

# KJMC FINANCIAL SERVICES LTD.

NBFC : No. B-13.01633



September 24, 2018

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

Dear Sir,

**Ref.: Scrip Code 530235**

**Subject: Submission of 30<sup>th</sup> Annual Report of KJMC Financial Services Limited for the Financial Year 2017-18**

Please find attached soft copy of the 30<sup>th</sup> Annual Report of the Company for the Financial Year 2017-18 as required under Regulation 34 of SEBI (Listing Obligations and Disclosures Requirement), Regulation 2015 duly approved and adopted by the Members at the 30<sup>th</sup> Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2018 as per the provisions of the Companies Act, 2013.

Further we hereby declare that the Statutory Auditors of the Company, M/s. K. S. Aiyar & Co., Chartered Accountants have issued an Auditor's Report with unmodified opinion on the Audited Standalone and Consolidated Financial Statements of the company for the Financial Year ended 31<sup>st</sup> March, 2018.

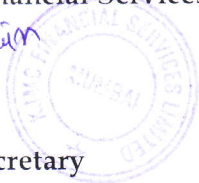
Kindly take the same in your record.

Thanking you.

Yours faithfully,

For KJMC Financial Services Limited

*Kanak Jain*  
Kanak Jain  
Company Secretary



# KJMC FINANCIAL SERVICES LTD.

NBFC : No. B-13.01633



May 21, 2018

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

Dear Sir/Madam,

Ref.: Scrip Code 530235

Subject: Declaration on Auditor's Report with unmodified Opinion under Regulations 33 (3) (d) of the SEBI (Listing Obligation and Discloser Requirements) Regulations, 2015.

Dear Sir,

I, Kartik Konar, Chief Financial Officer of KJMC Financial Services Limited (CIN : L65100MH1988PLC047873) having its Registered Office at 162, Atlanta 16th Floor Nariman Point Mumbai - 400021, hereby declare that in terms of provisions of Regulation 33(3) (d) of SEBI (Listing Obligations and Discloser Requirements) Regulation, 2015 as amended by SEBI (Listing Obligations and Discloser Requirements), (Amendment) Regulations, 2016 vide notification no. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular no. CIR/CFD/CMD/56/2016 Dated May 27, 2016, the Statutory Auditors of the Company, M/s. K.S. Aiyar & Co., Chartered Accountants (ICAI Registration No. 100186W), have issued an Audit Report with unmodified opinion on the Audited Standalone and Consolidated Financial Results of the Company for the fourth quarter and Financial year ended 31st March, 2018.

We hereby request you to kindly take note of the same.

Thanking you  
For KJMC Financial Services Limited

*A. Kartik*  
Kartik Konar  
Chief Financial Officer



**KJMC**  
ADVICE MATTERS

**KJMC FINANCIAL SERVICES LIMITED**

**30th**  
**Annual Report**  
**2017 - 2018**

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Shri. Kartik Konar

**AUDITOR**

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

**BANKERS**

HDFC Bank Limited  
Union Bank of India  
ICICI Bank Ltd.

**REGISTRAR & TRANSFER AGENT**

Bigshare Services Pvt. Ltd.,  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East) Mumbai 400059  
Tel. No. 022 62638200, Fax No. 022 62638299,  
Mail id: [investor@bigshareonline.com](mailto:investor@bigshareonline.com).  
Counter Timings : 10.00 a.m. to 12.30 p.m. : 1.30 p.m. to 3.30 p.m.

**REGISTERED OFFICE**

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

<b>30TH ANNUAL GENERAL MEETING</b>	
<b>Date</b>	: <b>Saturday, September 22, 2018</b>
<b>Time</b>	: <b>10.45 a.m.</b>
<b>Venue</b>	: <b>Kamalnayan Bajaj Hall,</b> Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021

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**NOTICE**

Notice is hereby given that the 30th Annual General Meeting of the Members of KJMC Financial Services Limited (CIN:L65100MH1988PLC047873) will be held on Saturday, September 22, 2018, at 10:45 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point Mumbai - 400021 to transact the following businesses :-

**ORDINARY BUSINESS: -**

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2018, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Aditi Jain (DIN: 00152373), who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:-**

3. To continue appointment of Shri. Inderchand Jain, Chairman and Non- Executive Director of the Company, attaining the age of Seventy- Eight years and in this regard, pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri. Inderchand Jain (DIN: 00178901), Chairman and Non- Executive Director of the Company, aged 78 years (Date of Birth 07th November, 1939) and whose continuation in office with effect from 1st April, 2019 requires approval of shareholders by way of special resolution being more than 75 years of age, approval of the Company be and is hereby accorded for the continuation of the appointment of Shri. Inderchand Jain (DIN: 00178901), as the Chairman and Non- Executive Director of the Company, whose terms of office shall be liable to determination by retirement by rotation.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

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

**Inderchand Jain**  
**Chairman**

Place: Mumbai  
Date: August 13, 2018

Registered Office:  
162, Atlanta, 16th Floor,  
Nariman Point, Mumbai-400021.  
Email: [investor.finance@kjmc.com](mailto:investor.finance@kjmc.com)  
Website: [www.kjmc.com](http://www.kjmc.com)  
CIN: L65100MH1988PLC047873

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out at item 3 and 4 to be transacted at the meeting is annexed herewith and the same should be taken as part of this Notice.
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. Members and Proxies attending the meeting are requested to bring the annual report to the meeting as extra copies will not be distributed.
10. 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.
11. 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.
12. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
13. 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.
14. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General

Meeting is done away with vide notification dated 07th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, (Firm Registration No. 100186W).

15. The Register of Members and Share Transfer Books will remain closed from Wednesday, September 19, 2018 to Saturday, September 22, 2018 (both days inclusive) for the purpose of AGM.
16. 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).
17. Members are requested to address all correspondence to the Registrar and Share Transfer Agents (RTA), Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Tel. No.022- 62638200, Fax No. 022- 62638299, Mail id : [investor@bigshareonline.com](mailto:investor@bigshareonline.com) and [bhagwan@bigshareonline.com](mailto:bhagwan@bigshareonline.com).
18. Copies of the Annual Report 2017-2018, the notice of the 30th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
19. 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.
20. Members may also note that the Notice of the 30th AGM, Attendance Slip, Proxy Form, Route Map, Ballot paper and the Annual Report, 2017-2018 will be available on the Company's website, [www.kjmc.com](http://www.kjmc.com). The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members, who require communication in physical form in addition to e-communication or have any other queries, may write to us at: [investor.finance@kjmc.com](mailto:investor.finance@kjmc.com).
21. Through Notification dated June 8, 2018, the Securities & Exchange Board of India (SEBI) has amended regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per the amendment the transfer of shares shall now be processed by the company only when the shares are held in dematerialized form with the depository with effect from December 05, 2018. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form before December 05, 2018.
22. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company/ Registrar and Share Transfer Agents.
23. 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.
24. The remote e-voting period commences from Monday, 17th September, 2018 at 9.00 a.m. and ends on Friday, 21st September, 2018 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on 15th September, 2018 (cut-off date)

may cast their vote electronically.

25. 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.
26. The voting rights of shareholders shall be in proportion to the share in the paid up equity share capital of the Company as on 15th September, 2018, the cut off date.
27. The Company has appointed M/s S. S. Rauthan & Associates., a firm of Company Secretaries in Practice, as a scrutinizer for conducting the e-voting and polling process at the ensuing AGM in a fair and transparent manner.
28. The scrutinizer shall, within a period not exceeding three (3) days 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.
29. 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.
30. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 30th AGM of the Company scheduled to be held on Saturday, September 22, 2018. The results along with the scrutinizer's report shall be placed on the Company's website [www.kjmc.com](http://www.kjmc.com), within 48 hours from the conclusion of the 30th AGM of the Company and communicated to BSE Limited.
31. 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) Smt. Aditi Jain**

Name & Designation	Smt. Aditi Jain, Non Executive Director		
Director Identification Number (DIN)	00152373		
Date of Birth	August 29, 1974		
Qualifications	B.E (Computers) & PGDBM (Finance)		
Expertise in specific functional area	She is having vast experience in corporate finance, financial services, capital market.		
Director of the Company since	March 25, 2015.		
Number of Shares held in the Company as on March 31, 2018	Nil		
Disclosure of relationships between directors inter-se	Sr. No.	Name & Designation of Director	Relationship
	1.	Shri. Inderchand Jain, Director	Father in law
	2.	Shri. Girish Jain, Director	Husband
	3.	Shri. Rajnesh Jain, Director	Husband's brother

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

Name of the Company (Directorship)	Committee Chairmanship/ Membership
KJMC Capital Market Services Limited	-
KJMC Credit Marketing Limited	-
AKIP Venture Private Limited	-
KJ Golden real Estate Private Limited	-
KJ Diamond real Estate Private Limited	-
Puja Trades and Investments Pvt Ltd	-
KJMC Realty Private Limited	-
Prathamesh Enterprises Private Limited	-
KJMC e. Business Ventures Private Limited	-

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

**II) Shri. Inderchand Jain**

Name & Designation	Shri. Inderchand Jain, Non Executive Director		
Director Identification Number (DIN)	00178901		
Date of Birth	November 07, 1939		
Qualifications	FCA, B.Com		
Expertise in specific functional area	He is having over five decades of experience in Income Tax Counseling, Corporate Finance, Merchant Banking and Company Audit as a Practicing Chartered Accountant.		
Director of the Company since	June 30, 2000.		
Number of Shares held in the Company as on March 31, 2018	213000 (4.45%)		
Disclosure of relationships between directors inter-se	Sr. No.	Name & Designation of Director	Relationship
	1.	Shri. Rajnesh Jain, Director	Son of Shri. Inderchand Jain
	2.	Shri. Girish Jain, Director	Son of Shri. Inderchand Jain
	3.	Smt. Aditi Jain, Director	Son's Wife

32. The route map showing directions to reach the venue of the 30th AGM is annexed.

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

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

- (i) The e-voting period begins from September 17, 2018 (09:00 a.m.) and ends on September 21, 2018 (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 15, 2018, 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 RA0000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the "KJMC Financial Services Limited" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the 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).

**In case of members receiving the physical copy:**

- Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- The voting period begins on September 17, 2018 (09:00 a.m.) and ends on September 21, 2018 (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 15, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

**Inderchand Jain**  
Chairman

Place: Mumbai  
Date: August 13, 2018  
Registered Office:  
162, Atlanta, 16th Floor, Nariman Point, Mumbai-400021.  
Email: [investor.finance@kjmc.com](mailto:investor.finance@kjmc.com)  
Website: [www.kjmc.com](http://www.kjmc.com)  
CIN: L65100MH1988PLC047873



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

**ITEM NO. 3**

Pursuant to the Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, it has mandated to pass a special resolution to continue the directorship of any person as Non-Executive Director of the listed company, who has attained the age of seventy-five years (75 Years).

Shri Inderchand Jain, aged 78 years is the Chairman and Non-Executive Director of the Company. He is the first Director and Promoter of the Company and his office is subject to retire by rotation. Shri Inderchand Jain (DIN: 00178901) is more than 75 years of age and accordingly his continuation as Non-Executive Director with effect from 1st April, 2019 shall require approval of shareholders by way of special resolution.

A brief justification for his continuation as Non-Executive Director on the Board of the Company with effect from 1st April, 2019 is as under:

Shri Inderchand Jain is a Promoter Director of the Company and has been serving as a Non- Executive Director of the Company since incorporation of the Company. He is a qualified Chartered Accountant. He is having over 5 decades of rich and varied experience. He has guided the Company through decades of diversification and growth. It would be in the interest of the Company to continue Shri. Inderchand Jain as Non- Executive Director of the Company. He was a Director on Local Board of RBI from 1994-2002. He was also on the Board of prominent companies such as Asian Paints, Mahindra & Mahindra Ltd, Raymond India Ltd. He is an eminent personality and his professional profile and proven experience in business domain is a valuable asset to the Company which adds diversity and enriched points of view in the Board's discussions, under his guidance the Company has delivered good payoffs to all stakeholders in the form of improved valuations, sound governance practices. He has all round of experience in various functions of managing large business enterprises. Further, his association supports a good balance in the composition of the Board.

Brief profile of Shri. Inderchand Jain is mentioned in the notes to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Shri Inderchand Jain himself and his relatives Shri. Rajnesh Jain, Shri Girish Jain and Smt. Aditi Jain are interested in this resolution.

Save and except above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, in any way, in this resolution.

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

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

**Inderchand Jain**  
**Chairman**

Place: Mumbai  
Date: August 13, 2018  
Registered Office:  
162, Atlanta, 16th Floor,  
Nariman Point, Mumbai-400021.  
Email: [investor.finance@kjmc.com](mailto:investor.finance@kjmc.com)  
Website: [www.kjmc.com](http://www.kjmc.com)  
CIN: L65100MH1988PLC047873

**DIRECTORS REPORT**

To,

The Members of

**KJMC Financial Services Limited**

Your Directors' have pleasure in presenting the 30th 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, 2018. The consolidated performances of the Company and its subsidiaries have been referred to wherever required.

**FINANCIAL RESULTS**

The performance of the Company for the financial year ended March 31, 2018 is summarized below: (₹ in "000")

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>FINANCIAL RESULTS</b>				
Revenue from Operation	69,242	28,067	69,444	29,324
Other Income	652	221	840	614
Total Revenue	69,894	28,288	70,284	29,938
Total Expenses	63,871	25,249	64,166	26,472
Profit before Tax	6,023	3,039	6,118	3,466
Less: Provision for Tax				
- Current Tax	967	93	973	116
- Deferred Tax	1049	(137)	1,049	(137)
- MAT Credit	(967)	(93)	(964)	(82)
- Prior period taxes	-	(1049)	2	(1049)
Profit/(loss) after tax	4974	4225	5,058	4,618
Share in Associates' profit/(Loss)	NA	NA	1,350	104
Profit/(loss) for the year	4,974	4,225	6,408	4,722
<b>APPROPRIATIONS</b>				
Profit/(loss) for the year	4,974	4,225	6,408	4,722
Add: Balance brought forward from previous year	28,116	24,842	26,988	23,216
Amount available for appropriations	33,091	29,067	33,396	27,938
Less: Appropriations				
Special Reserve	995	845	995	845
General Reserve	124	106	124	106
Balance carried to Balance Sheet	31,972	28,116	32,277	26,987
EPS				
-Basic	1.04	0.90	1.34	1.01
-Diluted	1.04	0.88	1.34	0.99

**OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE**

On standalone basis, your Company earned the gross income of Rs 698.94 Lakhs as against Rs 282.88 Lakhs in the previous year. The total expenditure during the year under review was Rs 638.71 Lakhs as against Rs 252.49 Lakhs in the previous year. The Net Profit after tax was Rs 49.74 Lakhs as against Rs 42.25 Lakhs in the previous year.

On consolidated basis, your Company earned the gross income of Rs 702.84 Lakhs as against Rs 299.38 Lakhs in the previous year. The total expenditure during the year under review was Rs 641.66 Lakhs as against Rs 264.72 Lakhs in the previous year. The Net Profit after tax was Rs 64.08 Lakhs as against Rs 47.22 Lakhs in the previous year.

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

**Subsidiary Companies :**

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 subsidiaries included in the Consolidated Financial Statements in the Company.

Pursuant to the provisions of Section 129(3) of Companies Act, 2013 a separate statement containing the silent features of the subsidiary companies in prescribed form AOC-1 is part of the consolidated financial statements. The Financial statements of the Company along with the accounts of the subsidiaries will be available at the websites of the Company, www.kjmc.com and kept open for inspection at the registered office of the Company.

**Brief Financial and Operation of subsidiary companies are given hereunder:**

- (i) KJMC Asset Management Company Limited: It earned gross income of Rs 10.62 Lakhs as against Rs 17.34 Lakhs in the previous year. The total expenditure during the year under review was Rs 10.58 Lakhs as against Rs 17.02 Lakhs in the previous year. The Net Profit after tax was Rs 0.04 Lakhs as against Rs 0.23 Lakhs in the previous year.
- (ii) KJMC Investment Trust Company Limited: It earned gross income of Rs 0.96 Lakhs as against Rs 1.07 Lakhs in the previous year. The total expenditure during the year under review was Rs 0.68 Lakhs as against Rs 0.73 Lakhs in the previous year. The Net Profit after tax was Rs 0.20 Lakhs as against Rs 0.16 Lakhs in the previous year.
- (iii) KJMC Trading & Agency Limited: It earned gross income of Rs 1.62 Lakhs as against Rs 4.70 Lakhs in the previous year. The total expenditure during the year under review was Rs 0.99 Lakhs as against Rs 1.09 Lakhs in the previous year. The Net Profit after tax was Rs 0.61 Lakhs as against Rs 3.54 Lakhs in the previous year.

