in'000')

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTOCI	FVTPL	Amortised	FVTOCI	FVTPL	Amortised
			Cost			Cost
<b>A) Financial assets (other than investment in subsidiaries &amp; Associates)</b>						
Cash and cash equivalents	-	-	3,588	-	-	2,823
Bank Balance other than (a) above	-	-	400	-	-	-
Loans	-	-	50,831	-	-	50,182
Investments	8,26,909	24,932	13,198	7,28,818	4,893	13,041
Other financial assets	-	-	22,955	-	-	22,749
<b>Total financial assets</b>	<b>8,26,909</b>	<b>24,932</b>	<b>90,972</b>	<b>7,28,818</b>	<b>4,893</b>	<b>88,795</b>
<b>B) Financial liabilities</b>						
Other payables	-	-	622	-	-	687
Borrowings	-	-	45,395	-	-	14,180
Debt Securities	-	-	-	-	-	25,000
Other financial liabilities	-	-	842	-	-	848
Deposits	-	11,110	-	-	11,172	-
<b>Total financial liabilities</b>	<b>-</b>	<b>11,110</b>	<b>46,859</b>	<b>-</b>	<b>11,172</b>	<b>40,715</b>

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, certain investments, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year presented.

## iv) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2021



(Rs.in '000')

Financial assets	As at 31 March 2022				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
<b>Financial assets measured at FVTOCI</b>					
Investments	8,26,909	8,22,952	8,22,952	-	3,957
Financial assets measured at FVTPL					
Investments	24,932	24,932	24,932	-	-
<b>Financial assets measured at amortised cost</b>					
Investments	13,198	13,198		13,198	-
<b>Total</b>	<b>8,65,039</b>	<b>8,65,039</b>	<b>8,47,884</b>	<b>13,198</b>	<b>3,957</b>

(Rs.in '000')

Financial assets	As at 31 March 2021				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
<b>Financial assets measured at FVTOCI</b>					
Investments	7,28,818	7,28,818	7,24,959	-	3,859
Financial assets measured at FVTPL					
Investments	4,893	4,893	3,808	-	1,085
<b>Financial assets measured at amortized cost</b>					
Investments	13,041	13,041	-	13,041	-
<b>Total</b>	<b>7,46,752</b>	<b>7,46,752</b>	<b>7,28,767</b>	<b>13,041</b>	<b>4,944</b>

**Fair Value Hierarchy:**

- Investments included in Level 1 of fair value hierarchy are based on prices quoted in stock exchange and/ or NAV declared by the funds.
- Investments included in Level 2 of fair value hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/ FEDAI
- Investments included in Level 3 of fair value hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/ or Discounted Cash Flow Method.

Note : All financial instruments for which fair value is recognised or disclosed are categorised within the Fair Value Hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

**34. Employee Benefit Plans**

**Defined Benefit plans**

**A. Gratuity**

The Gratuity plan is governed by the payment of Gratuity Act, 1972. The Gratuity Act is not applicable to the company, however the company provides gratuity benefits to the whole time director of the company. The company has not created any fund for the payment of the gratuity liability but has created a provision for gratuity liability based on Actuary Valuer report.

## Movement in defined benefits obligations

(Rs. in '000')

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Present Value of Benefit Obligation at the Beginning of the Period</b>	<b>713</b>	<b>584</b>
Interest Cost	46	39
Current Service Cost	99	94
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(1)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(33)	24
Actuarial (Gains)/Losses on Obligations - Due to Experience	(35)	(28)
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>789</b>	<b>713</b>

## Reconciliation of net liability / asset

(Rs. in '000')

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Opening Net Liability</b>	<b>713</b>	<b>584</b>
Expenses Recognized in Statement of Profit or Loss	145	134
Expenses Recognized in OCI	(69)	(5)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>789</b>	<b>713</b>

## Expenses charged to the statement of Profit and Loss

(Rs. in '000')

