

KJMC FINANCIAL SERVICES LTD.

NBFC : No. B-13.01633



August 30, 2019

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

Sub: Submission of 31st Annual Report of the KJMC Financial Services Limited for the Financial Year 2018-2019

Pursuant to Regulation 34 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of 31st Annual General Meeting for the financial year 2018-19 which is being despatched / sent to the members by the permitted mode(s) for your reference.

The Annual Report containing the Notice is also uploaded on the Company's website.

www.kjmcfinanserv.com

Yours faithfully,

For KJMC Financial Services Limited

Akash Anchan
Company Secretary



Encl.: As above



KJMC FINSERV
MONEY MATTERS

KJMC FINANCIAL SERVICES LIMITED

31st
Annual Report
2018 - 2019

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Pradeep Poddar

COMPANY SECRETARY

Mr. Akash Anchan

STATUTORY 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 & SHARE TRANSFER AGENT

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

REGISTERED OFFICE

162, 16th Floor, Atlanta,
Nariman Point, Mumbai – 400 021
Tel.No.: 022-4094 5500
Email : investor.finance@kjmc.com
CIN : L65100MH1988PLC047873

GROUP BRANCH OFFICE

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

31ST ANNUAL GENERAL MEETING	
Date	: Monday, September 30, 2019
Time	: 12.15 p.m.
Venue	: Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021

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NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Members of KJMC Financial Services Limited (CIN:L65100MH1988PLC047873) will be held on Monday, September 30, 2019, at 12:15 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point Mumbai - 400021 to transact the following businesses :-

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Financial Statement (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended March 31, 2019, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Girish Inderchand Jain (DIN: 00151673), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and fixed their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and any other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. V. P. Thacker & Co., Chartered Accountants, (Firm Registration No. 118696W), be and are hereby appointed as the Statutory Auditors of the Company for a term of (3) three consecutive years, to hold office from the conclusion of 31st Annual General Meeting until conclusion of 34th Annual General Meeting to be held in the year 2022, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:-

4. To re-appoint Mr. S.C. Aythora (DIN : 00085407) as an Independent Director of the company and in this regard, to consider and if thought fit, to pass with or without modification(s), pass the following resolution as Special Resolution

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S. C. Aythora (DIN: 00085407), be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 26th September 2019 to 25th September 2024 AND THAT his office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Rajnesh Jain, Whole Time Director, Mr. Girish Jain, Director and Mr. Akash Anchan, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things they may deem desirable and necessary for the purpose of giving effect to the above resolution.”

5. To re-appoint Mr. Nitin Kulkarni (DIN : 02297383) as an Independent Director of the company and in this regard, to consider and if thought fit, to pass with or without modification(s), pass the following resolution as Special Resolution

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies

Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nitin Kulkarni (DIN: 02297383), be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 26th September 2019 to 25th September 2024 AND THAT his office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Rajnesh Jain, Whole Time Director, Mr. Girish Jain, Director and Mr. Akash Anchan, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things they may deem desirable and necessary for the purpose of giving effect to the above resolution.”

6. To regularize the appointment of Mrs. Shraddha Jain (DIN : 00156306) as Director and in this regard to consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 and the Companies Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Shraddha Jain (DIN: 00156306), who was appointed as an Additional Non-Executive Director of the Company by the Board of Directors with effect from May 22, 2019 in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT Mr. Rajnesh Jain, Whole Time Director, Mr. Girish Jain, Director and Mr. Akash Anchan, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things they may deem desirable and necessary for the purpose of giving effect to the above resolution.”

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

**Akash Anchan
Company Secretary
ACS-48123**

Place: Mumbai
Date: August 22, 2019

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

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item Nos. 3 to 6 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting

- ("AGM") are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
 3. Members / proxies and authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
 4. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board resolution, Power of Attorney or such other valid authorizations, authorising them to attend and vote on their behalf at the Meeting.
 5. For the convenience of the members and for proper conduct of the meeting, entry to the place of the meeting will be regulated by the Attendance Slip, annexed to the Proxy Form. Members/Proxies are requested to bring the attendance slip duly filled in and to affix their signature at the place provided on the Attendance Slip and hand it over at the counters at the venue.
 6. A proxy shall not have a right to speak at the meeting and shall not be entitled to vote except on a poll.
 7. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.
 8. The proxy – holder shall prove his identity at the time of attending the Meeting.
 9. 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 Register of Members and Share Transfer Books will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive) for the purpose of AGM.
 15. 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).
 16. 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 and rajeshm@bigshareonline.com.
 17. As per regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended the securities of the company can be transferred only in dematerialized form with effect from April 01, 2019 except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents.
 18. Copies of the Annual Report 2018-2019, the notice of the 31st 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 31st AGM, Attendance Slip, Proxy Form, Route Map, Ballot paper and the Annual Report - 2018-2019 will be available on the Company's website, www.kjmcfinserve.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.
 21. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit to the RTA of the Company the prescribed Form SH.13 for nomination and Form SH.14 for cancellation/ variation, as the case may be. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.
 22. Members having multiple folios are requested to consolidate their folios into single folio and for this purpose send request along with the original certificates to the RTA specifying the folio number under which they desire to hold the shares.
 23. 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.



24. 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.
25. The remote e-voting period commences from Wednesday, September 25, 2019 at 9.00 a.m. and ends on Sunday, September 29, 2019 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on September 23, 2019 (cut-off date) may cast their vote electronically.
26. 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.
27. The voting rights of shareholders shall be in proportion to the share in the paid up equity share capital of the Company as on September 23, 2019, the cut off date.
28. 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.
29. The scrutinizer shall, not later than forty eight (48) hours, from the conclusion of the meeting, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or person authorized by him in writing, who shall countersign the same.
30. 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.
31. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 31st Annual General Meeting of the Company scheduled to be held on Monday, September 30, 2019. The results along with the scrutinizer's report shall be placed on the Company's website www.kjmcfinserv.com, within 48 hours from the conclusion of the 31st Annual General Meeting of the Company and communicated to BSE Limited.
32. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM are furnished below. The Directors have furnished the requisite consents / declarations for their appointment/re appointment.

I) Mr. Girish Jain

Name & Designation	Mr. Girish Jain, Non- Executive Director
Director Identification Number (DIN)	00151673
Date of Birth	May 7, 1971
Qualifications	B.E. (Electronic) and PGDBM (Finance)
Expertise in specific functional area	<ul style="list-style-type: none"> • Engineer and a graduate in Business Management • Responsible for setting up and running the Investment Banking, Broking, Research and Distribution Business • Director in KJMC Corporate Advisors (India) Limited., KJMC Financial Services Ltd. and its subsidiary and associate companies • Full time Group Executive Director • Past Chairman of the Association of Merchant Bankers of India (AMBI) • Ex member of SEBI committee of primary market advisory committee

Director of the Company since	September 21, 1994.		
Number of Shares held in the Company as on March 31, 2019	1,22,335		
Disclosure of relationships between directors inter-se	Sr. No.	Name & Designation of Director	Relationship
	1.	Mr. Inderchand Jain, Director	Father
	2.	Mr. Rajnesh Jain, Director	Brother
	3.	Mrs. Shraddha Jain	Brother's Wife

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

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

II) Mr. S C Aythora

Name & Designation	Mr. S C Aythora, Independent Director
Director Identification Number (DIN)	00085407
Date of Birth	January 10, 1951
Qualifications	B. Com (Hons), FCA
Expertise in specific functional area	Mr. S C Aythora is a Chartered Accountant in Practice and has more than 32 years of experience in the field of Corporate Accounts, Audit, Taxation and Company Law matters.
Director of the Company since	June 9, 2004
Number of Shares held in the Company as on March 31, 2019	350
Disclosure of relationships between directors inter-se	Not related to any Director / Key Managerial Personnel

Directorships / Committee Membership of Mr. S C Aythora in other companies:

Name of the Company (Directorship)	Committee Chairmanship/ Membership
Gold Rock Investments Limited	1. Member - Audit Committee 2. Member – Shareholders / Investor Grievance Committee
Gold Rock World Trade Limited	
Gold Rock Metals Limited	
Gold Rock Agro-Tech Limited	
Sugata Investments Limited	
Blue Point Leasing Limited	
KJMC Corporate Advisors (India) Limited	1.Member - Audit Committee 2.Member – Nomination & Remuneration Committee.
LML Holdings Limited	
Picanova Investments Pvt. Ltd.	
Saryu Investment & Trading Pvt. Ltd.	
Seattle Online Pvt. Ltd.	
Splendour Trade Place Private Ltd.	
Panki Roadlines Private Ltd.	