**Associates**

- (i) KJMC Platinum Builders Private Limited: It earned gross income of Rs 10.69 Lakhs as against Rs 10.49 Lakhs in the previous year. The total expenditure during the year under review was Rs 5.68 Lakhs as against Rs 6.81 Lakhs in the previous year. The Net Profit after tax was Rs 4.49 Lakhs as against Rs 2.52 Lakhs in the previous year.
- (ii) KJMC Realty Private Limited: It earned gross income of Rs 52.78 Lakhs as against Rs 0.00 Lakhs in the previous year. The total expenditure during the year under review was Rs 0.20 Lakhs as against Rs 0.16 Lakhs in the previous year. The Net Profit after tax was Rs 52.47 Lakhs as against loss of Rs 0.16 Lakhs in the previous year.

**DIVIDEND**

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

**TRANSFER TO RESERVES**

The Company proposes to transfer Rs 1.24 Lakhs to the general reserve and Rs. 9.95 Lakhs to Special Reserves out of the amount available for appropriation and an amount of Rs 319.72 Lakhs is proposed to be retained in the profit and loss account.

**RBI PRUDENTIAL NORMS**

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

**EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 in the Form MGT 9 for the financial year under review is annexed and forms part of this report.

**NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors held Four (4) meeting during the year. The maximum time gap between any two meetings was less than 120 days as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 The Board has the following committees:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Share Transfer and Stakeholders Relationship Committee
- iv. Credit and Investment Committee

**Audit Committee**

The Audit Committee comprises of Shri S C Aythora (Chairman and Independent Director), Shri Inderchand Jain (Non-Executive Non-independent Director) and Nitin Kulkarni (Independent Director). During the year 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, One (1) 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, Seven (7) 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, Eleven (11) Credit and Investment Committee Meetings were convened and held. The details pertaining to composition of Credit and Investment Committee and the attendance of the Credit and Investment Committee members are provided in the Corporate Governance Report, which forms part of the annual report.

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

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

- a. in the preparation of the annual financial statements for the year ended March 31, 2018, 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 profit of the Company for that period;

- 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, 2018 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 enables 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 particulars of loans, guarantees and investments have been disclosed in the financial statements, which forms part of the annual report.

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

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on arm's length basis and do not have potential conflict with interest of the Company at large.

All contracts / arrangements / transactions with related party which are required to be reported in Form No. AOC- 2 in terms of Section 134(3)(h) read with Section 188 of the Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed and forms part of this report .

Member may refer to Note 31 to the standalone financial statement which sets out related party disclosure pursuant to Indian Accounting Standard 18 (IndAS 18)

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

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

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

Since the Company is a Financial Services Company, the details required under Section 134 of the Companies Act, 2013 are not applicable 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.

During the reporting period there was no foreign exchange earning but incurred an expenditure of Rs 11.22 lakhs as against Rs 3.63 Lakhs in the previous year.

**RISK MANAGEMENT**

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

**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.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, skills, board dynamics, domain knowledge, understanding of Company's operations, inter-personal skills etc. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings.

In addition, the Chairman was also evaluated on the key aspects of his role. In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The directors expressed satisfaction with the evaluation process.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Act and the Articles of Association of the Company, Smt. Aditi Jain (Din: 00152373) non-executive Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself 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 Smt. Aditi Jain as Director of the Company liable to retire by rotation

Ms. Sankari Muthuraj has ceased to be the Company Secretary (KMP) of the Company w.e.f. 30th March, 2018.

It is proposed to continue appointment of Shri Inderchand Jain (DIN: 00178901) as the Non- executive Director of the Company on attaining age of 78 years by way of special resolution by members pursuant to Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The Company has received declarations from all Independent Directors of the Company including the proposed Independent Directors confirming that they meet the criteria of independence prescribed under the Act, and the Listing Regulations.

**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.

**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 2017-18;**

Non-executive Directors	Ratio to median remuneration
Shri. Inderchand Jain	0.04
Shri. S.C. Aythora	0.05
Shri. Nitin Kulkarni	0.05
Smt. Aditi Jain	0.03
Shri. Girish Jain	0.03
<b>Executive Directors</b>	
Shri. Rajnesh Jain	8.63

The median remuneration is calculated based on the salary paid during the financial year to employees on payroll as on March 31, 2018.

- 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. 2017-18
Shri. Inderchand Jain	Non Executive Director	-
Shri. S.C. Aythora	Independent Director	-
Shri. Nitin Kulkarni	Independent Director	-
Shri. Girish Jain	Non Executive Director	-
Smt. Aditi Jain	Non Executive Director	-
Shri. Rajnesh Jain	Whole Time Director	(41%)
Ms. Sankari Muthuraj (resigned)	Company Secretary	10%
Shri. Kartik Konar	Chief Financial Officer	30%

- iii. The percentage increase in the median remuneration of employees in the financial year: 21%**
- iv. The number of permanent employees on the rolls of Company as on March 31, 2018: 4 (Four)**
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentile increase in the salaries of the employees other than the managerial personal in the financial year 2017-18 was 21%. The perquisites paid to the director was less compared to the previous year due to which the managerial remuneration was decreased by 41%.

**Note :- The average percentile increase in the salaries of the employees other than the managerial personal is calculated based on the employees on payroll as on March 31, 2018.**

The Increments given to employees are based on their potential, performance and contribution, which is also, benchmarked against applicable industry norms

- vi. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

- vii. There are no employees falling within the purview of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no such details, are required to be given.**

**AUDITORS**

**STATUTORY AUDITOR**

In accordance with Section 139 of the Companies Act, 2013 and the rules made there under, M/s. K. S. Aiyar & Co., Mumbai, the Statutory Auditors of your Company has been appointed as the Statutory Auditors of the Company in the Annual General Meeting held on September 23, 2014 for a consecutive term of five years (subject to ratification of their appointment at every AGM). 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 requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 07th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, (Firm Registration No. 100186W).

The Independent Auditors' Report for the financial year ended March 31, 2018 on the financial statements of the Company forms part of this report. The Auditors' Report for the financial year ended 31st March, 2018 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 appointed M/s Sanjay Raja Jain & Co., as an internal auditor of the Company for the financial year 2018-19.

### SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S.K. Jain & Company, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is annexed and forms part of this report.

### WHISTLE BLOWER/VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. 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, 2018, was Rs 50,00,00,000. The issued subscribed and paid up share capital of your Company as on 31st March, 2018 was Rs 4,78,57,400 comprising of 4,78,574 equity shares of Rs 10/- each. During the reporting period, the Company has not altered its share capital.

### LISTING OF SHARES

The 4,78,574 Equity Shares of the Company are listed on BSE Limited. The annual listing fee for the financial year 2018-19 has been paid to BSE Limited (BSE).

### CORPORATE GOVERNANCE

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, compliance with the corporate governance provisions are not applicable to your Company as the Company's paid up Equity Share Capital does not exceed of ₹ 10 Crores and net worth does not exceed of ₹ 25 Crores as on March 31, 2018.

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

### MANAGEMENT DISCUSSION AND ANALYSIS

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

### INSURANCE

The Company's assets have been adequately insured.

### WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

Certificate from Shri. Rajnesh Jain, Whole Time Director and Shri. Kartik Konar, 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, 2018 was placed before the Board of Directors of the Company at its meeting held on May 21, 2018.

### ACKNOWLEDGMENTS

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

Place: Mumbai  
Date: August 13, 2018

**FORM AOC-I**

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

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

**Part "A": SUBSIDIARIES**

(₹ in '000")

Sr. No.	1	2	3
Name of the subsidiary	KJMC Asset Management Company Ltd	KJMC Investment Trust Co Limited	KJMC Trading & Agency Limited
The date since when subsidiary was acquired	20-02-1999	20-02-1999	07-09-2015
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding Company (i.e. 1st April to 31st March)	Same as holding Company (i.e. 1st April to 31st March)	Same as holding Company (i.e. 1st April to 31st March)
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR
Share capital	102500	1500	1000
Reserves & surplus	(1417)	(34)	408
Total assets	101168	1725	12414
Total Liabilities	85	259	11006
Investments	61810	170	11289
Turnover	129	Nil	74
Profit before taxation	4	28	63
Provision for taxation	Nil	8	2
Profit after taxation	4	20	61
Proposed Dividend	Nil	Nil	Nil
Extent of shareholding (in percentage)	100%	100%	100%

**PART "B": ASSOCIATES**

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

(₹ in '000")

Name of Associates	KJMC Realty Pvt Ltd	KJMC Platinum Builders Pvt Ltd
1. Latest audited Balance Sheet Date	31-03-2018	31-03-2018
2. Date on which the Associate was associated or acquired	25-03-2013	13-03-2013
3. Shares of Associate held by the company on the year end No.	3800	79,800
Amount of Investment in Associates	38	12635
Extent of Holding (in percentage)	22.81%	34.04%
4. Description of how there is significant influence	Holding more than 20% of Equity Shares	Holding more than 20% of Equity Shares
5. Reason why the associate is not Consolidated	NA	NA
6. Networth* attributable to Shareholding as per latest audited Balance Sheet	8,059	20,100
7. Profit / (Loss) for the year		
i. Considered in Consolidation	1197	153
ii. Not Considered in Consolidation	-	-

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

As per our report of even date attached for and on behalf of Board of Directors For K.S. Aiyar & Co.

Chartered Accountants.

ICAI Firm Registration No. 100186W

**I. C. Jain**  
Chairman  
Din No: 00178901

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

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

**Kartik Konar**  
Chief Financial Officer

Place: Mumbai  
Dated: May 21, 2018

Place: Mumbai  
Dated: May 21, 2018

**Form No. AOC-2**

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

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	KJMC Corporate Advisors (India) Ltd (KCAL) (Shri. Rajnish Jain, Shri. Girish Jain and Shri. Inderchand Jain, Directors of the Company hold more than 2% of its paid up share capital)	Provided security by way of lien on FD amounting to Rs 275 lakhs in favour of Union Bank of India on behalf of KCAL for a commission at the interest rate of 10% p.a.	Minimum period of 3 months which may extend upto 12 months	Providing security in the form of Fixed Deposits amounting to Rs. 2,75,00,000/- at a charge of 10% p.a	09.08.2017	-
2.	KJMC Asset Management Company Ltd (KJMC AMC), wholly owned subsidiary of the Company	Availed unsecured loan upto Rs1,00,00,000/- (Rupees one crore only) at an interest rate of 12% p.a. for a period of 12 months.	Period of 12 Months	Availed unsecured loan of Rs. 1,00,00,000 per annum at an interest rate of 12% p.a.	09.08.2017	-
3.	KJMC Corporate Advisors (India) Ltd (KCAL) (Shri. Rajnish Jain, Shri. Girish Jain and Shri. Inderchand Jain, Directors of the Company hold more than 2% of its paid up share capital)	Sale of 8500 equity shares of KJMC Platinum Builders Pvt. Ltd. at an agreed price of Rs. 257 per share through off market trade.	NA	Sale of 8500 equity shares of Rs. 257/- per share amounting to Rs.21,84,500/-	09.08.2017	-
4.	Prathamesh Enterprises Pvt. Ltd. (Shri. Rajnish Jain, Director of the Company hold more than 2% of its paid up share capital)	Granted loan of Rs. 50 Lakhs at the interest of 14% p.a. for a period of 12 months w.e.f. 14.08.2017.	Period of 12 Months	Granted loan of Rs. 50 Lakhs at the interest of 14% p.a.	09.08.2017	-

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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
5.	Shri. Rajnesh Jain, Whole time Director	Renewal of loan agreement of Rs 1 Crore w.e.f. December 08, 2017 to December 07, 2018 at the interest of 14% p.a.	Period of 12 Months	loan agreement of Rs 1 Crore at the interest of 14% p.a.	14.11.2017	-
6.	Puja Trades & Investments Private Limited (Common Director)	Availed security and corporate Guarantee of Rs. 3.93 crore and availed security of office premises no. 161, 16th floor, Atlanta.	NA	Availed security and corporate Guarantee of Rs. 3.93 crore	02.02.2018	-

For and on behalf of the Board of Directors  
For KJMC Financial Services Ltd.

Place: Mumbai  
Date : August 13, 2018

**Inderchand Jain**  
Chairman

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

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

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L65100MH1988PLC047873*
ii.	Registration Date	29.06.1988
iii.	Name of the Company	KJMC Financial Services Limited
iv.	Category /Sub-Category of the Company	Public Company limited by shares
v.	Address of the Registered office and contact details	162, Atlanta, 16th Floor, Nariman Point, Mumbai - 400021. Tel.No. 022-40945500, Fax.No. 022-22852892 E-mail id: <a href="mailto:investor.finance@kjmc.com">investor.finance@kjmc.com</a>
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Opp. Vasant Oasis, Transfer Agent, if any	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Makwana Road, Marol, Andheri (East), Mumbai 400059. Tel.No. 022-62638200; Fax.No. 022-62638299 E-mail id: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>

\*During the year, the Company updated its CIN in line with the business activity of the Company.

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

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

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

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

Sr. No	Name of the Company	CIN/GLN	Holding/ Subsidiary of shares the Company	% of Section	Applicable
1	KJMC Asset Management Company Limited	U74140MH1998PLC220222	Subsidiary	100	2(87)
2	KJMC Investment Trust Company Limited	U74899MH1998PLC213839	Subsidiary	100	2(87)
3	KJMC Trading & Agency Limited	U74900MH2015PLC268135	Subsidiary	100	2(87)
4	KJMC Realty Private Limited	U70102MH2008PTC183258	Associate	22.81	2(6)
5	KJMC Platinum Builders Private Limited	U45200MH2008PTC181980	Associate	34.04	2(6)

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2017				No. of Shares held at the end of the year i.e. 31.03.2018				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
A. Promoters *									
(1) Indian									
a) Individual/HUF	1989642	-	1989642	41.57	2111977	-	2111977	44.13	2.56
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1195000	-	1195000	24.97	1195000	-	1195000	24.97	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	3184642	-	3184642	66.54	3306977	-	3306977	69.10	2.56
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3184642	-	3184642	66.54	3306977	-	3306977	69.10	2.56
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	65400	65400	1.37	-	65400	65400	1.37	0.00
c) Central / State Govt (s)	-	7050	7050	0.15	-	7050	7050	0.15	0.00
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	72450	72450	1.51	-	72450	72450	1.51	0.00	
<b>2. Non-Institutions</b>									
a) Bodies Corp.	693199	20850	714049	14.92	396791	20850	417641	8.73 (6.19)	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	239528	199231	438759	9.17	262715	196081	458796	9.59 0.42	
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	353585	15300	368885	7.71	511508	15300	526808	11.01 3.30	
c) Others (specify)									
l) Non Resident Indians (NRI)	5	-	5	0.00	-	-	-	0.00 (0.00)	
ii) Non Resident Indians (REPAT)	618	-	618	0.01	618	-	618	0.01 0.00	
iii) Clearing Members	5732	-	5732	0.12	1850	-	1850	0.04 (0.08)	
iv) Directors & their Relatives & Friends	350	250	600	0.01	350	250	600	0.01 0.00	
Sub-total(B)(2):-	1293017	235631	1528648	31.94	1173832	232481	1406313	29.39 (2.56)	
Total Public Shareholding (B)=(B)(1)+(B)(2)	1293017	308081	1601098	33.46	1173832	304931	1478763	30.90 (2.56)	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	4477659	308081	4785740	100	4480809	304931	4785740	100.00 0.00	

\*Shri Pankaj Jain ceased to be the Promoter w.e.f 08.06.2017

**(ii) Shareholding of Promoters**

Sr. No	Shareholder's Name	Share holding at beginning of the year i.e. 01.04.2017			Share holding at the end of the year i.e. 31.03.2018			% change in share Holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Shri. Inder Chand Jain	213000	4.45	0.00	213000	4.45	0.00	-
2	I C Jain HUF	267065	5.58	0.00	267065	5.58	0.00	-
3	Smt. Chanddevi Jain	1264907	26.43	0.00	1387242	28.99	0.00	2.56
4	Shri. Rajnesh Jain	122335	2.56	0.00	122335	2.56	0.00	-
5	Shri. Girish Jain	122335	2.56	0.00	122335	2.56	0.00	-
6	KJMC Corporate Advisors (India)Ltd	950000	19.85	0.00	950000	19.85	0.00	-
7	KJMC Shares and Securities Limited	245000	5.12	0.00	245000	5.12	0.00	-
8	*Shri. Pankaj Jain	122335	2.56	0.00	00	0.00	0.00	(2.56)

\*Shri Pankaj Jain ceased to be the Promoter w.e.f 08.06.2017

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

Sr. No.	Shareholder's Name *	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Smt. Chanddevi Jain	01.04.2017	1264907	26.43	1264907	26.43
		08.06.2017	Inter-se transfer of 122335 Equity Shares as a gift from Shri. Pankaj Jain*		122335	2.56
		31.03.2018	Total	1387242	28.99	