Particulars	As at 31st March 2022	As at 31st March 2021
Current Service Cost	99	94
Net Interest Cost	46	39
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Expenses Recognized</b>	<b>145</b>	<b>133</b>

**Measurement (gains)/ Losses in other comprehensive income.**

(Rs. in '000')

Particulars	As at 31st March 2022	As at 31st March 2021
Actuarial (Gains)/Losses on Obligation For the Period	(69)	(5)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(69)</b>	<b>(5)</b>

**Amount recognized in Balance Sheet.**

(Rs.in '000')

Particulars	As at 31st March 2022	As at 31st March 2021
(Present Value of Benefit Obligation at the end of the Period)	(789)	(713)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(789)	(713)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(789)</b>	<b>(713)</b>

**Change in the Fair Value of Plan Assets**

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Fair Value of Plan Assets at the Beginning of the Period</b>	<b>-</b>	<b>-</b>
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>-</b>	<b>-</b>

**B. Defined Contribution Scheme**

The Employee's Provident Funds Scheme, 1952 is not applicable to the company. However, the company extends provident fund benefits to its whole time director. The employer contribution to the Provident Fund together with the employee deduction is deposited in the Recognized Provident Fund and is charged as an expense as and when accrued and incurred.

Other than the above, the company does not operate any superannuation, pension, ESOP or any other defined benefit or defined contribution scheme for the benefit of its employees.

35. The COVID-19 pandemic have resulted in lower business operations and put constraints on recovery of dues from customers during this period.
36. 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.

## 37. Additional regulatory information required by Schedule III of the Act :

### a) Title deeds of immovable properties not held in name of the Company.

The title deeds of all the immovable (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in notes to the financial statements, are held in the name of the Company.

### b) Valuation of PP&E and Intangible Assets :

The Company has not revalued its property, plant and equipment or intangible or both during the current or previous year.

### c) Loans or Advances in the nature of Loans granted to Promoters, Directors, Key Managerial Personnel and Related Parties.

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	NIL	NIL
Directors (Rs in '000')	10,138	19.94%
KMPs	NIL	NIL
Related Parties	NIL	NIL

### d) Capital-Work-in-Progress (CWIP).

#### (i) CWIP ageing Schedule

Particulars	Amount of CWIP for a period of				Total
	Less than 1	1-2 Years	2-3 Years	More than 3	
Project in Progress	-	-	-	-	-

### e) Details of benami property held :

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions.

### f) Borrowing secured against current assets :

The Company has borrowings from banks on the basis of security of current and non-current assets.

### g) Wilful defaulter :

The Company has not been declared wilful defaulter by any bank of financial institution or government or any government authority.

### h) Relationship with struck

The Company has no transactions with the Companies struck off under the Act or Companies Act, 1956.

### i) Registration of charges or satisfaction with Registrar of Companies :

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

### j) Compliance with number of layers of Companies :

The Company has complied with the number of layers prescribed under the Act.

**k) Financial ratios**

Ratios	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	1.19	0.77	54.3%	
Debt-equity ratio	Total Debt	Shareholder's Equity	5.3%	5.5%	-2.5%	Loan has been increased during the year
Debt service coverage ratio	Earnings available debt service	Debt Service	10%	-8%	-223.4%	Debt has been increased
Return on equity ratio	Net Profits after taxes	Shareholder's Equity	-0.60%	-2.14%	-72.1%	Profit has been increased during the year
Trade receivables turnover ratio	Sales	Average Accounts Receivable	NA	NA	NA	
Trade Payable turnover ratio	Sales	Average Accounts Receivable	NA	NA	NA	
Net Capital turnover ratio	Net Sales	Average working Capital	394%	-155%	-353.4%	
Net profit ratio	Net Profit after tax	Net Sales	-14.09%	-102.19%	-86.2%	Profit has been increased during the year
Return on Capital employed	Earnings before interest and taxes	Capital Employed	0.95%	-1.46%	-164.8%	Profit has been increased during the year
Return on investment	Earnings before interest and tax	Average total assets	0.90%	-1.67%	-153.9%	Return on Investment Increased

**Notes :**

1. Earning for debt service = Net profit after taxes + Non-Cash operating expenses like depreciation and other amortisations + Interest + other.
2. Working capital + Current assets minus Current liabilities.
3. Capital employed = Tangible net worth + Total debt + Deferred tax liability.