III) Mr. Nitin Kulkarni

Name & Designation	Mr. Nitin Kulkarni, Independent Director
Director Identification Number (DIN)	02297383
Date of Birth	January 21, 1956
Qualifications	B.Com (Hons), F.C.A., A.C.S
Expertise in specific functional area	Mr. Nitin Kulkarni is a Chartered Accountant in Practice and has more than 30 years of experience in the field of Corporate Accounts, Audit, Taxation and Company Law matters.
Director of the Company since	September 27, 2008
Number of Shares held in the Company as on March 31, 2019	250
Disclosure of relationships between directors inter-se	Not related to any Director / Key Managerial Personnel

Directorships/Committee Membership of Mr. Nitin Kulkarni in other companies:

Name of the Company (Directorship)	Committee Chairmanship/ Membership
KJMC Corporate Advisors (India) Ltd.	1. Chairman - Audit Committee. 2. Member - Share Transfer & Relationship Committee. 3. Chairman - Nomination & Remuneration Committee.
KJMC Capital Market Services Limited	1. Chairman - Audit Committee. 2. Chairman - Nomination & Remuneration Committee.
KJMC Asset Management Company Ltd	1. Member - Audit Committee. 2. Member - Nomination & Remuneration Committee.

IV) Mrs. Shraddha Jain

Name & Designation	Mrs. Shraddha Jain												
Director Identification Number (DIN)	00156306												
Date of Birth	May 24, 1973												
Qualifications	Degree in Bachelor of Arts (B.A)												
Expertise in specific functional area	She is having vast experience in holding management positions in the stream of Human Resources and Administration, NBFC etc.												
Director of the Company since	May 22, 2019.												
Number of Shares held in the Company as on March 31, 2019	Nil												
Disclosure of relationships between directors inter-se	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name & Designation of Director</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Mr. Inderchand Jain, Director</td> <td>Father in law</td> </tr> <tr> <td>2.</td> <td>Mr. Girish Jain, Director</td> <td>Husband's brother</td> </tr> <tr> <td>3.</td> <td>Mr. Rajnesh Jain, Director</td> <td>Husband</td> </tr> </tbody> </table>	Sr. No.	Name & Designation of Director	Relationship	1.	Mr. Inderchand Jain, Director	Father in law	2.	Mr. Girish Jain, Director	Husband's brother	3.	Mr. Rajnesh Jain, Director	Husband
Sr. No.	Name & Designation of Director	Relationship											
1.	Mr. Inderchand Jain, Director	Father in law											
2.	Mr. Girish Jain, Director	Husband's brother											
3.	Mr. Rajnesh Jain, Director	Husband											

Directorships / Committee Membership of Mrs. Shraddha Jain in other companies:

Name of the Company (Directorship)	Committee Chairmanship/ Membership
KJMC Capital Market Services 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	-
KJMC e. Business Ventures Private Limited	-
KJMC Corporate Advisors (India) Limited	-
KJMC Shares and Securities Limited	-
KJMC Platinum Builders Private Limited	-

33. The route map showing directions to reach the venue of the 31st AGM is annexed.

34. 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 25, 2019 (09:00 a.m.) and ends on September 29, 2019 (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 23, 2019, 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
- (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 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	
PAN	<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"> ● 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. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<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"> ● 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).

- (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 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.
 - 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 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins from September 25, 2019 (09:00 a.m.) and ends on September 29, 2019 (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 23, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

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

**Akash Anchan
Company Secretary
ACS-48123**

Place: Mumbai
Date: August 22, 2019

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

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

As required under Section 102 Of the Companies Act, 2013 the following explanatory statement sets out the material facts relating to business mentioned in Item Nos 3 to 6 of the accompanying Notice:

ITEM NO. 3

In terms of Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The members of the Company had approved the appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai (Firm Registration No. 100186W) as the Statutory Auditors of the Company for the term of 5 (five) years at the 26th AGM of the Company held on September 27, 2014 which is valid till 31st AGM i.e. the ensuing AGM of the Company. It is therefore required to appoint statutory auditors at the ensuing AGM of the Company.

At the Board meeting held on August 22, 2019, on the recommendation of Audit committee and in the best interest of the Company, it was proposed to appoint M/s V. P. Thacker & Co., Chartered Accountants (Firm Registration No. 118696W) having requisite expertise and resources as new Statutory Auditors in place of retiring auditors. The Board recommends the appointment of M/s. V. P. Thacker & Co., Chartered Accountants as Statutory Auditors for a term of (3) three consecutive years i.e. from the conclusion of this AGM till the conclusion of 34th AGM for their approval.

M/s. V.P.Thacker & Co., Chartered Accountants('the firm') is a well reputed Chartered Accountants firm, member of Crowe Global established as back in 1999 and its partners are associated with Crowe Global for over 36 years. The firm has diligently carried out various assignments including service audit, tax, corporate finance, risk and business process & advisory services for listed and privately owned companies, government companies, banks, mutual funds and global businesses.

M/s. V.P.Thacker & Co., Chartered Accountants have provided their consent and confirmed that their appointment, if made, would be within the limits specified under section 141(3) (g) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

The details of the proposed remuneration to be paid to M/s. V. P. Thacker & Co. Chartered Accountants for the financial year is ₹ 50,000/- as against ₹ 30,000/- paid to existing auditors.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Ordinary Resolution as set out at Item No.3 of the Notice.

The Board recommends the members to pass Resolution set out at Item No. 3 of the Notice as an Ordinary resolution.

ITEM NO. 4

Mr. S. C. Aythora was appointed as Independent Director on the Board of the Company pursuant to Section 149 and 152, Schedule IV and other applicable provisions of the Companies Act, 2013 (Act) and the erstwhile Clause 49 of the Listing Agreement with the stock exchange. He holds office as Independent Director of the Company up to the conclusion of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

Mr. S. C. Aythora has been associated with the Company since 2004. Mr. S C Aythora, possesses appropriate skills, experience and knowledge. Considering his vast expertise, knowledge and his valuable contributions to the Company and based on the performance evaluation, Nomination and Remuneration Committee and the Board, at their meeting held on May 22, 2019, have recommended the re-appointment of Mr. S C Aythora as an Independent Director for a second term of 5 consecutive years with effect from September 26, 2019 to September 25, 2024.

Mr. S C Aythora is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. S C Aythora that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. S C Aythora, fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

Brief profile of Mr. S C Aythora 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.

Save and except above, none of the Directors / Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the members to pass the Resolution set out at Item No. 4 of the Notice as Special Resolution.

ITEM NO. 5

Mr. Nitin Kulkarni was appointed as Independent Director on the Board of the Company pursuant to Section 149 and 152, Schedule IV and other applicable provisions of the Companies Act, 2013 (Act) and the erstwhile Clause 49 of the Listing Agreement with the stock exchange. He holds office as Independent Director of the Company up to the conclusion of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

Mr. Nitin Kulkarni has been associated with the Company since 2008. Mr. Nitin Kulkarni, possesses appropriate skills, experience and knowledge. Considering his vast expertise, knowledge and his valuable contributions to the Company and based on the performance evaluation, Nomination and Remuneration Committee and the Board, at their meeting held on May 22, 2019, have recommended the re-appointment of Mr. Nitin Kulkarni as an Independent Director for a second term of 5 consecutive years with effect from September 26, 2019 to September 25, 2024.