\*Shri Pankaj Jain ceased to be the Promoter w.e.f 08.06.2017

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

Sr. No	Top Ten Shareholders	Shareholding at the beginning of the year i.e. 01.04.2017		No. of Shares held at the end of the year i.e. 31.03.2018	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Rajesh Patni	125000	2.61	125000	2.61
2	Frontline Venture Services Pvt Ltd	111370	2.33	0	0
3	Anand Shah	0	0	109500	2.29
4	Oricon Properties Private Limited	106420	2.22	106420	2.22
5	Usha R Kala	50	0.00	86450	1.81
6	Anand Rathi Share And Stock Brokers Limited	86426	1.81	23	0.00
7	Prabhudas Lilladher Pvt Ltd	86400	1.81	0	0
8	TCK Finance & Leasing Pvt Ltd	75000	1.57	75000	1.57
9	Dena Bank	64300	1.34	64300	1.34
10	Ravindra Nemichand Kala	58250	1.22	58250	1.22
11	Apex Enterprises (India) Limited	50000	1.04	50000	1.04
12	Yashodham Merchants Pvt Ltd	32450	0.68	32450	0.68
13	Ganesh Keshav Securities Private Limited	31279	0.65	31279	0.65

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

Sr. No.	Shareholder's Name	Date	Shareholding at the beginning of the year i.e. 01.04.2017		Cumulative Shareholding during the year i.e. 2018	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Shri. Inder Chand Jain	01.04.2017	213000	4.45	213000	4.45
		31.03.2018			213000	4.45
2	Shri. Rajnesh Jain	01.04.2017	122335	2.56	122335	2.56
		31.03.2018			122335	2.56
3	Shri. Girish Jain	01.04.2017	122335	2.56	122335	2.56
		31.03.2018			122335	2.56
4	Shri. Nitin V Kulkarni	01.04.2017	250	0.01	250	0.01
		31.03.2018			250	0.01
5	Shri. Sureshchandra C Aythora	01.04.2017	350	0.01	350	0.01
		31.03.2018			350	0.01



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### V. INDEBTEDNESS

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

(₹ in '000')

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year i.e. 01.04.2017</b>			
i) Principal Amount	88,399	5,075	93,474
ii) Interest due but not paid	Nil	Nil	Nil
iii) Interest accrued but not due	2	Nil	2
<b>Total(i+ii+iii)</b>	<b>88,401</b>	<b>5,075</b>	<b>93,476</b>
<b>Change in Indebtedness during the financial year</b>			
• Addition	2,09,000	12,255	2,21,255
• Reduction	1,95,068	Nil	1,95,068
Net Change	13,932	12,255	26,187
<b>Indebtedness at the end of the financial year 31.03.2018</b>			
i) Principal Amount	102,333	17,330	1,19,663
ii) Interest due but not paid	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil
<b>Total(i+ii+iii)</b>	<b>102,333</b>	<b>17,330</b>	<b>1,19,663</b>

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

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

Sr. No.	Particulars of Remuneration	Shri. Rajnesh Jain (Whole Time Director)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	24,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22,77,645	22,77,645
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	as % of profit		
	others, specify...		
5.	Others	Nil	Nil
	<b>Total(A)</b>	<b>4677645</b>	<b>4677645</b>
	Ceiling as per section II of part II of schedule V of the Companies Act, 2013	1,68,00,000/- p.a.	

### B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri.S. C. Aythora	Shri.Nitin Kulkarni	-	
1.	Independent Directors				
	• Fee for attending board / committee meetings	25000	25000	-	50000
	• Commission	Nil	Nil	-	Nil
	• Others, please specify	Nil	Nil	-	Nil
	<b>Total (1)</b>	<b>25000</b>	<b>25000</b>		<b>50000</b>
2.	Other Non-Executive Directors	Inderchand Jain	Girish Jain	Aditi Jain	
	• Fee for attending board / committee meetings	20000	16000	16000	52000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>20000</b>	<b>16000</b>	<b>16000</b>	<b>52000</b>
	<b>Total (B)=(1+2)</b>	<b>45000</b>	<b>41000</b>	<b>16000</b>	<b>102000</b>
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	₹ 1 lakh per meeting of the Board or Committee thereof.			

### C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri. Kartik Konar (Chief Financial Officer)	*Ms. Sankari Muthuraj (Company Secretary) resigned on 30th March, 2018	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	557,238/-	700,292/-	12,57,530/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary Under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	as % of profit	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>557,238/-</b>	<b>700,292/-</b>	<b>12,57,530/-</b>

\* For the part of the year

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

There were no penalties, punishment or compounding offences during the year ended March 31, 2018.

**SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

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

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

Based on my verification of the Company's Books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended on 31st March, 2018 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in 'Annexure I' for the Financial Year ended on 31st March, 2018 according to the provisions of:
  - i. The Companies Act, 2013 and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under (not applicable as the company has not availed any External Commercial Borrowings, has not received any Foreign Direct Investment & has not made any Overseas Direct Investment.)
  - v. The following Regulations and Guidelines prescribed under the SEBI Act, 1992 are as follows:-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable as the Company has not introduced any such scheme during the financial year under review);
    - e) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation 2015.
    - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable since the Company has not issued any Debt Securities);
    - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted / propose to delist its Equity Shares from any Stock Exchange during the financial year under review);
    - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not applicable as the Company has not bought back / propose to buy-back any of its securities during the financial year under review); and
    - i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- vi. Other laws specifically applicable to the Company is Reserve Bank of India Act, 1934

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
- ii. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I have also examined the books, papers and returns filed and other records maintained by M/s. KJMC Financial Services Limited for the Financial Year ended on 31st March, 2018 according to the provisions of various other Laws applicable, including the Rules made thereunder, and amended from time to time, to the Company, as informed by the Company.

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

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

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

- i. Reserve Bank of India Act, 1934, its Guidelines and Directions issued by Reserve Bank of India (RBI) as applicable to Non Banking Finance Companies (NBFCs-ND);
- ii. SEBI (Mutual Funds) Regulation 1996 as amended from time to time applicable to Wholly Owned Subsidiary Companies KJMC Asset Management Company has not issued any Scheme of Mutual Fund till date, therefore there were no compliances required to be made by the Company. The Company has surrendered the Mutual Fund Registration Certificate and informed to SEBI through e-mail on 28th March, 2018 and submitted the hard copy of original certificate of Registration of Mutual Fund to SEBI on 11th April, 2018 for Surrender of Registration Certificate of KJMC Mutual Fund and M/s. KJMC Asset Management Company Limited.

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

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

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

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

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

1. The Company has adopted New Set of Articles of Association in the AGM held on 23rd September, 2017.
2. Smt. Sankari Muthuraj has resigned from the post of Company Secretary (KMP) and Compliance Officer of the Company w.e.f. 30th March, 2018.

Place: Mumbai  
Date: 21/05/2018

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

**ANNEXURE - I**

**List of documents verified**

1. Memorandum & Articles of Association of the Company.
2. Audited Financial Statement for the Year ended 31st March, 2018.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer & Stakeholder Relationship Committee and Credit & Investment Committee along with Attendance Register held during the Financial Year under report.
4. Minutes of General Body Meetings held during the Financial Year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors /Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

Place: Mumbai  
Date: 21/05/2018

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

**Annexure-A**

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

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

**Management's Responsibility**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

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

Place: Mumbai  
Date: 21/05/2018

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

**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, the Accounting Standards prescribed by the Institute of Chartered Accountants of India and the Generally Accepted Accounting Principles in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner and reasonably present our state of affairs, profits and cash flows for the year.

**INDIAN ECONOMY**

**MACRO-ECONOMIC ENVIRONMENT**

India is the world's fourth-largest economy. It produced \$9.4 trillion in goods and services in 2017. India has had rapid growth despite the Great Recession. It grew 6.4 percent in 2018, 6.7 and 7.1 percent in 2017 and 2016, and 8.0 percent in 2015. From 2008 through 2014, it grew between 5 percent to 11 percent. That phenomenal growth rate has reduced poverty by 10 percent in the last decade. With the New Year, good news is underway for India as its economy is poised to win back its tag of the fastest growing economy in the world. The recent upgrade of India's rating by the US based credit rating agency Moody's (Baa2 from Baa3) in recognition of the reforms agenda pursued by the Government is a major boost to investor confidence. Further, as the short term disruptions caused by major reforms such as the Goods and Services Tax (GST) and demonetization recede, the economy is on the rebound and is likely to achieve higher growth targets in the New Year.

**GDP Growth**

Gross Domestic Product (GDP) is on a recovery path after slowdown in the first quarter of 2017-18, and real GDP growth for the second quarter (2QFY18) increased to 6.3% from 5.7% in the previous quarter, a likely fallout of the introduction of GST. The second half of 2017-18 had witnessed a higher growth rate, and this is further expected to consolidate in the coming New Year, as the benefits of GST and other reforms gain traction.



**Inflation, fiscal deficit**

Inflation, according to the report, is likely to stay in the 4.5-5 per cent range between January and June 2018, before declining to 4-4.5 per cent between July and December 18.

The report observed that the government is pushing towards a fiscal deficit of 3.2 per cent in the current fiscal even as revenue pressures continue to mount.

However, the announcement by the Government of buyback of Rs 30,000 crore of bonds on November 27, 2017 is an indication that the Government means business in maintaining market borrowing programme at Rs 3.5 lakh crore for Financial Year 2017-18.

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

The government has continued on the steady path of fiscal consolidation, without compromising on the public investment requirements of the company. There was considerable progress made in building consensus for the Goods & Services Tax (GST) and GST is rolled out from 1st July, 2017. Passing of the Insolvency & Bankruptcy Code (IBC), 2016 and the creation

of infrastructure for its effective implementation was another major achievement which should further improve the ease of doing business and quicker resolution of financial restructuring and recovery of dues by the lenders.

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

**NBFC SECTOR:**

NBFCs have been regarded as important financial intermediaries particularly for the small-scale and retail sectors. There are two broad categories of NBFCs based on whether they accept public deposits, namely deposit taking NBFCs (NBFC-D) and non-deposit taking NBFCs (NBFC-ND). They play a very important role both from the macroeconomic perspective and the structure of the Indian financial system. NBFCs are preferred or even better alternatives to the conventional Banks for meeting various financial requirements of a business enterprise. In many cases, they offer quick and efficient services without making one to go through the maze of conventional banking formalities without compromising on credit quality. Non-banking finance companies (NBFCs) continued to play a critical role in making financial services accessible to a wider set of India's population. Given their unique business models and, for many, their focus on operational excellence, NBFCs continue to strengthen their position in the financial services space in India.

From January 1, 2017 to May 31, 2018, the open offers launched under the SEBI Takeover Regulations for listed non-banking financial companies (NBFCs) constitute approximately 23.7% out of the total open offers during this period. In the year 2018 (upto May 31, 2018), the percentage of open offers for NBFCs out of the total open offers launched in this period was 23%, demonstrating significant interest in one particular sector in the listed space as opposed to others.

**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 against 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 also focuses on capital market related lending products & others like:

- i. Loan for purchase of two wheeler
- ii. Margin Funding
- ii. IPO funding
- iii. Stressed asset financing
- iv. NPA Buyouts etc.

In the present era of digital revolution, technology has been leaving its indelible mark in several areas, including finance. Your Company believes technology will play a crucial role in making a breakthrough in the NBFC sector for the years to come. The use of technology typically has been confined to calculation of 'credit scores'. Your Company initiated a business proposal with Urja Money Private Limited for utilizing platform/software known as 'CreditMate', developed by Urja Money Private Limited, which is used for evaluating customer's credit worthiness using data collected through loan application and other credit verification documents of the customer, on a pilot basis. Your Company believes that its focus with the Urja Money Private Limited shall provide a significant competitive advantage in the market and it expects to continue to grow and align itself with the expected general economic and population growth trends and the government's focus on improving the economic standard of this population segment.

Your Company has been involved in providing fund based financial services and funding solutions to the Indian Corporates, Institutions, SME's etc. Your Company, along with its associates forms an integrated financial services group providing wide range of financial services to its clients such as need based funding, loan syndication, working capital syndication services, CDR advisory, Venture capital funding, project financing advisory, loan securitization and so on. The organization structure is designed to be

flexible and customer focused to ensure effective control, supervision and consistency in standards across the organization.

**FINANCIAL REVIEW**

During the year under review, your Company earned the gross income of Rs. 698.94 Lakhs as against Rs. 282.88 Lakhs in the previous year. The total expenditure during the year under review was Rs. 638.71 Lakhs as against Rs. 252.49 Lakhs in the previous year. The Net Profit after tax was Rs. 49.74 Lakhs as against Rs. 42.25 Lakhs in the previous year. Your Directors expects better performance of the Company in the coming years.

**RISKS AND CONCERNS**

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

- Impact of markets on our revenues and investments, sustainability of the business across cycles.
- Sharp movement in prevailing interest rates in the market.
- Risk that a client will fail to deliver as per the terms of a contract with us or another party at the time of settlement.
- Risk due to uncertainty of a counterparty's ability to meet its financial obligations to us.
- Inability to conduct business and service clients in the event of a contingency such as a natural calamity breakdown of infrastructure, etc.
- 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 problem of Non-Performing Assets ("NPA") in the banking sector is expected to peak by March 2019 at approximately 11% of gross banking advances. 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 Financialisation of savings. All of these factors augur well for Non - Banking Finance Companies ("NBFC"). Inflation decline in the month of February 2018 was only temporary and inflation is expected to remain within RBI's tolerance limits. RBI is, hence, expected to remain neutral on the policy rate front for most part of FY 2018-19, unless there is clearly an oil price based shock to inflation. 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 for FY 2018-19. 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 NBFC sector in India is large with significant growth potential and has consistently created value for its shareholders. The NBFC sector has a double digit credit market share and has consistently gained market share from banks over the last 10 years. RBI data shows that, in Financial Year 17, NBFCs and housing finance companies cumulatively extended Rs 2.59 lakh crore in credit to commercial enterprises, meeting 18 percent of their total credit needs. This marked a year-on-year increase of 28 percent in NBFC lending from Financial Year 16 – a sharp contrast to the banking system, which has been grappling with a mountain of bad loans for quite some time now.

The growth in the sector appears sustainable as India has a low GDP to credit penetration. Further, many structural factors are supportive of NBFC growth namely weak banks, initiatives of the Reserve Bank of India ("RBI") on policy alignment and latent credit demand in certain segments not catered to by banks. The sector has been delivering on an average,



approximately 1.5% to 2% better ROEs, as compared to select banks over the last many years. In order for the sector to sustain its advantages, companies in the sector need to grow in a prudent manner while focusing on automation, financial innovation, analytics, digital and adequate risk management systems and procedures.

The RBI constantly issues new regulations and / or modifies existing regulations endeavouring to balance the multiple objectives of financial stability, consumer and depositor protection and regulatory arbitrage concerns. The RBI, however, implements major changes in a structured manner providing companies operating in the sector adequate time to adapt and adjust Adequate funding, at the right cost and tenure will be critical to achieve business growth. Newer regulatory updates pose a constant challenge for smooth operations of the Company. The Company needs to be equipped to quickly adapt to the constant changes in regulations and competitive landscape. With new entities like payment banks, small banks, new universal banks ,and fin-tech companies and P2P Lending entering the market place, the Company needs to maintain its competitive edge through constant adaptation and creating strategies to protect its niche. The implementation of and the IND AS will pose its own set of challenges and risks for the Company and NBFC sector as a whole.

#### **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 2017-18.

#### **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 advise before taking any investment decisions.

## **REPORT ON CORPORATE GOVERNANCE**

Pursuant to regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions are not applicable to your Company as the Company's paid up equity share capital does not exceed ₹ 10 Crores and net worth does not exceed of ₹ 25 Crores as on March 31, 2018. However your Company ensures compliance with all the relevant and applicable laws and the report on Corporate Governance is given below to maintain highest standards of Corporate Governance.

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

Your Company is committed to good corporate governance practices and has complied in all material respects with the requirements specified in Listing Regulations. The Company endeavours to ensure that highest standards of ethical and responsible conduct are met.

### **2. BOARD OF DIRECTORS**

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

The composition of the Board complies with the provisions of the Companies Act, 2013. As at March 31, 2018 the Board consists of six Directors comprising of three Non-Executive Directors including a woman Director, two Independent Directors and one Executive Director. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Chairman of the company is 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 May 27, 2017, August 09, 2017, November 14, 2017 and February 02, 2018 and the gap between two meetings did not exceed the statutory period laid down by the Companies Act, 2013 and the Secretarial Standard-1 issued by the Institute of Company Secretaries of India i.e. one hundred twenty days. The required quorum was present at all the above 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, 2018 are given herein below.

Name of the Director	Category	Number of Board meetings during the year 2017-18		Whether attended last AGM held on September 23, 2017	Number of directorships in other Public Companies	*Number of committee positions held in other public companies	
		Held	Attended			Chairman	Member
Shri. Inderchand Jain (Chairman) DIN:00178901	Promoter & Non Executive Director	4	4	Yes	4	1	1
Shri. Rajnesh Jain (Whole Time Director) DIN:00151988	Promoter & Executive Director	4	4	Yes	7	-	2
Shri. Girish Jain DIN:00151673	Promoter & Non Executive Director	4	4	No	6	-	2
Shri. S.C. Aythora DIN:00085407	Independent Director	4	4	Yes	9	1	2
Shri. Nitin Kulkarni DIN: 02297383	Independent Director	4	4	Yes	2	2	1
Smt. Aditi Jain DIN : 00152373	Promoter & Non Executive Director	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.