**l) Compliance with approved schemes (s) arrangements :**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**m) Utilisation of borrowed funds and share premium:**

- a) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- b) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

**n) Undisclosed income:**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act,

**o) Details of crypto currency or virtual currency:**

The Company has not traded or invested in crypto currency during the current or previous year.

**38.** 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 Batliboi & Purohit**

Chartered Accountants

Registration No: 101048W

**Raman Hangekar**

Partner

Membership No. 030615

Place : Mumbai

Date : 16th May 2022

For and on behalf of the Board of Directors

**KJMC FINANCIAL SERVICES LIMITED**

**Rajnesh Jain**

Whole time Director

DIN: 00151988

**Sajjan Bawri**

Chief Financial Officer

Place : Mumbai

Date : 16th May 2022

**Girish Jain**

Director

DIN: 00151673

**Mahipal Chouhan**

Company Secretary

**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 : L65100MH1988PLC047873  
Name of the Company : KJMC Financial Services Limited  
Registered office : 162, Atlanta, 16th Floor, Nariman Point, Mumbai - 400021.  
Name of the Member(s) : .....  
Registered address : .....  
E-mail Id : .....  
Folio No/ Clint ID/DP ID : .....  
I/ We, being the member(s) of ..... shares of the above named company, hereby appoint:

- |    |                   |                   |                |
|----|-------------------|-------------------|----------------|
| 1. | Name : .....      | Address : .....   |                |
|    | E-mail Id : ..... | Signature : ..... | or failing him |
| 2. | Name : .....      | Address : .....   |                |
|    | E-mail Id : ..... | Signature : ..... | or failing him |
| 3. | Name : .....      | Address : .....   |                |
|    | E-mail Id : ..... | Signature : ..... |                |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Wednesday, September 28, 2022 at 11.30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolution	Optional	
		For	Against
Ordinary Business			
1.	Adoption of Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	Re-appointment of Mr. Girish Jain (DIN: 00151673), who is liable to retire by rotation.		
Special Business			
3.	Issue of Non- Convertible Debentures Through Private Placement.		
4.	To give prior approval for the proposed material related party transactions of the Company		
5.	To approve Material Related Party Transaction		

Signed this ..... day of ..... 2022

Signature of Shareholder

Signature of Proxy holder(s)

Affix Rupee. 1  
Revenue Stamp

**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)  
34th Annual General Meeting – September 28, 2022

I hereby record my presence at the 34th ANNUAL GENERAL MEETING of the company held on Wednesday, September 28, 2022 at 11.30 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400021.

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 26, 2022, so that the answers/details can be kept ready at the Annual General Meeting.