Mr. Nitin Kulkarni is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Nitin Kulkarni that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Nitin Kulkarni, fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

Brief profile of Mr. Nitin Kulkarni 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.

Save and except above, none of the Directors / Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the members to pass the Resolution set out at Item No. 5 of the Notice as Special Resolution.

ITEM NO. 6

Mrs. Shradha Jain (DIN: 00156306) was appointed as an Additional Non-Executive Director of the Company with effect from May 22, 2019.

The Company had intimated BSE Limited and the Reserve Bank of India for the said appointment.

In terms of Section 161(1) of the Companies Act, 2013, Mrs. Shradha Jain holds office as Additional Director only till the date of the ensuing Annual General Meeting; however she is eligible to be regularized as Director.

Mrs. Shradha Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. In the opinion of the Board, Mrs. Shradha Jain fulfils the conditions for her appointment as Non- Executive Director of the Company as specified in the Companies Act, 2013 and the rules made thereunder. Mrs. Shradha Jain possesses appropriate skills, experience and knowledge.

Mrs. Shradha Jain is having degree in Bachelor of Arts (B.A.) and has experience in the field of human resources and administration related functions. The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mrs. Shradha Jain in NBFC Segment.

Your Directors, therefore recommend the Ordinary Resolution set out at item no. 6 of the Notice for approval by the members.

Mrs. Shradha Jain, the appointee and her relatives Mr. Inderchand Jain, Mr. Rajnesh Jain and Mr. Girish Jain are concerned or interested in the proposed resolution.

Save and except above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the members to pass the resolution set out at Item No. 6 of the Notice as an Ordinary resolution.

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

**Akash Anchan
Company Secretary
ACS-48123**

Place: Mumbai
Date: August 22 2019

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



DIRECTORS REPORT

Dear Members,

Your Directors' have pleasure in presenting the 31st 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, 2019. 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, 2019 is summarized below:

(₹ in "000")

Particulars	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Standalone		Consolidated	
FINANCIAL RESULTS				
Revenue from operations	70,365	69,242	76,692	69,444
Other Income	556	652	3,515	840
Total Revenue	70,921	69,894	80,207	70,284
Total Expenses	69,520	63,871	69,419	64,166
Profit before Tax	1,401	6,023	10,788	6,118
Less: Provision for Tax				
-Current Tax	-	-	1835	973
- Deferred Tax	340	1049	228	1,049
- MAT Credit	-	-	(1837)	(964)
- Prior period taxes	47	-	47	2
Profit/(loss) after tax	1014	4974	5,058	5,058
Share in Associates profit/(Loss)	NA	NA	(1081)	1,350
Profit/(loss) for the year	1,014	4,974	9,434	6,408
APPROPRIATIONS				
Profit/(loss) for the year	1,014	4,974	9,434	6,408
Add: Balance brought forward from previous year	31,972	28,116	32,277	26,988
Amount available for appropriations	32,986	33,091	32,277	33,396
Less: Appropriations				
Special Reserve	203	995	203	995
General Reserve	25	124	25	124
Balance carried to Balance Sheet	32,757	31,972	41,484	32,277
EPS				
-Basic	0.21	1.04	1.97	1.34
-Diluted	0.21	1.04	1.97	1.34

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On standalone basis, your Company earned the gross income of Rs 709.21 Lakhs as against Rs 698.94 Lakhs in the previous year. The total expenditure during the year under review was Rs 695.20 Lakhs as against Rs 638.71 Lakhs in the previous year. The Net Profit after tax was Rs 10.14 Lakhs as against Rs 49.74 Lakhs in the previous year.

On consolidated basis, your Company earned the gross income of Rs 802.07 Lakhs as against Rs 702.84 Lakhs in the previous year. The total expenditure during the year under review was Rs 694.19 Lakhs as against Rs 641.66 Lakhs in the previous year. The Net Profit after tax was Rs 94.34 Lakhs as against Rs 64.08 Lakhs in the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2018-19, together with the Auditors' Report form part of this Annual Report.

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 (CFS) in the Company is annexed to this report.

A statement containing the salient features of financial statements of subsidiaries/joint venture companies of the Company in the prescribed Form AOC - 1 is annexed herewith & forms part of this Report in compliance with Section 129 (3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014.

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

Brief Financial and Operation of subsidiary companies are given hereunder:

- KJMC Asset Management Company Limited: It earned gross income of Rs 106.97 Lakhs as against Rs 10.62 Lakhs in the previous year. The total expenditure during the year under review was Rs 11.01 Lakhs as against Rs 10.58 Lakhs in the previous year. The Net Profit after tax was Rs 95.96 Lakhs as against Rs 0.04 Lakhs in the previous year.
- KJMC Investment Trust Company Limited: It earned gross income of Rs 0.97 Lakhs as against Rs 0.96 Lakhs in the previous year. The total expenditure during the year under review was Rs 0.61 Lakhs as against Rs 0.68 Lakhs in the previous year. The Net Profit after tax was Rs 0.37 Lakhs as against Rs 0.20 Lakhs in the previous year.
- KJMC Trading & Agency Limited: It earned gross income of Rs 1.98 Lakhs as against Rs 1.62 Lakhs in the previous year. The total expenditure during the year under review was Rs 5.07 Lakhs as against Rs 0.99 Lakhs in the previous year. The Net Profit after tax was Rs (1.33) Lakhs as against Rs 0.61 Lakhs in the previous year.

Associates

(i) KJMC Platinum Builders Private Limited: It earned gross income of Rs 10.74 Lakhs as against Rs 10.69 Lakhs in the previous year. The total expenditure during the year under review was Rs 5.95 Lakhs as against Rs 5.68 Lakhs in the previous year. The Net Profit after tax was Rs 2.30 Lakhs as against Rs 4.49 Lakhs in the previous year.

(ii) KJMC Realty Pvt. Ltd. has ceased to be the associate of the Company w.e.f. March 29, 2019.

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 0.25 Lakhs to the general reserve and Rs. 2.03 Lakhs to Special Reserves out of the amount available for appropriation and an amount of Rs 327.57 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 of the Company as on March 31, 2019 in Form MGT - 9 in accordance with Section 92 (3) of the Act read with Companies (Management and Administration) Rules, 2014, is available on

the website of the Company at http://kjmcfinserv.com/investor_relation

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 Annual 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, Three (3) Nomination and Remuneration Committee Meetings were convened and held. The details pertaining to composition of Nomination and Remuneration Committee and the attendance of the Nomination and Remuneration Committee members are provided in the Corporate Governance Report, which forms part of the annual report.

Share Transfer and Stakeholders Relationship Committee

During the year, Eleven (11) 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, Five (5) 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, 2019, 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, 2019 on a going concern basis;

- e. the Directors' have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f. the Directors' have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

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

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

CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct ('the code') applicable to the Directors and employees. The Code is applicable to Non-executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Codes 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 transaction entered into by the Company with related parties, during the financial year 2018-19, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued thereunder and relevant provisions of Listing Regulations. There are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large.

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

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

During the year under review, the Company revised its Policy on dealing with and Materiality of Related Party Transactions, in accordance with the amendments to the applicable provisions of the Listing Regulations. The Policy is also available on the website of the Company at http://kjmcfinserv.com/investor_relation

The details of the related party transactions as per Accounting Standards (AS) - 18 are set out in Note 32 to the Standalone Financial Statements of the Company which forms part of this Report.



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

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

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

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

During the reporting period there was no foreign exchange earning but incurred an expenditure of Rs 1.01 lakhs as against Rs 11.22 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.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Mr. S.C. Aythora and Mr. Nitin Kulkarni were appointed as Independent Directors at the 26th Annual General Meeting (AGM) held on September 27, 2014 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, their re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the Members by way of Special Resolution.