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.kjmc.com](http://www.kjmc.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 thereunder, 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 on May 27, 2017, August 09, 2017, November 14, 2017 and February 02, 2018 and the gap between two meetings did not exceed one hundred twenty days. The necessary quorum was present for all the meetings.

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

Name of Director	Category	No. of meetings during the financial year	
		Held	2017-18
Shri. S. C. Aythora	Chairman – Independent Director	4	4
Shri. Nitin Kulkarni	Independent Director	4	4
Shri. 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 23, 2017 and was attended by Shri. S. C. Aythora, Chairman of the Audit Committee.

**4. NOMINATION AND REMUNERATION COMMITTEE**

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

**(a) Terms of Reference:**

The terms of 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 One (1) times during the year on May 18, 2017. 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	
		Held	2017-18
Shri. S. C. Aythora	Chairman – Independent Director	1	1
Shri. Nitin Kulkarni	Independent Director	1	1
Shri. Girish Jain	Non-Executive Director	1	0

**(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, 2018:**

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

(Amount in ₹)

Name of Director	Sitting Fees			
	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Independent Directors Meeting
Shri. S.C. Aythora	16000	4000	1000	4000
Shri. Nitin Kulkarni	16000	4000	1000	4000
Shri. Inderchand Jain	16000	4000	-	-
Shri. Girish Jain	16000	-	-	-
Smt. Aditi Jain	16000	-	-	-

**(e) Details of remuneration paid to the Executive Directors for the year ended March 31, 2018:** (Amount in ₹)

Name of Director	Salary Basic and allowances	Benefits perquisites	Contribution to provident fund	Total	Service contract / Notice period
Shri. Rajnesh Jain	24,00,000	22,77,645	-	46,77,645	Reappointed for a further period of three years w.e.f. 11th August, 2017.

**(f) Details of equity shares of the Company held by the Directors as on March 31, 2018 are given below:**

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

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

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

The role and functions of the Share Transfer and Stakeholders Relationship Committee are the effective redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. The Committee oversees the steps to be taken for further value addition in the quality of service to the investors.

During the year, Three (3) complaints were received from shareholders and have been attended/resolved. As on March 31, 2018, 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, 2018, no transfer was pending.

The Committee is headed by Shri. Inderchand Jain, Non-Executive Director and consists of the members as stated below. During the year ended on March 31, 2018, Seven (7) meetings were convened and held on April 07, 2017, May 30, 2017, June 09, 2017, September 26, 2017, December 08, 2017, December 15, 2017 and March 16, 2018.

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 2017-18	
			Held	Attended
1.	Shri. Inderchand Jain	Chairman (Non-Executive Director)	7	7
2.	Shri. Nitin Kulkarni	Member (Independent Director)	7	7
3.	Shri. Rajnesh Jain	Member (Executive Director)	7	7
4.	Shri. Girish Jain	Member (Non-Executive Director)	7	7

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

Ms. Sankari Muthuraj  
Company Secretary and Compliance Officer  
(Resigned on March 30, 2018)

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

#### 6. INDEPENDENT DIRECTORS MEETING

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held on 15th March, 2018.

#### 7. GENERAL BODY MEETINGS:

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

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

Year	AGM	Location	Date	Time
2016-17*	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	23/09/2017	10.45 A.M.
2015-16#	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	10/09/2016	10.45 A.M.
2014-15	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	19/09/2015	12.15 P.M.

\*Special Resolution u/s 196, 197 and 203 read with Schedule V 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 Shri. Rajnesh Jain (DIN:00151988), Whole-time Director of the Company, liable to retire by rotation, for a period of 3 (three) years w.e.f. August 11, 2017 to August 10, 2020, was passed in AGM held on September 23, 2017.

\*Special Resolution for Adoption of new set of Articles of Association u/s 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 were passed in AGM held on September 23, 2017.

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

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

No extraordinary general meeting of the members was held during the year 2017-18.

##### (c) Postal Ballot:

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

#### 8. DISCLOSURES

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

#### 9. MEANS OF COMMUNICATION

The Company has promptly reported all material information including quarterly results to BSE Limited, where the Company's securities are listed. The quarterly, half-yearly and annual results of the Company are published in national and regional newspapers in India which include Free Press Journal and Nav Shakti. The Company also sends the financial results to the Stock Exchange immediately after its approval by the Board. These results are simultaneously posted on the website of the Company. No presentations were made to the Institutional Investor's or analysts during the year under review.

#### 10. GENERAL SHAREHOLDER'S INFORMATION

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

Date : September 22, 2018

Time : 10.45 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 2018-19 is as under:

Financial Reporting for the Financial Year 2018-19	Tentative month of reporting
Un-audited Financial Results for the quarter ending June 30, 2018	On or before August 14, 2018
Un-audited Financial Results for the quarter and half year ending September 30, 2018	On or before November 14, 2018
Un-audited Financial Results for the quarter and nine months ending December 31, 2018	On or before February 14, 2019
Audited Financial Results for the quarter and year ending March 31, 2019	On or before May 30, 2019

##### iii. Book Closure:

The Register of Members and Share Transfer Books will remain closed from Wednesday, September 19, 2018 to Saturday, September 22, 2018 (both days inclusive) for the purpose of AGM.

##### iv. Dividend Payment Date

No dividend recommended on the Equity Shares of the Company.

##### v. Listing of Equity Shares on Stock Exchanges:

Equity Shares of the Company are listed on BSE Limited, Mumbai (BSE). Annual listing fee for the financial year 2018-2019 has been paid to the BSE Limited, Mumbai.

##### vi. Stock Code:

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

(ii) ISIN : INE533C01018

##### vii. Stock Price Data:

Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2017 to March, 2018 are as under:

Month	BSE Limited (BSE)	
	High (₹)	Low (₹)
April, 2017	-	-
May, 2017	24.15	24.15
June, 2017	24.00	22.80
July, 2017	23.90	23.00
August, 2017	24.00	22.10
September, 2017	25.50	19.80
October, 2017	27.30	23.60
November, 2017	26.55	22.90
December, 2017	44.25	23.10
January, 2018	46.20	33.30
February, 2018	36.75	35.00
March, 2018	33.75	33.75



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



ix. Registrar & Transfer Agent:

Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Tel. No.022-62638200, Fax No.022-62638299, email id: [investor@bigshareonline.com](mailto:investor@bigshareonline.com).

x. Share Transfer System:

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

xi. Shareholding as on March 31, 2018:

a. Distribution of shareholding as on March 31, 2018.

Category (Shares)	Number of Shareholders	% of Total	Shares	% of Total	
1	500	3483	96.54	265881	5.56
501	1000	41	1.14	32265	0.67
1001	2000	23	0.64	36053	0.75
2001	3000	5	0.14	12099	0.25
3001	4000	6	0.17	19697	0.41
4001	5000	8	0.22	38418	0.80
5001	10000	13	0.36	90979	1.90
10001	9999999999	29	0.80	4290348	89.65
<b>Total</b>	<b>3608</b>			<b>4785740</b>	<b>100.00</b>

b. Shareholding pattern as on March 31, 2018

The shareholding of different categories of the shareholders as on March 31, 2018 is given below:

Category	Number of shares	Percentage %
Promoter and Promoters Group	3306977	69.10
Directors, their Relatives	600	0.01
Central / State Govt (s)	7050	0.15
Bodies Corporate	417641	8.73
Financial Institutions/Banks	65400	1.37
Foreign Investors (FIIs/NRIs/ OCBs/ Foreign Bank/ Foreign Corporate Bodies)	618	0.01
Others	987454	20.63
<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, 2018, out of total Equity Capital 4785740 Equity Shares, 4480809 Equity Shares representing 93.63% 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, 2018, 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](mailto:investor.finance@kjmc.com)

11. OTHER INFORMATION

i. Prevention of Insider Trading Code:

As per regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the "Code of practices and procedures for fair disclosure of unpublished price sensitive information" and "Code of conduct to regulate, monitor and report trading by insiders".

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

ii. CEO/CFO Certification

Whole Time Director/Chief Financial Officer (CFO) have issued certificate as specified in Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the financial year ended March 31, 2018 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.

Compliance with Mandatory Requirements and adoption of Non-Mandatory Requirements

The Company has complied with all mandatory requirements of the listing regulations. The Company has adopted the following non-mandatory requirements of Regulations 27 read with Part E of schedule II of the Listing Regulations:

Modified/ Unmodified opinion(s) in audit report

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

Separate posts of chairperson and chief Executive Officer

The chairman is not the chief Executive officer or managing director of company

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, 2018.

Place : Mumbai

Date : August 13, 2018

Rajnish Jain

Whole Time Director

## Independent Auditor's Report

### To The Members of KJMC Financial Services Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **KJMC Financial Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

#### Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

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

Place: Mumbai  
Date : May 21, 2018

**Annexure 'A' to the Auditor's Report**

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the standalone financial statements for the year ended on March 31, 2018, of **KJMC Financial Services Limited**)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The Company does not have inventory. Accordingly, clause 3 (ii) of the Order is not applicable.
- (iii) The Company had granted an unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) In our opinion, the terms and conditions on which the loan had been granted to the company listed in the register maintained under Section 189 were not, prima facie, prejudicial to the interest of the Company.
  - (b) the schedule of repayment of principal and payment of interest had been stipulated and the repayment of the principal amount and the interest were regular;
  - (c) There is no overdue amount in respect of loan granted to such company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given, investments made, guarantees and security given by the Company.
- (v) The Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, with regard to the deposits accepted from the public are not applicable to the Company.
- (vi) We are informed that the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013, which has been relied upon.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.  
According to the information and explanations given to us, no undisputed amounts payable in respect of above which were outstanding, as at March 31, 2018 for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
- (viii) Based on our audit procedure and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to financial institution or bank. The Company does not have any outstanding debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds by the Company or on the Company by any of its officers or employees noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, pursuant to the provisions of section 192 of the Companies Act, 2013, the Company has not entered into any non-cash transactions with directors or persons connected with him/her.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

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

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

Place: Mumbai  
Date : May 21, 2018

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

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

We have audited the internal financial controls over financial reporting of **KJMC Financial Services Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Mumbai  
Date : May 21, 2018

**BALANCE SHEET AS AT MARCH 31, 2018**

CIN NO : L65100MH1988PLC047873

(₹ in '000')

PARTICULARS	NOTE NO.	As at 31.03.2018	As at 31.03.2017
<b>(I) EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
(a) Share Capital	2	47,857	47,857
(b) Reserves and Surplus	3	1,09,264	1,04,289
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings		-	-
(b) Other Long Term Liabilities	4	21,500	21,500
(c) Long Term Provision	5	423	263
<b>Current Liabilities</b>			
(a) Short Term Borrowings	6	1,19,663	93,103
(b) Other Current Liabilities	7	1,475	6,326
(c) Short Term Provisions	8	134	63
<b>TOTAL</b>		<b>3,00,316</b>	<b>2,73,401</b>
<b>(II) ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		2,196	2,732
(b) Non-Current Investments	10	2,22,797	2,24,480
(c) Deferred Tax Assets (Net)	11	13,729	14,778
(d) Receivables under financing activity	12	8,272	-
(e) Long-term Loans and Advances	13	4,693	3,825
<b>Current Assets</b>			
(a) Current Investment	14	558	-
(b) Inventory	15	1,725	-
(c) Cash and cash equivalents	16	283	188
(d) Receivables under financing activity	12	44,735	25,093
(e) Short-term Loans and Advances	17	1,328	2,305
<b>TOTAL</b>		<b>3,00,316</b>	<b>2,73,401</b>

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

1 to 34

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

Chartered Accountants

ICAI Firm Registration No: 100186W

**Sachin A Negandhi**

Partner

Membership No. 112888

Place : Mumbai

Date : 21st May 2018

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

**I.C.Jain**

Chairman

DIN: 00178901

**Rajnish Jain**

Whole Time Director

DIN: 00151988

**Kartik Konar**

Chief Financial Officer

Place : Mumbai

Date : 21st May 2018



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

CIN NO : L65100MH1988PLC047873

('₹ in '000')

PARTICULARS	NOTE NO.	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue from Operations	18	69,242	28,067
Other Income	19	652	221
<b>Total Revenue</b>		<b>69,894</b>	<b>28,288</b>
Expenses:			
Purchase of Shares in Stock in Trade	20	34,665	-
Change in Stock in Trade	21	(1,725)	-
Employee Benefits Expenses	22	10,571	14,151
Finance Costs	23	12,335	4,009
Depreciation and Amortization Expenses	10	661	950
Other Expenses	24	7,364	6,139
<b>Total Expenses</b>		<b>63,871</b>	<b>25,249</b>
<b>Profit Before Tax</b>		<b>6,023</b>	<b>3,039</b>
Tax Expense:			
(1) Current tax		967	93
(2) Deferred tax		1,049	(137)
(3) MAT Credit		(967)	(93)
(4) Prior period Taxes		-	(1,049)
		1,049	(1,186)
<b>Profit for the Year</b>		<b>4,974</b>	<b>4,225</b>
Earnings per Equity Share: (₹)			
(1) Basic		1.04	0.90
(2) Diluted		1.04	0.88

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

1 to 34

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

Chartered Accountants

ICAI Firm Registration No: 100186W

**Sachin A Negandhi**

Partner

Membership No. 112888

Place : Mumbai

Date : 21st May 2018

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

**I.C.Jain**

Chairman

DIN: 00178901

**Rajnish Jain**

Whole Time Director

DIN: 00151988

**Kartik Konar**

Chief Financial Officer

Place : Mumbai

Date : 21st May 2018

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

CIN NO : L65100MH1988PLC047873

(₹ in '000')

PARTICULARS		For the year ended 31.03.2018	For the year ended 31.03.2017
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
<b>A</b>	<b>Net Profit Before Tax and Extraordinary Items</b>	<b>6,023</b>	<b>3,039</b>
	Adjustment for:		
	Depreciation	661	950
	Addition/(Reversal) of Provision of Standard Assets	72	50
	Interest and Financial Charges	12,335	4,009
	<b>Operating Profit Before Working Capital Changes</b>	<b>19,091</b>	<b>8,048</b>
	<b>Changes in Working Capital :</b>		
	(Increase)/Decrease in Loans and Advances	(26,937)	(22,861)
	(Increase)/Decrease in Inventory	(1,725)	-
	(Increase)/Decrease in Investments	1,124	(8,061)
	Increase/( Decrease) in Trade Payable and Other Liabilities	(4,690)	5,135
	<b>(Increase)/ Decrease in Working Capital</b>	<b>(32,228)</b>	<b>(25,787)</b>
	<b>Cash generated from Operations</b>	<b>(13,137)</b>	<b>(17,739)</b>
	Net of Income Taxes Refund received/(Paid)	(868)	1,079
	<b>Cash Flow Before Extraordinary Items</b>	<b>(14,005)</b>	<b>(16,660)</b>
	Extraordinary Items	-	-
	<b>Net Cash flow from Operating Activities</b>	<b>(14,005)</b>	<b>(16,660)</b>
<b>B</b>	<b>Cash Flow from Investment Activities</b>		
	Purchase of Fixed Assets	(124)	(20)
	<b>Net Cash Flow from Investing Activities</b>	<b>(124)</b>	<b>(20)</b>
<b>C</b>	<b>Cash Flow From Financing Activities</b>		
	Long Term Loan Repaid-Secured	-	(454)
	Short Term Loan Taken-Secured	14,304	84,645
	Short Term Loan Repaid-UnSecured	(3,620)	(12,557)
	Short Term Loan Taken-UnSecured	15,875	
	Inflow/(Outflow) of Security Deposit	-	(51,255)
	Interest and Financial Charges	(12,335)	(4,009)
	<b>Net Cash Flow from Financing Activities</b>	<b>14,224</b>	<b>16,370</b>
	Net Increase in Cash and Cash Equivalents	95	(310)
	Cash and Cash Equivalents at the beginning of the Year *	188	498
	Cash and Cash Equivalents at the close of the Year *	283	188
*	<b>Cash and Cash Equivalents comprise of :</b>		
	Cash in hand	1	8
	Balance in current account	282	180
	<b>Total</b>	<b>283</b>	<b>188</b>

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

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

Sachin A Negandhi  
Partner  
Membership No. 112888  
Place : Mumbai  
Date : 21st May 2018

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

I.C.Jain  
Chairman  
DIN: 00178901

Rajesh Jain  
Whole Time Director  
DIN: 00151988

Kartik Konar  
Chief Financial Officer  
Place : Mumbai  
Date : 21st May 2018

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### Company Overview:

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

### Note-1

#### SIGNIFICANT ACCOUNTING POLICIES:

##### a. Basis of Accounting:

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

##### b. Use of estimates

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

##### c. Investments

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

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

##### d. Fixed Assets and Depreciation:

###### (i) Tangible Fixed Assets:

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

Depreciation is provided under the written down value method, over the useful life of the assets and in the manner prescribed under Schedule II of the Companies Act, 2013.