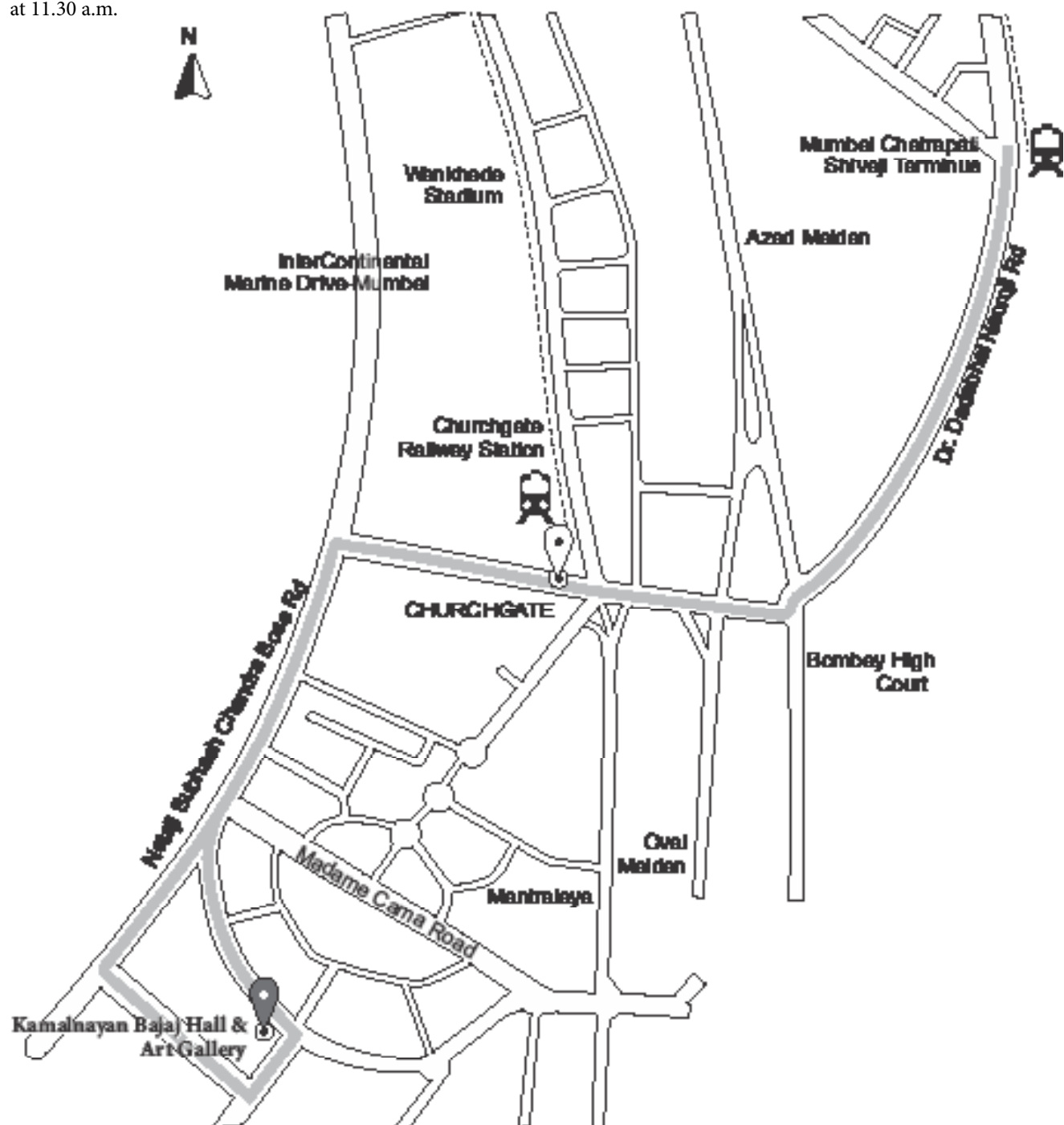
**Route map to the AGM Venue of:**

KJMC Financial Services Limited

34<sup>th</sup> Annual General Meeting

Wednesday, September 28, 2022

at 11.30 a.m.



**Venue**

**Kamalnayan Bajaj Hall,  
Bajaj Bhawan, Jammalal Bajaj Marg,  
Nariman Point,  
Mumbai - 400 021**



[illegible]





To,



*If Undelivered Please Return To:*

**KJMC FINANCIAL SERVICES LIMITED**

Registered Office: 162, 16th Floor, Atlanta,

Nariman Point, Mumbai – 400 021

Tel.No.: 022-4094 5500

Email : [investor.finance@kjmc.com](mailto:investor.finance@kjmc.com) CIN : L65100MH1988PLC047873