Mr. Kartik Konar has ceased to be Chief Financial Officer (KMP) of the Company w.e.f. January 23, 2019 and Mr. Pradeep Poddar has been appointed as Chief Financial Officer (KMP) of the Company w.e.f. January 24, 2019.

Ms. Kanak Lata Jain has Ceased to be the Company Secretary and Compliance Officer (KMP) of the Company w.e.f. May 31, 2019 and Mr. Akash Anchan has been appointed as the Company Secretary and Compliance Officer of the Company (KMP) w.e.f. June 01, 2019

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 from time to time.

PARTICULARS OF EMPLOYEES

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

- i. **The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2018-19;**

Non-executive Directors	Ratio to median remuneration
Mr. Inderchand Jain	0.0307
Mr. S.C. Aythora	0.0414
Mr. Nitin Kulkarni	0.0414
Mrs. Aditi Jain	0.0291
Mr. Girish Jain	0.0245
Executive Directors	
Mr. Rajnesh Jain	6.7444

The median remuneration is calculated based on the salary paid during the financial year to employees on payroll as on March 31, 2019.

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. 2018-19
Mr. Inderchand Jain	Non Executive Director	-
Mr. S.C. Aythora	Non Executive Director	-
Mr. Nitin Kulkarni	Non Executive Director	-
Mr. Girish Jain	Non Executive Director	-
Mrs. Aditi Jain	Non Executive Director	-
Mr. Rajnesh Jain	Whole Time Director	-
Ms. Kanak Jain	Company Secretary	*
Mr. Kartik Konar (resigned on 23.01.2019)	Chief Financial Officer	10%
Mr. Pradeep Poddar (Appointed on 24.01.2019)	Chief Financial Officer	*

* **Mr. Pradeep Poddar and Ms. Kanak Jain have joined employment in the current financial year and hence provisions relating to increase in their salary is not applicable.**

iii. **The percentage increase in the median remuneration of employees in the financial year: 6%**

iv. **The number of permanent employees on the rolls of Company as on March 31, 2019: 9(Nine)**

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 personnel in was 6% and there has been no increase in the managerial remuneration in the FY 2018-19.

Note :- The average percentile increase in the salaries of the employees other than the managerial personnel is calculated based on the employees on payroll as on March 31, 2019.

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.**

STATUTORY AUDITOR

In terms of the provisions of Section 139 of the Companies Act, 2013, the term of office of M/s. K. S. Aiyar & Co., Chartered Accountants will end at the conclusion of the ensuing Annual General Meeting. The Board places on record its appreciation for services rendered by M/s. K. S. Aiyar & Co., Chartered Accountants as Statutory Auditors of the Company.

The Board of Directors, on recommendation of Audit Committee, at their meeting held on August 22, 2019, has recommended appointment of M/s. V. P. Thacker & Co. (Firm Registration No. 118696W), as Statutory Auditors of the Company. The aforementioned appointment is subject to approval of the members at the ensuing Annual General Meeting

(AGM). Accordingly, resolution for appointment of M/s. V. P. Thacker & Co. as the Statutory Auditors of the Company for a period of three (3) consecutive years from the conclusion of the 31st Annual General Meeting till the conclusion of the 34th Annual General Meeting is proposed by the Board for approval of the members at the ensuing AGM and is mentioned in the Notice of Annual General Meeting which forms part of Annual report.

The Independent Auditors' Report for the financial year ended March 31, 2019 on the financial statements of the Company forms part of Annual report.

The Auditors' Report for the financial year ended March 31, 2019 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 2019-20.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s. Pinky Shethia & Associates, a firm of Practising Company Secretary to conduct Secretarial Audit for the Financial Year 2019-20.

The Secretarial Audit Report does not contain any qualifications, reservations, or adverse remarks or disclaimer, 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 www.kjmfinserv.com.

SHARE CAPITAL

The Authorised share capital of your Company as on March 31, 2019, was Rs 50,00,00,000. The issued subscribed and paid up share capital of your Company as on March 31, 2019 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 2019-20 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 Rs. 10 Crores and net worth does not exceed of Rs. 25 Crores as on March 31, 2019.

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

SCHEME OF AMALGAMATION



Pursuant to the provision of section 230 to 232 and other applicable provision of the Companies Act 2013 read with the relevant rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and subject to the approval of the National Company Law Tribunal (NCLT) and other concerned authorities, the Board of Directors at their meeting held on January 23, 2019 had considered and approved the Scheme of Amalgamation of KJMC Asset Management Company Limited, Wholly Owned Subsidiary ("the First transferor company") and KJMC Investment Trust Company Limited, Wholly Owned Subsidiary ("the Second Transferor Company") with KJMC Financial Services Limited ("the Transferee Company") and their respective shareholders .

The Company has made an application to NCLT on March 25, 2019. On August 08, 2019, the Company Scheme Petition was admitted by NCLT, Mumbai Bench and the Company has received requisite directions from NCLT to convene the meeting of Equity shareholders and creditors of the Company. The Company has taken necessary steps as per the direction given by NCLT to convene the meetings of Equity shareholders, secured creditors and unsecured creditors.

Pending approval of the NCLT and other statutory authorities, no effect of the proposed scheme has been given in the financial statements of the Company for the financial year ended March 31, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

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

INSURANCE

The Company's assets have been adequately insured.

WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

Certificate from Mr. Rajnesh Jain, Whole Time Director and Mr. Pradeep Poddar, 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, 2019 was placed before the Board of Directors of the Company at its meeting held on May 22, 2019.

ACKNOWLEDGMENT

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

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

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

**Inderchand Jain
Chairman**

Place: Mumbai

Date: August 22, 2019

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	8179	3	275
Total assets	111035	1763	12714
Total Liabilities	356	260	11439
Investments	2566	170	12029
Turnover	6130	Nil	198
Profit before taxation	9596	36	(245)
Provision for taxation	Nil	(1)	(112)
Profit after taxation	9596	37	(133)
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 Platinum Builders Private Limited
1. Latest audited Balance Sheet Date	31-03-2019
2. Date on which the Associate was associated or acquired	13-03-2013
3. Shares of Associate held by the company on the year end	
No.	79,800
Amount of Investment in Associates	12635
Extent of Holding (in percentage)	34.04%
4. Description of how there is significant influence	Holding more than 20% of Equity Shares
5. Reason why the associate is not Consolidated	NA
6. Networth* attributable to Shareholding as per latest audited Balance Sheet	20,178
7. Profit / (Loss) for the year	
i. Considered in Consolidation	78
ii. Not Considered in Consolidation	-

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

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 Board of Directors

Girish Jain Chairman
Din No: 00151673
Rajnesh Jain Whole Time Director
DIN: 00151988

Sachin A Negandhi
Partner
Membership No. 112888

Pradeep Poddar Chief Financial Officer
Kanak Lata Jain Company Secretary
ACS-25786

Place: Mumbai
Dated: May 22, 2019

Place: Mumbai
Dated: May 22, 2019

31ST ANNUAL REPORT 2018-2019

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Mrs. Chanddevi Jain Relative of Directors of the Company (KJMC Financial Services Ltd.)	Sale of 3800 equity shares (off market trade) of KJMC Realty Private Limited	NA	Rs. 2120 per share aggregating to Rs. 80,56,000/-	23.01.2019	-
2	KJMC Asset Management Company Ltd (KJMC AMC), Wholly Owned Subsidiary of the Company	Pledging of Fixed Deposit as security of Rs. 6.7 crore of KJMC Asset Management Company Ltd. to the HDFC Bank on behalf of KJMC Financial Services Ltd. for obtaining and operating credit facility by way of overdraft upto Rs. 6 Crores by KJMC Financial Services Ltd. from HDFC Bank Ltd. as per the prevailing market rate.	NA	Rs. 6,70,00,000/- as a security for Overdraft facility of Rs.6,00,00,000/-	13.08.2018	-
3	KJMC Asset Management Company Ltd (KJMC AMC), Wholly Owned Subsidiary of the Company	Pledging of Fixed Deposit as security of Rs. 6.7 crore of KJMC Asset Management Company Ltd. to the HDFC Bank on behalf of KJMC Financial Services Ltd. for obtaining and operating credit facility by way of overdraft upto Rs. 6.70 Crores by KJMC Financial Services Ltd. from HDFC Bank Ltd. as per the prevailing market rate.	NA	Rs. 6,70,00,000/- as a security for Overdraft facility of Rs. 6,70,00,000/-	16.08.2018 (Credit & Investment Committee Meeting)	-