###### (ii) Intangible Fixed Assets:

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

##### e. Taxation:

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

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

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

##### f. Revenue Recognition:

Interest, service charges etc. are recognised as income on accrual basis with reference to the terms of contractual commitments such as Loan and finance agreements entered into with borrowers, as the case may be, except in the case of delinquent assets provided for where income is recognised only when realised and, interest income, where income is recognised when right to receive payment is established

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

##### Non Performing Assets:

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

##### Dividend:

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

##### g. Foreign Currency Transactions

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

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

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

##### h. Derivative Transactions:

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

##### i. Stock in Trade:

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

##### j. Employee Benefits:

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

ii) The Company is exempted from Payment of Gratuity Act, 1972 in view of its strength of employees being less than threshold limit attracting the applicability of the said statute and as such no provision has been made for the said liability.

iii) Leave Encashment is not provided for on actuarial basis in view of the employees being less than 10 and the same is charged on actual basis.

##### k. Provisions, Contingent Liabilities & Contingent Assets:

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

##### l. Receivables under financing activity

(i) Receivables under financing activity represent principal and Interest outstanding at the close of the year but net of amount written off.

(ii) The Company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets and delinquent assets not yet NPAs as considered necessary including by accelerating provision to an early stage based on past experience, emerging trends and estimates.

(iii) A general provision, as required by RBI Regulations/Guidelines, is also made by the Company on the standard assets outstanding which is disclosed under 'Long-term provisions' in note no. 5 to the financial statements.

##### m. Earnings per Share:

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

(₹ in '000')

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Note - 2: Share Capital</b>		
<b>Authorised:</b>		
3,50,00,000 (Previous Year: 3,50,00,000) Equity Shares of ₹ 10/- each	350,000	350,000
85,000 (Previous Year: 85,000) Redeemable Preference shares of ₹ 100/- each	8,500	8,500
1,15,000 (Previous Year: 1,15,000) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each	11,500	11,500
13,00,000 (Previous Year: 13,00,000) Preference Shares of ₹ 100/- each	130,000	130,000
	500,000	500,000
<b>Issued,Subscribed and Paid up:</b>		
47,85,740 (Previous Year: 47,85,740) Equity Shares of ₹ 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**

(₹ in '000')

Equity Shares of ₹ 10 each	2017-18		2016-17	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	47,85,740	47,857	44,85,740	44,857
Add: Issued during the year	-	-	-	-
Add: Shares Issued out of conversion of Preference shares during the year	-	-	3,00,000	3,000
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	47,85,740	47,857	47,85,740	47,857

0% Compulsorily Convertible Preference Shares of ₹ 100 each	2017-18		2016-17	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	-	-	30,000	3,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares converted to Equity Shares during the year	-	-	30,000	3,000
Shares outstanding at the end of the year	-	-	-	-

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

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

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

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

Equity Shares of ₹ 10 each	As at 31-03-2018		At at 31-03-2017	
	No. of Shares held	%age of Holding	No. of Shares held	%age of Holding
Chand Devi Jain	13,87,242	28.99%	12,64,907	26.43%
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%



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(₹ in '000')

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Note - 3 : Reserves and Surplus</b>		
<b>Securities Premium Reserve</b>		
As per last balance sheet	14,410	14,410
Add : Received during the year	-	-
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>14,410</b>	<b>14,410</b>
<b>General Reserve :</b>		
As per last balance sheet	2,637	2,531
Add : Addition during the year	124	106
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>2,761</b>	<b>2,637</b>
<b>Capital Redemption Reserve :</b>		
As per last balance sheet	49,900	49,900
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>49,900</b>	<b>49,900</b>
<b>Special Reserve</b>		
As per last balance sheet	9,226	8,381
Add : Addition during the year	995	845
Less : Deduction during the year	-	-
<b>Closing Balance</b>	<b>10,221</b>	<b>9,226</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance brought forward from last year	28,116	24,842
Add:		
Profit for the Year	4,974	4,225
<b>Amount available for appropriation</b>	<b>33,091</b>	<b>29,067</b>
Less : Appropriations		
a) Special Reserve *	995	845
b) General Reserve	124	106
Balance carried forward	<b>31,972</b>	<b>28,116</b>
<b>Total</b>	<b>1,09,264</b>	<b>1,04,289</b>

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

(₹ in '000')

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Note - 4: Other Long Term Liabilities</b>		
Security Deposits		
Interest free deposit from related party payable		
<b>from Related Parties :</b>	21,500	21,500
<b>Total</b>	<b>21,500</b>	<b>21,500</b>
<b>Note -5 : Long Term Provision</b>		
Provision for Ex- Gratia	423	263
<b>Total</b>	<b>423</b>	<b>263</b>

(₹ in '000')

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Note -6 : Short Term Borrowings</b>		
Cash credit from bank repayable on demand (Secured) (Cash credit from bank is secured against equitable mortgage of premises belonging to the Company and a related party and Corporate Guarantee given by the related party. The cash credit is repayable on demand and carries interest @ MCLR Rate + 2.15%.) (Refer Note - 31)	23,195	12,656
	-	-
	-	-
Loan from NBFC (Secured) (Loans secured against pledge of shares bearing interest rate @ 9.50%, repayable on demand.) - (Refer Note -10)	79,138	75,372
Loan from Group Company (Unsecured) bearing interest rate @ 12%	17,330	5,075
<b>Total</b>	<b>1,19,663</b>	<b>93,103</b>
<b>Note -7 : Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings	-	372
Employee Dues	327	4,084
Statutory Dues	646	1,628
Provision for Expenses	243	235
Others	259	7
<b>Total</b>	<b>1,475</b>	<b>6,326</b>
<b>Note -8 : Short Term Provisions</b>		
Contingent Provision against Standard/Sub - Standard Assets	134	63
<b>Total</b>	<b>134</b>	<b>63</b>

**Note - 9 : Fixed Assets -Tangible**

(₹ in '000')

Description	Gross Block					Depreciation				Net Block	
	As on 01.04.2017	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2018	As on 01.04.2017	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2018	As on 31.03.2018	As on 31.03.2017
Building	10,849	-	-	-	10,849	8,613	408	-	9,021	1,828	2,236
Computers	280	117	-	-	397	243	76	-	319	78	37
Furniture & Fixtures	6,646	-	-	-	6,646	6,543	12	-	6,555	91	103
Office Equipments	2,191	8	-	-	2,199	2,154	17	-	2,171	28	37
Vehicles	2,792	-	-	-	2,792	2,473	148	-	2,621	171	319
<b>Total (A)</b>	<b>22,758</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>22,883</b>	<b>20,026</b>	<b>661</b>	<b>-</b>	<b>20,687</b>	<b>2,196</b>	<b>2,732</b>
Previous Year	22,738	20	-	-	22,758	19,076	950	-	20,026	2,732	

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**Fixed Assets - Intangible**

Description	Gross Block					Depreciation				Net Block	
	As on 01.04.2017	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2018	As on 01.04.2017	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2018	As on 31.03.2018	As on 31.03.2017
Computer Software	36	-	-	-	36	36	-	-	36	-	-
<b>Total (B)</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>
Previous Year	36	-	-	-	36	36	-	-	36	-	-
<b>Total (A+B)</b>	<b>22,794</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>22,919</b>	<b>20,062</b>	<b>661</b>	<b>-</b>	<b>20,723</b>	<b>2,196</b>	<b>2,732</b>
Previous Year	22,774	20	-	-	22,794	19,112	950	-	20,062	2,732	-

(₹ in '000')

Sr No.	Particulars	FV (₹)	As on 31.03.2018		As on 31.03.2017	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	<b>Note - 10 : Non-Current Investments</b>					
	<b>Non- Trade-Quoted</b>					
	<b>Investment in Equity Shares</b>					
1	Avenue Supermarts Limited (Dmart)	10	1,000	450	5,000	2,251
2	Bodal Chemicals Ltd	2	1,000	185	-	-
3	Capacite Infraprojects Ltd	10	6,493	2,695	-	-
4	Cochin Shipyard Ltd	10	1,606	924	-	-
5 *	Hotline Glass Ltd	10	37,549	-	37,549	-
6	ICICI Prudential Life Insurance Co Ltd	10	50,000	17,086	68,200	23,305
7	ICICI Bank Ltd	2	10	3	-	-
8 *	KDL Biotech Ltd.	10	10	-	10	-
9	Lawreshwar Polymers Ltd	10	1,251	88	-	-
10	Menon Pistons Ltd	2	3,07,458	3,996	3,94,201	5,117
11	N2N Technologies Limited	10	5,000	261	5,000	261
12	Poly Medicure Ltd. (Share)	10	8,58,345	54,517	9,77,392	62,067
13	Polylink Polymers (I) Ltd	5	10,500	85	43,277	349
14	State Bank Of India (Share)	1	100	29	-	-
15	Shree Ram Urban Infrastructure Ltd	10	4,701	240	4,701	240
16 *	Shree Vindhya Paper Mills Ltd	10	1	-	1	-
17	Arvind Ltd	10	4,000	1,544	-	-
18	Electrosteel Steels Ltd	10	90,000	606	-	-
19	KSK Energy Ventures Ltd	10	50,000	898	-	-
20	Som Dist & Brew Ltd	10	2,500	657	-	-
21	Lasa Supergenerics Ltd	10	3,234	611	-	-
22	Reliance Nippon Life Ltd	10	11,898	3,637	-	-
23	Tube Investments of India Ltd (TIINDIA)	1	1,000	244	-	-
24	V2 Retail Limited	10	1,500	645	-	-
25	Arman Financial Services Limited	10	462	103	-	-
26	Care Ratings Limited	10	98	149	-	-
27	DCB Bank Ltd	10	1,329	247	-	-
28	Garware - Wall Ropes Ltd	10	268	249	-	-
29	Good Year India Ltd	10	182	151	-	-
30	Hero MotoCorp Ltd	2	25	99	-	-
31	Tata Investment Corporation Ltd.	10	195	156	-	-
32	Manapurram Finance Ltd.	2	1,568	163	-	-
33	Muthoot Finance Limited.	10	632	281	-	-
34	Nesco Ltd.	2	348	183	-	-
35	Ujjivan Financial Services Ltd.	10	506	179	-	-
	<b>SUB-TOTAL (A)</b>			<b>91,361</b>		<b>93,590</b>
	<b>Non-Trade -Unquoted</b>					
	<b>Investment in Equity Shares</b>					
<b>A</b>	<b>In Subsidiaries</b>					
1	KJMC Asset Management Co.Limited	10	1,02,50,000	1,13,263	1,02,50,000	1,13,263
2	KJMC Investment Trust Co.Limited	10	1,50,000	1,500	1,50,000	1,500
3	KJMC Trading & Agency Limited	10	1,00,000	1,000	1,00,000	1,000
				<b>1,15,763</b>		<b>1,15,763</b>

Sr No.	Particulars	FV (₹)	As at 31.03.2018		As at 31.03.2017	
			Qty (Nos)	Amount	Qty (Nos)	Amount
<b>B</b>	<b>In Associates</b>					
1	KJMC Platinum Builders Pvt Ltd	10	79,800	12,635	95,300	15,089
2	KJMC Realty Pvt. Ltd.	10	3,800	38	4,000	38
				<b>12,673</b>		<b>15,127</b>
<b>C</b>	<b>In other companies</b>					
1	Prime Pictures Limited	10	25,000	-	25,000	
2	0% CCDs of Piquor Technologies Private Ltd	10	3,00,000	3,000		
				<b>3,000</b>		<b>-</b>
	<b>SUB - TOTAL (B)</b>			<b>1,31,436</b>		<b>1,30,890</b>
	<b>TOTAL (A + B)</b>			<b>2,22,797</b>		<b>2,24,480</b>
	Aggregate amount of quoted Investment			<b>91,361</b>		<b>93,590</b>
	Aggregate Market Value of quoted Investment			<b>2,55,352</b>		<b>3,06,197</b>
	Aggregate amount of unquoted Investment			<b>1,31,436</b>		<b>1,30,890</b>
	Aggregate provision for diminution in value of investments			<b>NIL</b>		<b>NIL</b>

\* These shares stand de-listed as on 31/03/2018".

\*\* 200,200 Shares of Poly Medicare Ltd & 45700 Shares of ICICI Prudential Life Insurance Co Ltd are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 6 )

(₹ in '000')

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Note - 11: Deferred Taxation</b>		
<b>Deferred Tax Assets</b>		
Business Loss	4,910	2,910
Unabsorbed Depreciation	409	409
Unabsorbed Long Term Capital Loss	8,302	11,388
Fixed Assets ( Diff in W.D.V)	108	71
	<b>13,729</b>	<b>14,778</b>
<b>Deferred Tax Liability</b>		
Fixed Assets	-	-
-	-	-
<b>Deffered tax Asset/(Liability)-Net</b>	<b>13,729</b>	<b>14,778</b>

(₹ in '000')

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>Note -12 : Receivables under Financing Activity</b>				
(Good unless otherwise stated )				
<b>Secured</b>				
Against hypothecation of automobiles.	8,272	-	10,866	-
<b>Others</b>				
Loans to Others (Unsecured, Considered good)	-	-	29,942	4,678
Loans to Others (Secured by Pledge of Securities)	-	-	2,027	20,415
<b>Related Parties :</b>				
<b>- Unsecured, Considered good</b>				
Loans to Related Party ( Rate of Interest 14%)	-	-	1,900	-
	<b>8,272</b>	<b>-</b>	<b>44,735</b>	<b>25,093</b>



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(₹ in '000')

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Note -13 : Long Term Loans and Advances</b>		
Advances recoverable in cash or kind or for value to be received Unsecured, considered good	-	-
Security Deposits Unsecured, considered good	1,529	1,529
Advance Income Tax	2,706	1,838
Less: Provision for Taxation	(1,693)	(743)
MAT credit Entitlement	2,151	1,201
<b>Total</b>	<b>4,693</b>	<b>3,825</b>
<b>Note -14 : Current Investment</b>		
Investment in Mutual Fund (Units 230.7096 , Market Value (573 ("000"))	558	-
	<b>558</b>	<b>-</b>
<b>Note -15 : Inventory</b>		
Stock in Trade	1,725	-
	<b>1,725</b>	<b>-</b>
<b>Note -16 : Cash and cash equivalents</b>		
Cash in Hand	1	8
Balance with Banks		
- In Current Accounts	282	180
In Deposit Accounts with Less than 12 Months' Maturity	-	-
<b>Total</b>	<b>283</b>	<b>188</b>
<b>Note -17 : Short Term Loans and Advances</b>		
Advances recoverable in cash or kind or for value to be received Unsecured, considered good	1,328	2,285
<b>Others</b>		
Loan to Employee (Unsecured, Considered good)	-	20
<b>Total</b>	<b>1,328</b>	<b>2,305</b>

(₹ '000's)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Note -18 : Revenue from Operations</b>		
Interest Income	6,980	1,839
Profit on Sale of Investments, Futures & Options (Net)	24,563	23,472
Dividend Income	1,122	2,756
Processing & Documentation Fees	1,005	-
Sale of Shares	35,572	-
<b>Total</b>	<b>69,242</b>	<b>28,067</b>
<b>Note -19 : Other Income</b>		
Compensation for Use of Office & Common Facilities	30	30
Miscellaneous Income	622	191
<b>Total</b>	<b>652</b>	<b>221</b>
<b>Note -20 : Purchase of Shares in Stock in Trade</b>		
Purchase of Shares in Stock in Trade	34,665	-
	<b>34,665</b>	<b>-</b>

(₹ '000's)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Note -21 : Change in Stock in Trade</b>		
Closing Stock in Trade	1,725	-
Opening Stock in Trade	-	-
	<b>(1,725)</b>	<b>-</b>
<b>Note -22 : Employee Benefit Expenses</b>		
Salaries and wages	6,682	11,222
Contribution / provisions to provident, Gratuity and other provisions.	465	427
Staff welfare expenses	3,424	2,502
<b>Total</b>	<b>10,571</b>	<b>14,151</b>
<b>Note -23 : Finance Costs</b>		
Interest to other/NBFC	9,596	1,202
Interest to Bank	2,618	2,695
Bank Charges	121	112
<b>Total</b>	<b>12,335</b>	<b>4,009</b>
<b>Note -24 : Other Expenses</b>		
Advertisement	52	43
Auditors Remuneration (for break up refer below)	126	145
Business Promotion Expenses	197	186
Electricity Expenses	245	208
Infrastructural Support service Expenses	246	294
Insurance Expenses	49	46
Legal Fees	46	-
Listing Fees	287	229
Miscellaneous Expenses	452	460
Motor Car Expenses	157	108
Loan Processing Charges	711	-
Service Charge	280	-
Office Maintenance & Utility Expenses	279	306
Postage & Telegram	36	42
Printing & Stationery	130	181
Professional & Consul. Fees Exp	622	928
Rent	1,800	1,800
Repairs & Maintenance (Others)	20	144
Subscription & Membership	91	86
Travelling Expenses	1,466	883
Provision for Standard Asset	72	50
<b>Total</b>	<b>7,364</b>	<b>6,139</b>
As Statutory Auditor		
As Audit Fees	40	40
For Taxation matters	10	10
For Limited Review	68	68
For reimbursement of expenses/Service Tax	9	28
	<b>126</b>	<b>145</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

25. **Contingent Liabilities:**

Claims against the Company for the Financial Year 2017-18 is NIL (PY 2016-17 is NIL)

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

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

As per requirement of Section 22 of Micro, Small & Medium Enterprises (Development) Act, 2006 following information is disclosed: (₹ '000's)

Sr. No	Particulars	31.03.2018	31.03.2017
(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.