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
4.	KJMC Asset Management Company Ltd (KJMC AMC), wholly owned subsidiary of the Company	Provided office premises on Leave and License basis at interest free security deposit of Rs. 1 crore and Rent payable would be NIL	NA	Security deposit of Rs.1,00,00,000/-	21.05.2018	-
5.	KJMC Asset Management Company Ltd (KJMC AMC), wholly owned subsidiary of the Company	Pledged the Fixed Deposit of Rs. 7 crore to the Bank or Financial institution/s to borrow money and will pay commission to KJMC Asset Management Company as per the prevailing market rate	Period of 12 Months	Rs. 7,00,00,000/- as a security for borrowing the loan	21.05.2018	-

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

Place: Mumbai
Date : August 22, 2019

**Inderchand Jain
Chairman**



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, 2019

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 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, 2019 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, 2019 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 thereunder (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 Obligations and Disclosure Requirements) 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 KJMC Financial Services Limited for the Financial Year ended on **31st March, 2019** 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. compiled by **KJMC Asset Management Company Limited, KJMC Investment Trust Company Limited and KJMC Trading & Agency 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);

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 Board of Directors has passed a Circular Resolution on 8/03/2019 that the Company has neither accepted any Public Deposit nor is holding any Public Deposit as on 5th March, 2019. Further the Company shall not accept any Public Deposit in future without the prior approval of Reserve Bank of India
2. The Board of Directors has adopted Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Reporting of Trading in Securities vide Circular Resolution dated 31/03/2019 as required under SEBI (Prohibition and Insider Trading) (Amendment) Regulations, 2018.
3. 22/05/2019 Board of Directors at its Meeting held on 13/08/2018 approved the appointment of Ms. Kanak Lata Jain as the Company Secretary and Compliance Officer of the Company w.e.f. 16/08/2018.
4. The Board of Directors at its Meeting held on 23/01/2019 accepted the resignation of Mr. Kartik Konar from the post of Chief Financial Officer of the Company w.e.f. 23/01/2019 and approved the appointment of Mr. Pradeep Poddar as the Chief Financial Officer of the Company w.e.f. 24/01/2019.
5. The Members of the Company have passed the Special Resolution through Postal Ballot on 15/03/2019 for the issue of Non – Convertible Debentures (NCDs) through Private Placement basis, in one or more tranches, aggregating upto Rs. 10,00,00,000 (Rupees Ten Crore only).

Place: Mumbai
Date: 22/05/2019

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, 2019.
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: 22/05/2019

Dr. S. K. Jain
Practicing Company Secretary
FCS No.: 1473
CPNo.: 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 & Procedures based on our audit. Wherever required, we have obtained 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: 22/05/2019

Dr. S. K. Jain
Practicing Company Secretary
FCS No.: 1473
CPNo.: 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.
- Current Account Deficit (CAD) and fiscal deficit: India's CAD increased from 1.9% of GDP in 2017-18 to 2.6% of GDP in 2018 (April-December). This has been attributed to an increase in international crude oil prices. The fiscal deficit for 2018-19 stood at 3.4% and the primary deficit for the year was 0.3% of GDP (primary deficit is the fiscal deficit excluding the interest payments).

GDP Growth

- Gross Domestic Product (GDP): The Central Statistics Office (CSO) has estimated the GDP growth to be 6.8% in 2018-19 as compared to 7.2% in 2017-18. The GDP growth in 2016-17 was 8.2%. In 2018-19, the agriculture and industry sectors are expected to grow at 2.9% and 6.9% respectively, while the service sector is estimated to grow at 7.5%.

Inflation, fiscal deficit

- Inflation: The Consumer Price Index (CPI) based inflation declined from 3.6% in 2017-18 to 3.4% in 2018-19. This decline was mainly due to low food inflation. The Wholesale Price Index (WPI) based inflation increased from 3.0% in 2017-18 to 4.3% in 2018-19.

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.

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors

Government Initiatives

The interim Union Budget for 2019-20 was announced by Mr Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Total expenditure for 2019-20 is budgeted at Rs 2,784,200 crore (US\$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the



Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below

- In February 2019, the Government of India approved the National Policy on Software Products – 2019, to develop the country as a software hub.
- The National Mineral Policy 2019, National Electronics Policy 2019 and Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME II) have also been approved by the Government of India in 2019.
- Village electrification in India was completed in April 2018. Universal household electrification is expected to be achieved by March 2019 end.
- The Government of India released the maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country to US\$ 60 billion by 2022.
- Around 1.29 million houses have been constructed up to December 24, 2018, under Government of India's housing scheme named Pradhan Mantri Awas Yojana (Urban).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US\$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern

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.

BUSINESS AND INDUSTRY REVIEW:-

Your Company is a NBFC registered with the RBI to carry out NBFC activities under Section 45(A) 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:

- Loan for purchase of two wheeler
- MSME Loans (Small Ticket Loans)
- Co Lending with Large Banks and NBFC's
- Third Party Loans (Corporate DSA Tie ups)

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 building own technology .business proposal with Urja Money Private Limited for utilizing platform/software known as 'CreditMate', developed by Urja Money Private Limited, which is used for evaluating customer's credit worthiness using data collected through loan application and other credit verification documents of the customer, on a pilot basis. Your Company believes that its focus on with the Urja Money Private Limited shall provide a significant competitive advantage in the market and it expects to continue to grow and align itself with the expected general economic and population growth trends and the government's focus on improving the economic standard of this population segment.

Your Company has been involved in providing fund based financial services and funding solutions to the Indian Corporate, Institutions, SME's etc. Your Company, has also initiated with Direct Lending through Tie ups with Dealers for Two Wheeler Loans and MSME Loans (Small Ticket Loans) 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.

Your company will do Co-Lending with Banks & Larger NBFC's where Your company will be involved in origination of the Loans and also handle the credit assessments and collections

Your Company have tie-ups with Top Financial Institutions in India

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

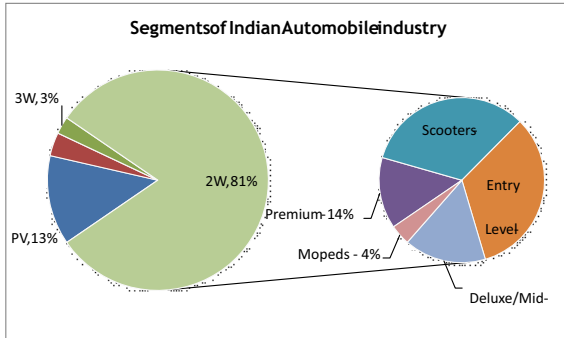
The Company is exposed to specific risks that are particular to its business and the environment within which it operates including economic cycle, market risks, competition risk, interest rate volatility, human resource risk and execution risk etc. The Company manages these risks by maintaining a conservative 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”.

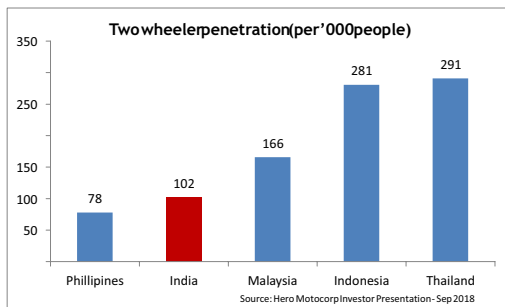
Sector overview



The Indian automobile industry is closely linked to country's Gross Domestic Product (GDP) growth and accounts for 7.1% of the GDP. The industry accounts for 49% of the country's manufacturing GDP and 26% of Industrial GDP. Recently, India has overtaken Germany to become the fourth largest automobile market in the world. Automobile sales, including passenger and commercial vehicles, in India grew by 9.5% YoY in 2017, the fastest among major global markets, to more than 4 mn units, outpacing Germany's 3.8 mn vehicle sales, which rose by a modest 2.8% YoY in the same period (Source: Economic Times dated: Mar 24, 2018). The automobile industry in India is divided in four broad sub segments namely two wheelers (2W), three wheelers (3W), passenger vehicles (PV) and commercial vehicles (CV). Within the overall automobile industry, 2W contributes the most with ~81% in volume terms, followed by PV at ~13% while CV and 3W contributes ~3% each. Scooters, which is more dependent on urban demand, contributes ~33% to total 2W volumes and Motorcycles demand largely traverses across India, contributes ~63% of the total 2W volumes. Entry and mid-level segment in motorcycles are largely dependent on rural areas, which hold nearly ~49% of the overall 2W volumes. However, Premium segment of Motorcycles contributing ~14% of the total 2W volumes are dependent on urban India. Two-wheeler industry in India grew by 14.8% YoY in FY18 with scooters outperforming with 19.9% YoY growth as compared to 13.7% YoY growth in Motorcycle. Following are some of the key factors, which are either currently affecting or are likely to affect the two-wheeler industry growth going ahead

Factors affecting the two-wheeler industry

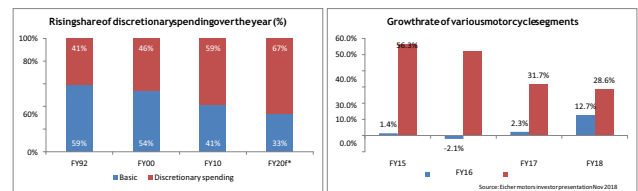
Low penetration level to drive the growth in two-wheeler industry



India has recently overtaken China to become world's largest two-wheeler market, mainly due to faster rate at which India's two-wheeler market is growing as compared to China, which is witnessing a de-growth. The two-wheeler sales in India has grown at a CAGR of ~8% during FY14-18 period with FY18 witnessing a 14.8% YoY growth. The scooter segment grew by 19.9% YoY and motorcycle segment grew by 13.7% YoY. The faster growth in two-wheeler sales is mainly due to rising income levels, growing infrastructure in rural areas and rising trend of scooterization (especially among women commuters). However, despite India being the world's largest two-wheeler market, India still has very low penetration level of two wheelers. In India, about 102 out of 1000 people have two-wheelers, which is less than half of penetration levels in Indonesia (281) and Thailand (291). As per Market Study, two-wheeler penetration level in Urban India is close to 40-45% while in Rural India it is close to 20-25% resulting in to a national average of 30-40%. We believe, growing urbanization, rising participation of women workforce and

improvement in road connectivity amongst others are key catalyst to drive improvement in penetration levels for two-wheelers. As a result, the entire value chain in two-wheelers starting from origination to finance companies is likely to witness steady growth in coming times.

Improvement in discretionary spending and urbanization to drive premiumization As Indian economy continues to grow at fastest pace as compared to other major economies of the world, the disposable income in India is also witnessing rapid improvement, which in turn is leading to faster rise in discretionary spending by its population. As per Market overview, Indian population used to spend 54% of its total spending on basic goods (necessities) in FY2000, which is expected to fall to 33% by FY20 and share of discretionary spending is likely to increase to 67% by FY20. Similarly, trend of urbanization is also catching up rapidly as 32% of the total population is expected to be in Urban India by 2020 as compared to 21% in 2001. This two factors are likely to be driving the demand for premium motorcycles. A sub segment of Motorcycle, "Less than 250cc" motorcycle, has been growing at much lower rate as compared to motorcycle in "250cc and above" segment. The 250cc and above segment has been growing at over 28% YoY in last four years. The premium segment motorcycles are likely to do well going ahead also as the consumer affordability improves and strong product launches and upgrades leading to constant shift in consumer preference towards-high end bikes. A faster growth in high end or premium bike is not only expected to drive the revenue growth but also likely to improve margins for companies in two-wheelers space.

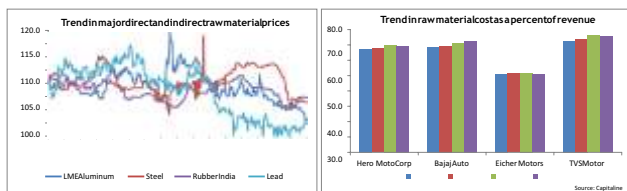


Improvement in rural india to drive demand for motorcycles especially for entry level segment

Rural India has been one of the main sources of consumption demand in India, mainly due to a large population residing in this area. In two-wheeler segment, motorcycle sales are predominantly dependent on Rural India, as people living in rural area prefer motorcycle to scooters given its sturdy structure, superior performance, and lower costs, especially in the economy segments. With government keen on improving the standard of living of rural population, in particularly of farmers, it has been announcing various schemes and increasing budget allocation, which is targeted towards increasing the rural income levels. In addition to rising penetration level of two-wheelers and rising income levels driving the sales growth of motorcycle companies particularly strong in entry-level motorcycle segment, improving road connectivity is also resulting in driving the demand for two-wheelers in Rural India. The government is progressing very rapidly in terms of improving the road connectivity as it had constructed 9829 kilometers (km) of national highway in FY18 and targeted to construct 16420 km in FY19. The government has also increased allocation to Pradhan Mantri Gram Sadak Yojana (PMGSY) scheme to Rs.190 bn as per the FY19 Budget compared with Rs.169 bn in FY18. With the government's push for improvement in rural road infrastructure and improvement in last mile connectivity coupled with two-wheeler sales, focusing on grabbing market share, the long-term growth prospects for two-wheeler industry looks bright.

Recent correction in commodity prices may help in improving margins In two-wheeler industry, raw material cost is close to 70-75% of overall revenue of Manufacturer's and as a result, it is a key variable impacting their profitability. During CY18, the prices of key raw materials such as steel, aluminum and crude-based materials like plastic have seen sharp volatility, which resulted in variation in profitability of these companies despite favorable demand scenario and improvement in realizations. A majority of two-wheeler Manufacturer's have seen their raw material cost(Indexed to 100) inching up in last four quarters, which has affected their operating margins, which fell by ~200 bps between Q2FY18 to Q2FY19. However, many companies have resorted to partial pass on of inflation in raw material cost to consumers as the demand momentum was strong until the changes in regulation related to insurance and liquidity crunch owing to an NBFC default impacted the demand scenario. However, many commodities, which are direct raw material like steel and aluminum to the industry, has seen sharp correction towards the end of CY18. Similarly, prices of indirect raw materials like Brent crude oil, lead and rubber also witness correction in CY18. We believe, the recent price hike taken by companies coupled with moderation in raw material prices are likely

to help two-wheeler companies to improve its operating performance and thereby their overall profitability.



Overall View: The Indian automobile industry is closely linked to country's GDP growth and accounts for 7.1% of the GDP. Two-wheeler industry is major sub-segment of the overall automobile industry in terms of volumes and is likely to report a volume CAGR of 7-8% in medium term, as per rating agency ICRA. We believe, positive structural factors like low penetration, rising discretionary spending, improving participation of women in workforce and rapid urbanization are likely to bring steady growth for the industry. Improvement in rural demand driven by strong government push would also aid to growth profile of the industry. Recent correction in commodity prices may help in improving margins for two-wheeler companies in near term.