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

Expenditure in Foreign Currency - C.Y ₹ 1122 ('000') (P.Y ₹ 363 (in'000')).

29. **Obligations on long-term, non-cancellable operating leases**

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

Particulars	Year Ended	
	31.03.2018	31.03.2017
Lease rental recognized during the year	1,800	1,800
<b>Lease obligation Payable</b>		
Within one year of the balance sheet date	1,200	1,800
Due in a period between one year and five years	-	1200

30. **Earnings per Share:**

Particulars	For the year ended	
	31.03.2018	31.03.2017
Net Profit / (Loss) after Taxation(₹ in '000')	4,974	4,225
Less : Preference Dividend and Tax thereon(₹)	Nil	Nil
Net Profit/(Loss) for calculation of EPS (₹ in '000' )	4,974	4,225
The weighted average Number of Equity Share (Nos.)- (Basic)	47,85,740	46,78,069
The weighted average Number of Equity Share (Nos.)- (Diluted)	47,85,740	47,85,740
Face Value (₹)	10	10
Earnings Per Share (Basic)	1.04	0.90
Earnings Per Share (Diluted)	1.04	0.88

31. **Related party disclosures under Accounting Standard 18:**

**List of related parties**

1) **Parties where control exists**

**Wholly owned subsidiary Companies**

: KJMC Asset Management Company Limited.  
KJMC Investment Trust Company Limited.  
KJMC Trading & Agency Limited.

2) **Other parties**

(a) **Key Management Personnel**

Rajnish Jain - Whole Time Director.  
Kartik Konar - Chief Financial Officer.

(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

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

KJMC Corporate Advisors (India) Limited	KJMC Credit Marketing Limited
KJMC Shares and Securities Limited	KJMC Capital Market Services Limited
KJMC Commodities Market India Limited	Puja Trades & Investments Pvt Ltd
Prathamesh Enterprises Private Limited	KJMC e.Business Ventures Private Limited
KJMC Investment Company	KJ Golden Real Estate Private Limited
KJ Diamond Real Estate Private Limited	
AKIP Venture Private Limited	

(d) **Associates**

KJMC Platinum Builders Private Limited KJMC Realty Private Limited

Related Parties Transactions :

(₹ in 000's)

Sr. No.	Nature of Transactions with related parties	Party where control exists		Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/ relatives are able to exercise significant influence	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
1	<b>Interest Income</b> Prathmesh Enterprises Pvt Ltd KJMC Trading & Agency Ltd Rajnish Jain	1	62	-	-	-	-	85	5
2	<b>Interest Paid</b> KJMC Platinum Builders Pvt Ltd KJMC Asset Management CO Ltd	-	-	-	-	-	-	842	322
3	<b>Board Meeting Fees</b> Inderchand Jain Aditi Jain Girish jain	-	-	-	-	20 16 18	20 16 18	-	-
4	<b>Salary and Perquisites</b> Rajnish Jain Pratham R Jain	-	-	-	-	4,677 -	7,863 77	-	-
5	<b>Deposit (For Appt of Director)</b> KJMC Trading & Agency Ltd	100	-	-	-	-	-	-	-
6	<b>Deposit Repaid (For Appt of Director)</b> KJMC Trading & Agency Ltd	100	-	-	-	-	-	-	-
6	<b>Deposit Repaid</b> KJMC Asset Management Company Ltd	-	52,755	-	-	-	-	-	-
7	<b>Deposit Received</b> "KJMC Corporate Advisors (India) Ltd (Security Deposit) "	-	-	-	-	-	-	-	1,500
8	<b>Loan given to Borrower</b> Rajnish Jain KJMC Trading & Agency Ltd Prathmesh Enterprises Pvt Ltd	-	-	-	-	11,350 -	8,515 -	-	-
9	<b>Repayment of Loan by Borrower</b> Rajnish Jain KJMC Trading & Agency Ltd Kartik Konar (Against Salary) Prathmesh Enterprises Pvt Ltd	-	-	-	-	11,350 20 -	8,515 120 -	-	-
10	<b>Loan taken</b> KJMC Platinum Builders Pvt Ltd KJMC Asset Management Co Ltd	-	-	-	-	-	-	2,375	5,075
11	<b>Loan Repaid</b> KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	-	120	-
12	<b>Rent Income</b> KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	-	30	30
13	<b>Infrastructural Support Services</b> KJMC Capital Market Services Ltd	-	-	-	-	-	-	247	294
14	<b>Brokerage Charges</b> KJMC Capital Market Services Ltd	-	-	-	-	-	-	211	189
15	<b>Depository Charges</b> KJMC Capital Market Services Ltd	-	-	-	-	-	-	36	79
16	<b>Sale of Shares</b> KJMC Corporate Advisors (India) Ltd KJMC Shares and Securities Limited KJMC Trading & Agency Ltd	-	-	-	-	-	-	2,185 3,395 -	940 -
17	<b>Purchase of Shares</b> KJMC Capital Market Services Ltd	-	-	-	-	-	-	3,420	14,400
18	<b>Service Received</b> KJMC Asset Management Company Ltd KJMC Shares and Securities Limited	-	600	-	-	-	-	-	-
19	<b>Service Rendered</b> KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	-	344	-
20	<b>Reimbursement of Expenses Paid</b> Corporate Advisors (India) Ltd Pratham R Jain (Fees & Accommodation Charges)	-	-	-	-	2,952	2,733	-	17

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### Related Parties Transactions :

(₹ in 000's)

Sr. No.	Nature of Transactions with related parties	Party where control exists		Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/ relatives are able to exercise significant influence	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
21	<b>Reimbursement of Expenses Received</b> KJMC Investment Trust Co. Ltd KJMC Asset Management Company Ltd KJMC Capital Market Services Ltd KJMC Trading & Agency Ltd	1 1 - -	8 2 - 6	- - - -	- - - -	- - - -	- - - -	- - - -	- - 21 -
22	<b>Net Receivables</b> Kartik Konar (Loan Against Salary) Prathmesh Enterprises Pvt Ltd	- -	- -	- -	- -	- -	20 -	- 1,900	- -
23	<b>Net Payables</b> KJMC Capital Market Services Ltd (Security Deposit) KJMC Platinum Builders Pvt Ltd (Loan) KJMC Corporate Advisors (India) Ltd (Security Deposit) KJMC Asset Management Company Ltd (Loan) KJMC Asset Management Company Ltd (Security Deposit)	- - - 10,000 10,000	- - - - 10,000	- - - - -	- - - - -	- - - - -	- - - - -	10,000 7,330 1,500 - -	10,000 5,075 1,500 - -
24	<b>Balances in Investment in Associates</b> KJMC Realty Private Limited KJMC Platinum Builders Private Limited	- -	- -	38 12,635	38 15,089	- -	- -	- -	- -
25	<b>Security and Corporate Guarantee given to Union Bank of India on behalf of KJMC Financial Services Limited by Puja Impex Pvt. Ltd.</b>	-	-	-	-	-	-	39,300	30,000

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

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

Particulars	(₹ In 000's)	
	Amount outstanding	Amount overdue
<b>Liabilities side :</b>		
<b>1 Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures : Secured	-	-
Unsecured		--
(other than falling within the meaning of public deposits)		-
(b) Deferred Credits		-
(c) Term Loans		-
(d) Inter-corporate loans and borrowing	17,330	-
(e) Commercial Paper		-
(f) Other Loans (specify nature)		-
Secured Loans against office premises	23,195	-
Secured Loans against Shares	79,138	-
<b>Asset Side :</b>		<b>Amount outstanding</b>
		<b>(₹ in 000's)</b>
<b>2 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
(a) Secured		1,02,333
(b) Unsecured		17,330
<b>3 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 :		
(a) Financial lease		
(b) Operating lease		
(ii) Stock on hire including hire charges under sundry debtors:		NIL
(a) Assets on hire		
(b) Repossessed Assets		
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been Repossessed		
(b) Loans other than (a) above		



4. Break-up of Investments:		(₹ in '000')		
<b>Current Investments :</b>				
1. Quoted :				
(i) Shares : (a) Equity				
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual funds				
(iv) Government Securities				
(v) Others (please specify)				
2. Un Quoted :				
(i) Shares : (a) Equity				
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual funds				
(iv) Government Securities				
(v) Others (please specify)				
<b>Long Term Investments :</b>				
1. Quoted :				
(i) Shares : (a) Equity		91,361		
(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		131,436		
(ii) Debentures and Bonds		-		
(iii) Units of mutual funds		-		
(iv) Government Securities		-		
(v) Others (please specify)		-		
5.	<b>Borrower group-wise classification of assets financed as in (2) and (3) above :</b>	<b>Amount Net of Provisions</b>		
	<b>Category</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1.	Related Parties	-	-	-
(a)	Subsidiaries	-	-	-
(b)	Companies in the same group	-	-	-
(c)	Other related parties	-	1,900	1,900
2.	Other than related parties	21,165	29,942	51,107
6.	<b>Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted):</b>	<b>Market Value / Breakup or fair value or NAV</b>		<b>Book Value (Net of Provisions)</b>
1.	Related Parties			
(a)	Subsidiaries	1,15,763		1,15,763
(b)	Companies in the same group	46,314		12,673
(c)	Other related parties	-		-
2.	Other than related parties	2,58,352		94,361
	<b>Total</b>	4,20,429		2,22,797
<b>Other information</b>				
<b>Particulars</b>		<b>Amount</b>		
<b>Gross Non-Performing Assets</b>				
(a)	Related parties	-		
(b)	Other than related parties	-		
<b>Non-Performing Assets</b>				
(a)	Related parties	-		
(b)	Other than related parties	-		
Assets acquired in satisfaction of debt		-		

33 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.

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

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

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

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

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

**Sachin A Negandhi**  
Partner  
Membership No. 112888  
Place : Mumbai  
Date : 21st May 2018

**Kartik Konar**  
Chief Financial Officer  
Place : Mumbai  
Date : 21st May 2018

**Independent Auditor's Report  
To The Members of KJMC Financial Services Limited  
Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **KJMC Financial Services Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

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

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

**Auditor's Responsibility**

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

The financial statements of two subsidiaries and two associates have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion and report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates, is based solely on the reports of the other auditors. (a) We did not audit the financial statements of two subsidiary whose financial statements reflect total assets of ₹113582(thousands) as at March 31, 2018, total revenues of ₹ 1224 (thousands) and net cash inflows amounting to ₹90(thousands) for the year ended on that date, as considered in the consolidated financial statements. (b) The consolidated financial statements also include the Group's share of profit of ₹ 1214(thousands) for the year ended March 31, 2018 in two associates, whose financial statements have not been audited by us. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associate companies, none of the directors of the holding company, subsidiaries and associate companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its Associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's Report) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group and its associate companies do not have any pending litigations which would impact its financial position.
  - ii. The Group and its associate companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate companies.

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

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

Place: Mumbai  
Date: May 21, 2018

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

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

In conjunction with our audit of the consolidated financial statements of the KJMC Financial Services Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of KJMC Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and its associates wherein such audit of the internal financial controls over financial reporting for the subsidiaries and associates was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as of that date.

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

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

**Auditor's Responsibility**

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

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

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

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

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

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

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

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

**Opinion**

In our opinion, the Holding Company, its subsidiaries and associate companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were generally operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

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

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

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

**Place:** Mumbai  
**Date:** May 21, 2018

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**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018**  
**CIN No.:L65100MH1988PLC047873 (₹ in '000')**

PARTICULARS	NOTE NO.	As At	As At
		31.03.2018	31.03.2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	47,857	47,857
(b) Reserves and Surplus	3	1,09,569	1,03,160
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings		-	-
(b) Other Long-Term Liabilities	4	11,747	11,747
(c) Long Term Provision	5	423	263
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	6	1,20,662	1,04,103
(b) Other Current Liabilities	7	1,580	6,505
(c) Short-Term Provisions	8	134	63
<b>TOTAL</b>		<b>2,91,972</b>	<b>2,73,698</b>
<b>(II)ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		2,196	2,732
(ii) Intangible Assets		-	-
(iii) Goodwill on Consolidation		10,763	10,763
(b) Non-Current Investments	10	1,19,673	1,20,144
(c) Deferred Tax Assets (net)	11	13,729	14,778
(d) Receivables under financing activity	12	8,272	-
(e) Long-Term Loans and Advances	13	23,927	24,033
(f) Other Non-Current Assets	14	20	30
<b>Current Assets</b>			
(a) Current Investments	15	62,972	71,050
(b) Inventory	16	1,725	-
(c) Cash and cash equivalents	17	2,119	1,910
(d) Receivables under financing activity	12	44,735	25,093
(e) Short-Term Loans and Advances	18	1,834	3,158
(f) Other Current Assets	19	7	7
<b>TOTAL</b>		<b>2,91,972</b>	<b>2,73,698</b>

Significant Accounting Policies and Notes to Accounts

1 to 35

The above notes are integral part of the financial statements

As per our report of even date attached

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

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

Place : Mumbai  
Date : 21-05-2018

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

**I.C.Jain** Chairman  
DIN: 00178901  
**Rajesh Jain** Whole Time Director  
DIN: 00151988

**Kartik Konar**  
Chief Financial Officer  
Place : Mumbai  
Date : 21-05-2018

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**  
**CIN No.: L65100MH1988PLC047873 (₹ in '000')**

PARTICULARS	NOTE NO.	For the	For the
		Year Ended	Year Ended
		31.03.2018	31.03.2017
Revenue from Operations	20	69,444	29,324
Other Income	21	840	614
<b>Total Income</b>		<b>70,284</b>	<b>29,938</b>
<b>Expenses:</b>			
Purchase of Shares in Stock in Trade	22	34,665	-
Change in Stock in Trade	23	(1,725)	-
Employee Benefits Expenses	24	11,238	15,495
Finance Costs	25	11,406	4,008
Depreciation & Amortization Expenses	9	661	950
Other Expenses	26	7,921	6,019
<b>Total Expenses</b>		<b>64,166</b>	<b>26,472</b>
<b>Profit before Tax</b>		<b>6,118</b>	<b>3,466</b>
Tax Expense:			
(1) Current tax		973	116
(2) Deferred tax		1,049	(137)
(3) MAT credit Entitlement		(964)	(82)
(4) Prior Period Taxes		2	(1,049)
		1,060	(1,152)
<b>Profit /(Loss) before Share in Associates' profit / Loss</b>		<b>5,058</b>	<b>4,618</b>
Less: Profit / (Loss) in Share of Associates		1,350	104
<b>Profit for the year</b>		<b>6,408</b>	<b>4,722</b>
Earnings per equity share: (₹)			
(1) Basic		1.34	1.01
(2) Diluted		1.34	0.99

Significant Accounting Policies and Notes to Accounts

1 to 35

The above notes are integral part of the financial statements

As per our report of even date attached

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

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

Place : Mumbai  
Date : 21-05-2018

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

**I.C.Jain** Chairman  
DIN: 00178901  
**Rajesh Jain** Whole Time Director  
DIN: 00151988

**Kartik Konar**  
Chief Financial Officer  
Place : Mumbai  
Date : 21-05-2018

**CONSOLIDATED CASH FLOW STATEMENT FOR  
THE YEAR ENDED MARCH 31, 2018**  
CIN NO : L65100MH1988PLC047873

(₹ in '000')

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit Before Tax and Extraordinary Items</b>	<b>6,118</b>	<b>3,466</b>
Adjustment for:		
Depreciation	661	950
(Profit)/Loss on Sale of Investments	(204)	(1,318)
Addition/(Reversal) of Provision of Standard Assets	72	50
Interest and Financial Charges	12,335	4,009
Interest Income	(9)	28
<b>Operating Profit Before Working Capital Changes</b>	<b>18,973</b>	<b>7,185</b>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Loans and Advances	(25,963)	(19,477)
(Increase)/Decrease in Inventory	(1,725)	-
(Increase)/Decrease in Other current and non current assets	3	-
(Increase)/Decrease in Investments	1,125	(8,060)
Increase/( Decrease) in Trade Payable and Other Liabilities	(4,766)	5,147
<b>(Increase)/ Decrease in Net Current Assets</b>	<b>(31,326)</b>	<b>(22,390)</b>
<b>Cash generated from Operations</b>	<b>(12,353)</b>	<b>(15,205)</b>
Direct taxes paid (Net of refund)	(870)	1,063
<b>Cash Flow Before Extraordinary Items</b>	<b>(13,223)</b>	<b>(14,142)</b>
Extraordinary Items	-	-
<b>Net Cash flow from Operating Activities</b>	<b>(13,223)</b>	<b>(14,142)</b>
<b>Cash Flow from Investment Activities</b>		
Purchase of Shares/ units	(1,640)	(1,09,806)
Drawings from Partnership Firm	202	-
Sale of Shares/Units	10,415	43,147
Purchase of Fixed Assets	(124)	(20)
Interest Income	97	107
<b>Net Cash Flow from Investing Activities</b>	<b>8,950</b>	<b>(66,572)</b>
<b>Cash Flow From Financing Activities</b>		
Long Term Loan Repaid-Secured	-	(454)
Short Term Loan Taken-Secured	14,305	84,645
Short Term Loan Taken-UnSecured	5,875	11,000
Short Term Loan Given	(725)	(415)
Short Term Loan Repaid-Secured	(3,620)	(12,557)
Short Term Loan Received back	1,070	765
Inflow/(Outflow) of Security Deposit	-	1,500
Interest Income	(88)	(134)
Interest and Financial Charges	(12,335)	(4,009)
<b>Net Cash Flow from Financing Activities</b>	<b>4,482</b>	<b>80,341</b>
Net Increase in Cash and Cash Equivalents	209	(373)
Cash and Cash Equivalents at the beginning of the Year*	1,910	2,283
<b>Cash and Cash Equivalents at the close of the Year *</b>	<b>2,119</b>	<b>1,910</b>
<b>* Cash and Cash Equivalents comprise of :</b>		
Cash in hand	168	36
Balance in current account	551	474
In Deposit Accounts with Less than 12 months'	1,400	1,400
<b>Total</b>	<b>2,119</b>	<b>1,910</b>

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

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

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

I.C.Jain  
Chairman  
DIN: 00178901

Rajesh Jain  
Whole Time Director  
DIN: 00151988

Sachin A Negandhi  
Partner  
Membership No. 112888

Kartik Konar  
Chief Financial  
Officer  
Place : Mumbai  
Date : 21-05-2018

Place : Mumbai  
Date : 21-05-2018

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Company Overview:**

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

**Note No. : 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of Preparation of financial statements**

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

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

**1.2 Principle of Consolidation**

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

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

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

**1.3 Use of estimates**

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

**1.4 Investments**

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

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

**1.5 Fixed Assets and Depreciation**

**(i) Tangible Fixed Assets:**

Tangible Fixed Assets are stated at cost, net off accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost of capitalization and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Depreciation is provided under the written down value method, over the useful life of the assets and in the manner prescribed under Schedule II of the Companies Act, 2013.