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 FY17, 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 FY16 – 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 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, 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 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 transactions 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.

KEY FINANCIAL RATIO

Sr No	Name of Ratio	31.03.2018	31.03.2019	Key Ratio Analysis
1	Inventory Turnover Ratio	38.19	10.67	On Stand alone basis , the Inventory Turnover Ratio as on 31st March 19 is 10.67 as against 38.19 as on March 18 . The reduction is primarily on account of Increase in the purchase of Stock in the Current year .
2	Interest Coverage Ratio	1.49	1.10	On Stand alone basis , the Interest Coverage Ratio as on 31st March 19 is 1.099 as against 1.488 as on March 18 . The reduction is primarily on reduction in the EBI and increase in the Finance Cost .
3	Current Ratio	0.40	0.41	
4	Debit Equity Ratio	0.76	0.76	
5	Operating profit Margin	26.27%	21.99%	
7	Net Profit Margin	7.12%	1.43%	On Stand alone basis , the Net Profit Ratio as on 31st March 19 is 0.01 as against 0.07 as on March 18 . The reduction is primarily on reduction in the PAT to 10.13 lakhs in the current year as from 49.74 in the previous year .

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, Compliance with the corporate governance provisions are not applicable to your Company as the Company's paid up equity share capital does not exceed Rs. 10 Crores and net worth does not exceed of Rs. 25 Crores as on March 31, 2019. However your Company ensures compliance with all the relevant and applicable laws and in this regard the report on Corporate Governance is given below to maintain highest standards of Corporate Governance.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

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

A report on Corporate Governance as prescribed under the Listing Regulations is given below:

2. BOARD OF DIRECTORS

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

(a) Board Composition & Meetings:

The composition of the Board complies with the provisions of the Companies Act, 2013. As at March 31, 2019 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 21, 2018, August 13, 2018, November 05, 2018, and January 23, 2019 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, 2019 are given herein below.

Name of the Director	Category	Number of Board meetings during the year 2018-19		Whether attended last AGM held on September 22, 2018	Number of directorships in other Public Companies	*Number of committee positions held in other public companies	
		Held	Attended			Chairman	Member
Mr. Inderchand Jain (Chairman) DIN:00178901	Promoter & Non Executive Director	4	4	Yes	4	1	2
Mr. Rajnesh Jain (Whole Time Director) DIN:00151988	Promoter & Executive Director	4	4	Yes	7	-	2
Mr. Girish Jain DIN:00151673	Promoter & Non Executive Director	4	4	Yes	6	-	2
Mr. S.C. Aythora DIN:00085407	Independent Director	4	4	Yes	10	1	3
Mr. Nitin Kulkarni DIN: 02297383	Independent Director	4	4	Yes	3	2	4
Mrs. Aditi Jain** DIN : 00152373	Promoter & Non Executive Director	4	4	Yes	-	-	-

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.

**Resigned w.e.f May 22, 2019

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.kjmcfinserv.com

(b) Board Procedures:

The Agenda for the meetings is circulated well in advance to the Board of Directors. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board is also kept informed of major events/items and approvals taken wherever necessary. At the Board meetings, the Board is apprised of the overall performance of the Company.

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

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

3. AUDIT COMMITTEE

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

(a) Terms of Reference:

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The terms of reference of the audit committee have been specified in writing by the Board of Directors of the Company in accordance with section 177 (4) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(b) Composition & Meetings:

The Committee met Four (4) times during the year on May 21, 2018, August 13, 2018, November 5, 2018 and January 23, 2019 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 F.Y. 2018-19	
		Held	Attended
Mr. S. C. Aythora	Chairman – Independent Director	4	4
Mr. 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 22, 2018 and was attended by Mr. S. C. Aythora, Chairman of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

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

(a) Terms of Reference:

The terms of 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 Three (3) times during the year on August 13, 2018, November 05, 2018 and January 23, 2019. 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 F.Y. 2018-19	
		Held	Attended
Mr. S. C. Aythora	Chairman – Independent Director	3	3
Mr. Nitin Kulkarni	Independent Director	3	3
Mr. Girish Jain	Non-Executive Director	3	3

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

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

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

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, 2019:

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:

31ST ANNUAL REPORT 2018-2019

(Amount in ₹)

Name of Director	Sitting Fees			
	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Independent Directors Meeting
Mr. S.C. Aythora	16000	4000	3000	4000
Mr. Nitin Kulkarni	16000	4000	3000	4000
Mr. Inderchand Jain	16000	4000	-	-
Mr. Girish Jain	16000	-	3000	-
Mrs. Aditi Jain	16000	-	-	-

(e) Details of remuneration paid to the Executive Directors for the year ended March 31, 2019:

Name of Director	Salary Basic and allowances	Benefits perquisites	Contribution to provident fund	Total	Service contract / Notice period
Mr. Rajnesh Jain	24,00,000	16,25,170	-	40,25,170	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
Mr. Inderchand Jain	213000
Mr. Rajnesh Jain	122335
Mr. Girish Jain	122335
Mr. S. C. Aythora	350
Mr. Nitin Kulkarni	250

5. SHARE TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

During the year, Two (2) complaints were received from shareholders and have been attended/resolved effectively. As on March 31, 2019, 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, 2019, no transfer was pending.

The Committee is headed by Mr. Inderchand Jain, Non-Executive Director and consists of the members as stated below. During the year ended on March 31, 2019, Eleven (11) meetings were convened and held on April 13, 2018, May 21, 2018, August 10, 2018, August 24, 2018, December 28, 2018, January 11, 2019, January 25, 2019, February 15, 2019, March 01, 2019, March 15, 2019 and March 22, 2019.

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 2018-19	
			Held	Attended
1.	Mr. Inderchand Jain	Chairman (Non-Executive Director)	11	11
2.	Mr. Nitin Kulkarni	Member (Independent Director)	11	11
3.	Mr. Rajnesh Jain	Member (Executive Director)	11	11
4.	Mr. Girish Jain	Member (Non-Executive Director)	11	11

Name, designation and address of Compliance Officer:

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

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 January 23, 2019.

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
2017-18**	AGM	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point, Mumbai-400021	22/09/2018	10.45 A.M.
2016-17*	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai-400020	23/09/2017	10.45 A.M.
2015-16#	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai-400020.	10/09/2016	10.45 A.M.

Special resolution for revision in terms of remuneration of Mr. Rajnesh Jain (DIN: 00151988), Whole-Time Director of the Company was passed in AGM held on September 10, 2016.

*Special Resolution u/s 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made there under, for Re-appointment and terms of remuneration payable to, including remuneration to be paid in the event of loss or inadequacy of profits in any of the Financial Year during the tenure of appointment of Mr. Rajnesh Jain (DIN: 00151988), Whole-time Director of the Company, 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 was passed in AGM held on September 22, 2018 for Continuation of appointment of Mr. Inderchand Jain, Chairman and Non Executive Director.

(b) Extra Ordinary General Meeting:

No extraordinary general meeting of the members was held during the year 2018-19.