**(ii) Intangible Fixed Assets:**

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

**1.6 Taxation**

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

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

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

**1.7 Revenue Recognition:**

Interest, service charges etc. are recognized as income on accrual basis with



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reference to the terms of contractual commitments such as Loan and finance agreements entered into with borrowers, as the case may be, except in the case of delinquent assets provided for where income is recognized only when realized and where income is recognized when right to receive payment is established

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

#### Non Performing Assets

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

#### Dividend:

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

### 1.8 Foreign Currency Transactions

- Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transactions.
- Foreign currency denominated monetary assets & liabilities outstanding at the year end are translated at the year end exchange rate and unrealized exchange gain or loss is recognized in the Statement of Profit and Loss.
- Realized exchange gain/loss on foreign transactions during the year is recognized in the Statement of Profit and Loss.

### 1.9 Derivative Transactions:

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

### 1.10 Stock in Trade:

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

### 1.11 Employee Benefits:

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

### 1.12 Provisions, Contingent Liabilities & Contingent Assets:

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

### 1.13 Receivables under financing activity

- Receivables under financing activity represent principal and Interest outstanding at the close of the year but net of amount written off.
- The Company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets and delinquent assets not yet NPAs as considered necessary including by accelerating provision to an early stage based on past experience, emerging trends and estimates.
- A general provision, as required by RBI Regulations/Guidelines, is also made by the Company on the standard assets outstanding which is disclosed under 'Long-term provisions' in note no. 5 to the financial statements.

### 1.14 Earnings per Share:

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

(₹ in '000')

Particulars	As at	
	31.03.2018	31.03.2017
<b>Note - 2: Share Capital</b>		
<b>Authorised:</b>		
<b>Amount of Shares:</b>		
3,50,00,000 (Previous Year: 3,50,00,000)		
Equity Shares of ₹ 10/- each	3,50,000	3,50,000
85,000 (Previous Year: 85,000) Redeemable Preference shares of ₹ 100/- each	8,500	8,500
1,15,000 (Previous Year: 1,15,000) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each	11,500	11,500
13,00,000 (Previous Year: 13,00,000) Preference Shares of ₹ 100/- each	1,30,000	1,30,000
	5,00,000	5,00,000
<b>Issued and Subscribed &amp; Paid up :</b>		
47,85,740 (Previous Year: 47,85,740)		
Equity Shares of ₹ 10/- each fully paid up	47,857	47,857
	47,857	47,857

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

Equity Shares of ₹ 10 each	2017-18		2016-17	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	47,85,740	47,857	44,85,740	44,857
Add: Issued during the year	-	-	-	-
Add: Shares Issued out of conversion of Preference shares during the year	-	-	3,00,000	3,000
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	47,85,740	47,857	47,85,740	47,857

0% Compulsorily Convertible Preference Shares of ₹ 100 each	2017-18		2016-17	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	-	-	30,000	3,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares converted to Equity Shares during the year	-	-	30,000	3,000
Shares outstanding at the end of the year	-	-	-	-

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

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

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

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

Equity Shares of ₹ 10 each	As at 31 March 2018		As at 31 March 2017	
	No of Shares held	%age of Holding	No of Shares	%age of Holding
Chand Devi Jain	13,87,242	28.99%	12,64,907	26.43%
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%

Particulars	As At	
	31.03.2018	31.03.2017
<b>Note - 3: Reserves and Surplus</b>		
<b>Securities Premium Account :</b>		
As per last balance sheet	14,410	14,410
Add : Received during the year	-	-
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>14,410</b>	<b>14,410</b>
<b>General Reserve :</b>		
As per last balance sheet	2,637	2,531
Add : Addition during the year	124	106
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>2,761</b>	<b>2,637</b>
<b>Capital Redemption Reserve :</b>		
As per last balance sheet	49,900	49,900
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
<b>Closing Balance</b>	<b>49,900</b>	<b>49,900</b>
<b>Special Reserve :</b>		
As per last balance sheet	9,226	8,381
Add : Addition during the year	995	845
Less : Deduction during the year	-	-
<b>Closing Balance</b>	<b>10,221</b>	<b>9,226</b>
<b>Surplus/(Deficit) in the statement of profit and loss :</b>		
Balance brought forward from last year	26,988	23,216
Add:		
Profit for the period	6,408	4,722
<b>Amount available for appropriation</b>	<b>33,396</b>	<b>27,938</b>
Less : Appropriations		
a) Special Reserve *	995	845
b) General Reserve	124	106
Balance carried forward	32,277	26,987
<b>Total</b>	<b>1,09,569</b>	<b>1,03,160</b>

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

(₹ in '000')			(₹ in '000')		
Particulars	As At 31.03.2018	As At 31.03.2017	Particulars	As At 31.03.2018	As At 31.03.2017
<b>Note 4: Other Long Term Liabilities</b>			Loan from NBFC (Secured) (Loans secured against pledge of shares bearing interest rate @ 9.50%, repayable on demand.) - (Refer Note -10)		
Interest free deposit from related party payable				79,138	75,372
Security Deposits	11,500	11,500			
Unsecured Deposit	247	247	Loan From Related Party/Group Company	18,330	16,075
	<b>11,747</b>	<b>11,747</b>		<b>1,20,662</b>	<b>1,04,103</b>
<b>Note 5: Long Term Provision</b>			<b>Note 7: Other Current Liabilities</b>		
Provision for Ex- Gratia	423	263	Current Maturities of Long Term Borrowings	-	371
	<b>423</b>	<b>263</b>	Employee Dues	381	4,191
<b>Note 6 : Short Term Borrowings</b>			Statutory Dues	647	1,642
<b>Secured :</b>			Others	552	301
<b>Loans repayable on demand</b>				<b>1,580</b>	<b>6,505</b>
Cash credit from bank repayable on demand (Secured)	23,194	12,656	<b>Note 8: Short Term Provisions</b>		
(Cash credit from bank is secured against equitable mortgage of premises belonging to the Company and a related party and Corporate guarantee given by the related party. The cash credit is repayable on demand and carries interest @ MCLR Rate + 2.15%.) (Refer Note 31 )			Contingent provision against standard/Sub Standard assets	134	63
				<b>134</b>	<b>63</b>

**Note -9: Fixed Assets -Tangible**

Description	Gross Block				As at 31.03.2018	Depreciation				Net Block	
	As at 01.04.2017	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	Impairment/ Reversal during the year		As at 01.04.2017	Provided during the year	Deductions/ Adjustments during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Building	10,849	-	-	-	10,849	8,613	408	-	9,021	1,828	2,236
Computers	331	117	-	-	448	294	76	-	370	78	37
Furniture & Fixture	6,646	-	-	-	6,646	6,543	12	-	6,555	91	103
Office Equipments	2,191	8	-	-	2,199	2,153	17	-	2,170	29	38
Vehicles	2,792	-	-	-	2,792	2,474	148	-	2,622	170	318
<b>Total (A)</b>	<b>22,809</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>22,934</b>	<b>20,077</b>	<b>661</b>	<b>-</b>	<b>20,738</b>	<b>2,196</b>	<b>2,732</b>
<b>Previous year</b>	<b>22,789</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>22,809</b>	<b>19,127</b>	<b>950</b>	<b>-</b>	<b>20,077</b>	<b>2,732</b>	

**Fixed Assets -Intangible**

Description	Gross Block				As at 31.03.2018	Depreciation				Net Block	
	As at 01.04.2017	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	Impairment/ Reversal during the year		As at 01.04.2017	Provided during the year	Deductions/ Adjustments during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Software	36	-	-	-	36	36	-	-	36	-	-
<b>Total (B)</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>
<b>Previous year</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>22,845</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>22,970</b>	<b>20,113</b>	<b>661</b>	<b>-</b>	<b>20,774</b>	<b>2,196</b>	<b>2,732</b>
<b>Previous year</b>	<b>22,825</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>22,845</b>	<b>19,163</b>	<b>950</b>	<b>-</b>	<b>20,113</b>	<b>2,732</b>	

Sr No.	Particulars	FV (₹)	As at 31.03.2018		As at 31.03.2017	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	<b>Note - 10: Non-Current Investments</b>					
	<b>Non-Trade -Quoted</b>					
	<b>Investment in Equity Shares</b>					
1	Avenue Supermarts Limited (Dmart)	10	1,000	450	5,000	2,251
2	Bodal Chemicals Ltd	2	1,000	185	-	-
3	Capacite Infraprojects Ltd	10	6,493	2,695	-	-
4	Cochin Shipyard Ltd	10	1,606	924	-	-
5	ICICI Bank Ltd	2	10	3	-	-
6	Lawreshwar Polymers Ltd	10	1,251	88	-	-
7	State Bank Of India (Share)	1	100	29	-	-
8	Arvind Ltd	10	4,000	1,544	-	-
9	Electrosteel Steels Ltd	10	90,000	606	-	-
10	KSK Energy Ventures Ltd	10	50,000	898	-	-
11	Som Dist & Brew Ltd	10	2,500	657	-	-
12	Lasa Supergenetics Ltd	10	3,234	611	-	-
13	Reliance Nippon Life Ltd	10	11,898	3,637	-	-
14	Tube Investments of India Ltd (TIINDIA)	1	1,000	244	-	-
15	V2 Retail Limited	10	1,500	645	-	-
16	Arman Financial Services Limited	10	462	103	-	-
17	Care Ratings Limited	10	98	149	-	-
18	DCB Bank Ltd	10	1,329	247	-	-
19	Garware - Wall Ropes Ltd	10	268	249	-	-
20	Good Year India Ltd	10	182	151	-	-
21	Hero MotoCorp Ltd	2	25	99	-	-
22	Tata Investment Corporation Ltd	10	195	156	-	-

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(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2018		As at 31.03.2017	
			Qty (Nos)	Amount	Qty (Nos)	Amount
23	Manapurram Finance Ltd	2	1,568	163	-	-
24	Muthoot Finance Limited	10	632	281	-	-
25	Nesco Ltd	2	348	183	-	-
26	Ujjivan Financial Services Ltd	10	506	179	-	-
27 *	Hotline Glass Ltd	10	37,549	0	37,549	0
28	ICICI Prudential Life Insurance Co Ltd	10	50,000	17,086	68,200	23,305
29 *	KDL Biotech Ltd.	10	10	0	10	0
30	Menon Pistons Ltd	2	3,07,458	3,996	3,94,201	5,117
31	N2N Technologies Limited	10	5,000	261	5,000	261
32	Poly Medicare Ltd.	10	8,58,345	54,517	9,77,392	62,067
33	Polylink Polymers (I) Ltd	5	10,500	85	43,277	348
34	Shree Ram Urban Infrastructure Ltd	10	4,701	240	4,701	240
35 *	Shree Vindhya Paper Mills Ltd	10	1	0	1	0
<b>SUB-TOTAL (A)</b>				<b>91,361</b>		<b>93,589</b>

Sr No.	Particulars	FV (₹)	As at 31.03.2018		As at 31.03.2017	
			Qty (Nos)	Amount	Qty (Nos)	Amount
<b>Non-Trade -Unquoted Investment in Equity Shares In Associates</b>						
1	KJMC Platinum Builders Private Limited	10	79,800	12,826	95,300	15,128
2	KJMC Realty Private Limited	10	3,800	1,197	3,800	-
				<b>14,023</b>		<b>15,128</b>
<b>Other</b>						
1	Prime Pictures Limited	10	25,000	-	25,000	-
2	0% CCDs of Piquor Technologies Private Ltd		3,00,000	3,000		
3	KJMC Investment Co	-	-	11,289	-	11,427
				<b>14,289</b>		<b>11,427</b>
<b>SUB-TOTAL (B)</b>				<b>28,312</b>		<b>26,555</b>
<b>TOTAL (A + B)</b>				<b>1,19,673</b>		<b>1,20,144</b>

Aggregate amount of quoted Investment		<b>.91,361</b>	<b>93,589</b>
Aggregate Market Value of quoted Investment		<b>2,55,352</b>	<b>3,06,197</b>
Aggregate amount of unquoted Investment		<b>28,312</b>	<b>26,555</b>
Aggregate provision for diminution in value of investments		<b>NIL</b>	<b>NIL</b>

\* These shares stand de-listed as on 31/03/2018".

\*\* 200,200 Shares of Poly Medicare Ltd & 45700 Shares of ICICI Prudential Life Insurance Co Ltd are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 6)

(₹ in '000')

Particulars	As At	
	31.03.2018	31.03.2017
<b>Note 11 : Deferred Taxation</b>		
<b>Deferred Tax Assets</b>		
Business Loss	4,910	2,910
Unabsorbed Depreciation	409	409
Unabsorbed Long Term Capital Loss	8,302	11,388
Fixed Assets	108	71
	<b>13,729</b>	<b>14,778</b>
<b>Deferred Tax Liability</b>		
Fixed Assets	-	-
	<b>13,729</b>	<b>14,778</b>
<b>Deferred tax Asset/(liability)-Net</b>	<b>13,729</b>	<b>14,778</b>

(₹ in '000')

Particulars	Non-current As At		Current As At	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>Note -12 : Receivables under Financing Activity (Good unless otherwise stated)</b>				
<b>Secured</b>				
Against hypothecation of automobiles.	8,272	-	10,866	-
<b>Others</b>				
Loans to Others (Unsecured, Considered good)	-	-	29,942	4,678
Loans to Others (Secured by Pledge of Securities)	-	-	2,027	20,415
<b>Related Parties :</b>				
- Unsecured, Considered good				
Loans to Related Party (Rate of interest 14%)	-	-	1,900	-
	<b>8,272</b>	<b>-</b>	<b>44,735</b>	<b>25,093</b>

(₹ in '000')

Particulars	As At	
	31.03.2018	31.03.2017
<b>Note 13 : Long Term Loans and Advances</b>		
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	-	-
Security Deposits		
Unsecured, considered good	20,529	21,529
	-	-
Loan to related Party		
Advance Income Tax	2,999	2,118
Less: Provision for Taxation	(1,774)	(840)
MAT credit Entitlement	2,173	1,226
<b>Total</b>	<b>23,927</b>	<b>24,033</b>
<b>Note 14 : Other Non Current Assets</b>		
Other	20	30
	<b>20</b>	<b>30</b>

(₹ in '000')

Sr No.	Particulars	As At 31.03.2018			As At 31.03.2017	
		Qty (Nos)	Amount	Amount	Qty (Nos)	Amount
<b>Note 15: Current Investments Non-Trade -Quoted Investment in Mutual Funds</b>						
1	SBI Premier Liquid Fund	24,446.09	6,22,44,371	62,244	27,857	70,880
2	DSP Black Rock Liquid Fund	230.71	5,58,466	558	-	-
3	HDFC Liquid Fund	56.58	1,70,074	170	57	170
<b>TOTAL</b>			<b>6,29,72,911</b>	<b>62,972</b>		<b>71,050</b>
Aggregate amount of quoted Investment			<b>6,29,72,911</b>	<b>62,972</b>		<b>71,050</b>
Aggregate Market Value of quoted Investment			<b>6,29,86,570</b>	<b>62,987</b>		<b>71,096</b>
Aggregate amount of unquoted Investment			<b>NIL</b>	<b>NIL</b>		<b>NIL</b>
Aggregate provision for diminution in value of investments			<b>NIL</b>	<b>NIL</b>		<b>NIL</b>

Particulars	(₹ in '000')	
	As At 31.03.2018	As At 31.03.2017
<b>Note -16 : Inventory</b>		
Stock in Trade	1,725	-
	<b>1,725</b>	
<b>Note 17: Cash and Cash Equivalents</b>		
Cash in Hand	168	36
Balance with Banks		
- In Current Accounts	551	474
	719	510
Other Bank Balances		
- On Deposit Accounts		
With Less than 12 month's maturity	1,400	1,400
	<b>2,119</b>	<b>1,910</b>
<b>Note 18: Short Term Loans and Advances</b>		
Advances recoverable in cash or kind or for value to be received Unsecured, considered good	1,329	2,288
<b>Related Parties :</b>		
- Unsecured		
Loans to Related Party ( Rate of Interest 14%)	505	850
Others		
Loan to Employees	-	20
Loans to Others (Unsecured)	-	-
Loans to Others (secured)	-	-
	<b>1,834</b>	<b>3,158</b>
<b>Note 19: Other Current Assets</b>		
Others		
Accrued Interest	7	7
	<b>7</b>	<b>7</b>
<b>Note 20: Revenue from Operations</b>		
Interest Income	6,979	1,777
Profit on Sale of Investments, Futures & Options (Net)	24,702	24,791
Share in Partnership Firm	64	-
Dividend Income	1,122	2,756
Processing & Documentation Fees	1,005	-
Sale of Shares	35,572	-
	<b>69,444</b>	<b>29,324</b>
<b>Note 21: Other Income</b>		
Compensation for Use of Office & Common Facilities	30	30
Interest Income_Others	184	241
Miscellaneous Income	626	343
	<b>840</b>	<b>614</b>
<b>Note -22 : Purchase of Shares in Stock in Trade</b>		
Purchase of Shares in Stock in Trade	34,665	-
	<b>34,665</b>	
<b>Note -23 : Change in Stock in Trade</b>		
Closing Stock in Trade	1,725	-
Opening Stock in Trade	-	-
	<b>(1,725)</b>	
<b>Note 24: Employee Benefit Expenses</b>		
Salaries and wages	7,332	12,527
Contribution / provisions to provident, Gratuity and other provisions.	471	446
Staff welfare Expenses	3,435	2,522
	<b>11,238</b>	<b>15,495</b>
<b>Note 25: Finance Costs</b>		
Interest to other	8,666	1,202
Interest to Bank	2,619	2,694
Bank Charges	121	112
	<b>11,406</b>	<b>4,008</b>

Particulars	(₹ in '000')	
	As At 31.03.2018	As At 31.03.2017
<b>Note 26: Other Expenses</b>		
Advertisement	52	54
Auditors Remuneration (for break up refer below)	173	192
Business Promotion Expenses	197	186
Electricity Expenses	246	208
Infrastructural Support Service Expenses	247	294
Insurance Expenses	49	46
Legal Expenses	46	-
Listing Fees	287	229
Miscellaneous expenses	808	585
Loan Processing Charges	711	-
Motor Car Expenses	156	108
Office Maintenance & Utility Expenses	279	306
Postage & Telegram	36	42
Printing & Stationery	130	183
Professional Fees	663	344
Rent	1,800	1,800
Repairs & Maintenance (Others)	20	144
Subscription & Membership	340	336
Travelling Expenses	1,609	912
Provision for Standard Asset	72	50
	<b>7,921</b>	<b>6,019</b>
<b>As Auditor</b>		
As Statutory Auditor	81	81
For Taxation matters	10	10
For Limited Review	68	68
For reimbursement of expenses/Service Tax	15	33
	<b>173</b>	<b>192</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**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) ` NIL (Previous Year ` NIL)

**29. Earnings per Share:**

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Net Profit / (Loss) after Taxation (₹ in '000)	6,408	4,722
Less : Preference Dividend and Tax thereon	-	-
Net Profit/(Loss) for calculation of EPS (₹ in '000 )	6,408	4,722
The weighted average Number of Equity Share (Nos.)- (Basic)	47,85,740	46,78,069
The weighted average Number of Equity Share (Nos.)- (Diluted)	47,85,740	47,85,740
Face value (₹)	10	10
Earnings per Share (Basic)	1.34	1.01
Earnings per Share (Diluted)	1.34	0.99

**30.** Earnings in Foreign Currency ₹ Nil (₹ Nil)

Expenditure in Foreign Currency C.Y ₹ 1122 ('000') (P.Y (₹ 363 ('000')))

**31. Related party disclosures under Accounting Standard 18:**

**List of related parties**

**a) Key Management Personnel**

Rajnesh Jain (Whole Time Director)  
Kartik Konar – Chief Financial Officer

**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 Rajnesh Jain - Wife of Whole Time Director  
Pratham Jain - Son 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
KJMC Commodities Market India Limited	Puja Trades & Investments Pvt Ltd
KJMC Mutual Fund	AKIP Venture Private Limited
Prathmesh Enterprises Private Ltd	KJ Golden Real Estate Private Limited
KJMC Investment Company	KJ Diamond Real Estate Private Limited
KJMC e.Business Ventures Private Limited	

**d) Associates**

KJMC Platinum Builders Private Limited	KJMC Realty Private Limited
----------------------------------------	-----------------------------



Transactions during the year with related parties

(₹ in 000's)

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personnel and their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
1	<b>Interest Income</b> Prathmesh Enterprises Pvt Ltd Rajnesh Jain KJMC Investment Co	- - -	- - -	- 632 -	- 525 -	85 - 88	5 - 134
2	<b>Interest Expenses</b> KJMC Platinum Builders Pvt Ltd	-	-	-	-	842	322
3	<b>Board Meeting Fees</b> Inderchand Jain Aditi Jain Girish jain	- - -	- - -	20 16 18	20 16 18	- - -	- - -
4	<b>Salary and Perquisites</b> Rajnesh Jain Pratham Jain	- -	- -	4677 -	7,863 77	- -	- -
5	<b>Deposit Received</b> KJMC Corporate Advisors (India) Ltd (Security Deposit)	-	-	-	-	-	1,500
6	<b>Deposit Received Back</b> Puja Trades & Investments Pvt Ltd	-	-	-	-	1000	4,200
7	<b>Loan given to Borrower</b> Rajnesh Jain Prathmesh Enterprises Pvt Ltd KJMC Investment Co	- - -	- - -	11350 - -	8,515 - -	- 3175 725	- 2,900 415
8	<b>Repayment of Loan by Borrower</b> Rajnesh Jain KJMC Investment Company Kartik Konar Prathmesh Enterprises Pvt Ltd	- - - -	- - - -	11350 - 20 -	8,515 - 120 -	- 1070 - 1275	- 765 - 2,900
9	<b>Sale of Shares</b> KJMC Corporate Advisors (I) Ltd KJMC Shares and Securities Limited	- -	- -	- -	- -	2185 3395	940 -
10	<b>Purchase of Shares</b> KJMC Capital Market Services Ltd	-	-	-	-	3420	14,400
11	<b>Loan Taken</b> KJMC Platinum Builders Pvt Ltd Inderchand Jain	- -	- -	- -	- -	2375 -	5,075 11,000
12	<b>Loan Repaid</b> KJMC Platinum Builders Pvt Ltd	-	-	-	-	120	-
13	<b>Rent Income</b> KJMC Corporate Advisors (India) Ltd	-	-	-	-	30	30
14	<b>Infrastructural Support Services</b> KJMC Capital Market Services Ltd	-	-	-	-	247	294
15	<b>Brokerage Charges</b> KJMC Capital Market Services Ltd	-	-	-	-	211	189
16	<b>Depository Charges</b> KJMC Capital Market Services Ltd	-	-	-	-	52	87
17	<b>Service Provided</b> KJMC Shares and Securities Limited	-	-	-	-	-	150
18	<b>Service Received</b> KJMC Shares and Securities Limited	-	-	-	-	-	50
19	<b>Reimbursement of Expenses Paid</b> Pratham R Jain (Fees & Accommodation Charges) KJMC Corporate Advisors (India) Ltd	- -	- -	2952 -	2,733 -	- -	- 20
20	<b>Reimbursement of Expenses Received</b> KJMC Capital Market Services Ltd	-	-	-	-	-	21
21	<b>Balances in Investment in Associates</b> KJMC Platinum Builders Pvt. Ltd. KJMC Realty Pvt. Ltd.	12635 38	15,089 38	- -	- -	- -	- -
22	<b>Net Receivables</b> Kartik Konar (Loan Against Salary) Puja Trades & Investments Pvt Ltd (Security Deposit) KJMC Investment Co (Loan)	- - -	- - -	- - -	20 - -	- 19000 505	- 20,000 850

## 30TH ANNUAL REPORT 2017-2018

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personnel and their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>23</b>	<b>Net Payables</b>						
	KJMC Capital Market Services Ltd (Security Deposit)	-	-	-	-	10000	10,000
	Inderchand Jain (Loan)	-	-	-	-	11000	11,000
	KJMC Corporate Advisors (India) Ltd (Security Deposit)	-	-	-	-	1500	1,500
	KJMC Platinum Builders Pvt Ltd (Loan)	-	-	-	-	7330	5,075
	KJMC Mutual Fund (Loan)	-	-	-	-	247	247
<b>24</b>	<b>Security and Corporate Guarantee given by</b>						
	Puja Trades & Investments Pvt Ltd (Refer Note No. 6)	-	-	-	-	39,300	30,000

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

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

Sr. No.	Name of Subsidiary	Country of Incorporation	Ownership Interest	
			31.03.2018	31.03.2017
1.	KJMC Asset Management Company Limited	India	100%	100%
2.	KJMC Investment Trust Company Limited	India	100%	100%
3.	KJMC Trading & Agency Ltd	India	100%	100%

**33. Additional information:**

(₹ in 000's)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
<b>Parent : KJMC Financial Services Ltd</b>	99.81	1,57,124	77.67	4,977
<b>Subsidiaries -</b>				
<b>Indian</b>				
1 KJMC Asset Management Co Ltd	64.21	1,01,083	0.06	4
2 KJMC Investment Trust Co Ltd	0.93	1,466	0.31	20
3 KJMC Trading & Agency Ltd	0.89	1,408	0.95	61
Minority interest in all subsidiaries	-	-	-	-
<b>Associates</b>				
<b>(Investment as per the equity method) -</b>				
<b>Indian</b>				
KJMC Platinum Builders Pvt Ltd	-	-	2.37	152
KJMC Realty Pvt Ltd (Reversal of Loss)	-	-	18.67	1,197
<b>Joint Ventures</b>				
	-	-	-	-

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

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

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

Sachin A Neganthi  
Partner  
Membership No. 112888  
Place : Mumbai  
Date : 21st May 2018

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

I.C.Jain  
Chairman  
DIN: 00178901

Rajnish Jain  
Whole Time Director  
DIN: 00151988

Kartik Konar  
Chief Financial Officer  
Place : Mumbai  
Date : 21st May 2018



**KJMC FINANCIAL SERVICES LIMITED**

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

**PROXY**

Form No. MGT-11

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

CIN : L65100MH1988PLC047873  
 Name of the Company : KJMC FINANCIAL SERVICES LIMITED  
 Registered office : 162, 16th Floor, Atlanta, Nariman Point, Mumbai- 400021  
 Name of the member (s) : \_\_\_\_\_  
 Registered address : \_\_\_\_\_  
 Email ID : \_\_\_\_\_  
 Folio No/Client ID/DP ID : \_\_\_\_\_

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Saturday, September 22, 2018 at 10.45 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
<b>Ordinary Business</b>			
1.	Adoption of Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	Re-appointment of Smt. Aditi Jain (DIN: 00152373), who is liable to retire by rotation.		
<b>Special Business</b>			
3.	Continuation of Appointment of Shri Inderchand Jain as Chairman & Non -Executive Director of the Company on attaining the age of 78 years.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018



Signature of shareholder

Signature of Proxy holder(s)

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

**KJMC FINANCIAL SERVICES LIMITED**

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

(To be handed over at the entrance of the Meeting Hall) **ATTENDANCE SLIP** 30<sup>th</sup> Annual General Meeting - September 22, 2018

I hereby record my presence at the 30TH ANNUAL GENERAL MEETING of the company held on Saturday, September 22, 2018 at 10.45 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) .....

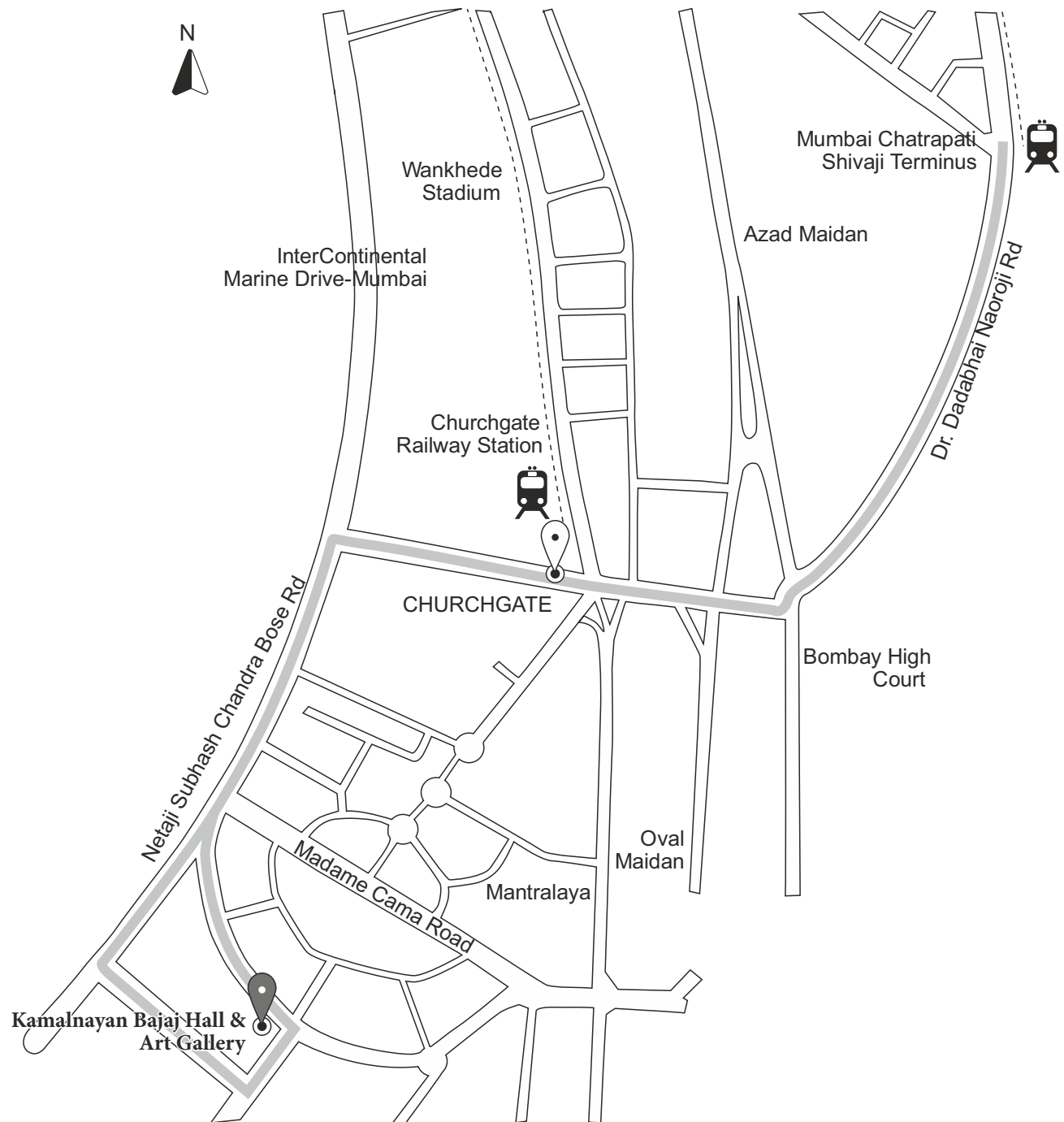
.....  
Member's / Proxy Signature

**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 17, 2018, so that the answers/details can be kept ready at the Annual General Meeting.

**Route map to the AGM Venue of:**

KJMC Financial Services Ltd.  
30<sup>th</sup> Annual General Meeting  
Saturday, September 22, 2018 at 10.45 a.m.



**Venue:**

Kamalnayan Bajaj Hall,  
Bajaj Bhavan, Jamnalal Bajaj Marg,  
Nariman Point,  
Mumbai - 400 021





To,



**KJMC**  
ADVICE MATTERS

*If Undelivered Please Return To:*

**KJMC FINANCIAL SERVICES LIMITED**

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

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

Fax : 91-22-22852892

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