(c) Postal Ballot:

During the year, Resolution for issue of Non-Convertible Debentures through Private Placement passed through Postal Ballot pursuant to the provisions of Section(s) 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modifications or re-enactments thereof for the time being in force), and in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, other applicable SEBI Regulations and Guidelines, if any, the Foreign Exchange Management Act, as amended, applicable Master Directions, relevant guidelines, circulars and clarifications issued by the Reserve Bank of India as applicable to Non-Banking Financial Companies ("NBFC") from time to time, the provisions of Memorandum and Articles of Association of the Company, and such any other laws, acts, rules, guidelines, regulations for the time being in force and any other circulars, notifications and/or clarifications issued by any relevant authority (including any statutory modifications or re-enactments thereof for the time being in force), and subject to such other consent(s)/ permission(s)/sanction(s), as may be required, consent of the Members of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee constituted / may be constituted of the Board of Directors of the Company) to raise funds from time to time by way of issue, offer, invite for subscription and to allot rated/unrated, Secured/unsecured, listed/unlisted, Redeemable Non Convertible Debentures (NCDs), on a private placement basis, in one or more series / tranches, aggregating upto Rs. 10,00,00,000/- (Rupees Ten Crores only), during the period of 1 (one) year from the date of passing of this Special Resolution i.e. March 15, 2019, to Bank(s), Financial Institution(s), International Lenders, Multilateral Financial Institutions, Agencies, Qualified Institutional Buyers, Mutual Funds, Pension Fund, Provident Fund and Gratuity Funds, Corporates, Insurance Companies, Investors and such other entities/ eligible persons as the Board may in absolute discretion decide within the overall borrowing limits of the Company as approved by the Members of the Company.

8. DISCLOSURES

- i. None of the transactions with any of the related party are in conflict with the interest of the Company at large. The board has approved a policy for related party transactions which has been uploaded on the Company's website.
- ii. The Company has complied with all the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other Statutory Authorities.
- iii. The Company has adopted Whistle Blower Policy/Vigil Mechanism for Directors and Employees to report concerns about unethical behaviour. No person has been denied access to the audit committee. The said policy has also been put up on the website of the Company.
- iv. The Company has also adopted policy for Determination of Materiality of Events and Information and Policy on Preservation of Documents. The said policies have also been put up on the website of the Company.
- v. There have been no instances of non-compliances by the Company and no penalties and/or strictures have been imposed on it by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during the previous three financial years.

9. MEANS OF COMMUNICATION

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

a. Quarterly Results

The Company has promptly reported all material information including quarterly results to BSE Limited, where the Company's securities are listed. The quarterly, half-yearly and annual results of the Company are published in national and regional newspapers in India which include Free Press Journal and 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.

b. Website

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

c. Annual Report

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

d. Designated Exclusive Email-ID

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

e. Price Sensitive Information

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

10. GENERAL SHAREHOLDER'S INFORMATION

i. Annual General Meeting scheduled to be held:

Date : September 30, 2019

Time : 12.15 p.m.

Venue : Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal 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 2019-20 is as under:

Financial Reporting for the Financial Year 2019-20	Tentative month of reporting
Un-audited Financial Results for the quarter ending June 30, 2019	On or before September 14, 2019
Un-audited Financial Results for the quarter and half year ending September 30, 2019	On or before December 14, 2019
Un-audited Financial Results for the quarter and nine months ending December 31, 2019	On or before February 14, 2020
Audited Financial Results for the quarter and year ending March 31, 2020	On or before May 30, 2020

iii. Book Closure:

The Register of Members and Share Transfer Books will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive) for the purpose of AGM.

iv. Dividend Payment Date

No dividend recommended on the Equity Shares of the Company.

v. Listing of Equity Shares on Stock Exchanges:

Equity Shares of the Company are listed on BSE Limited (BSE).
Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

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, 2018 to March, 2019 are as under:

Month	BSE Limited (BSE)	
	High (₹)	Low (₹)
April, 2018	-	-
May, 2018	33.50	33.50
June, 2018	-	-
July, 2018	33.50	33.50
August, 2018	35.10	32.00
September, 2018	32.90	32.90
October, 2018	-	-
November, 2018	32.90	29.75
December, 2018	29.30	27.55
January, 2019	33.60	30.40
February, 2019	33.00	30.00
March, 2019	28.50	21.50

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



ix. **Registrar & Transfer Agent:**

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

x. **Share Transfer System:**

Shares sent for transfer in physical form to R&T Agents, are registered and returned within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains, from a company Secretary in Practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges. The Share Transfer Committee meets generally as and when required basis to consider the transfer proposals.

xi. **Shareholding as on March 31, 2019:**

a. **Distribution of shareholding as on March 31, 2019.**

Category (Shares)	Number of Shareholders	% of Total	Shares	% of Total	
1	500	3487	96.54	2665220	5.56
501	1000	44	1.22	347890	0.73
1001	2000	21	0.58	312360	0.65
2001	3000	6	0.17	146160	0.31
3001	4000	7	0.19	234970	0.49
4001	5000	7	0.19	337000	0.70
5001	10000	13	0.36	910320	1.90
10001	9999999999	29	0.80	42903480	89.65
Total	3614			47857400	100.00

b. **Shareholding pattern as on March 31, 2019**

The shareholding of different categories of the shareholders as on March 31, 2019 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)	0	0
Bodies Corporate	419962	8.78
Financial Institutions/Banks	65400	1.37
Foreign Investors (FIIs/NRIs/ OCBs/ Foreign Bank/ Foreign Corporate Bodies)	618	0.01
Others	992183	20.73
TOTAL	4785740	100

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, 2019, out of total Equity Capital 4785740 Equity Shares, 4500809 Equity Shares representing 94.04% 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, 2019, 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

11. **OTHER INFORMATION**

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

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

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

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

The Board of Director by passing circular resolution on March 31, 2019, approved formulation/amendments to the aforesaid.

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

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

ii. CEO/CFO Certification

Whole Time Director/Chief Financial Officer (CFO) have issued certificate as specified in Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the financial year ended March 31, 2019 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

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

The Company has complied with all mandatory requirements of the listing regulations. The Company has adopted the following non-mandatory requirements of Regulation 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, 2019.

Place : Mumbai
Date : August 22, 2019

Rajnesh Jain
Whole Time Director

Independent Auditor's Report

To The Members of KJMC Financial Services Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **KJMC Financial Services Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and Statement of cash flows for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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, 2019, and its profit, and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including annexures thereto but does not include the financial statements and our auditor's report thereon. The Directors' Report including annexures thereto is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors' Report including annexures thereto, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of the Management for the 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 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, specified under Section 133 of the Act read with the rules made thereunder. 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.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and



significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the rules made thereunder.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) 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 does not have any long-term contracts for which there were any material foreseeable losses. The Company does not have any derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund 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 22, 2019

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, 2019, 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, goods and services tax, duty of customs, 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, 2019 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, goods and services tax, duty of customs, 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 22, 2019

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, 2019 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 with reference to financial statements 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 internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 22, 2019

BALANCE SHEET AS AT MARCH 31, 2019

CIN NO : L65100MH1988PLC047873

(₹ in '000')

PARTICULARS	NOTE NO.	As at 31.03.2019	As at 31.03.2018
(I) EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	47,857	47,857
(b) Reserves and Surplus	3	110,276	109,264
Non-Current Liabilities			
(a) Long Term Borrowings	4	1,435	-
(b) Other Long Term Liabilities	5	21,500	21,500
(c) Long Term Provision	6	538	423
Current Liabilities			
(a) Short Term Borrowings	7	117,767	119,663
(b) Trade Payables			
(A) Micro & Small Enterprises		-	-
(B) Others		-	-
(c) Other Current Liabilities	8	3,795	1,475
(d) Short Term Provisions	9	145	134
TOTAL		303,313	300,316
(II) ASSETS			
Non-Current Assets			
(a) (i) Property, Plant & Equipment	10	3,715	2,196
(ii) Intangible assets (Including Goodwill on Consolidation)		-	-
(iii) Capital work in progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	11	215,002	222,797
(c) Deferred Tax Assets (Net)	12	13,389	13,729
(d) Receivables under financing activity	13	15,718	8,272
(e) Long-term Loans and Advances	14	5,853	4,693
Current Assets			
(a) Current Investment	15	300	558
(b) Inventory	16	4,933	1,725
(c) Cash and cash equivalents	17	365	283
(d) Receivables under financing activity	13	42,307	44,735
(e) Short-term Loans and Advances	18	1,731	1,328
TOTAL		303,313	300,316

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: 22nd May 2019

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

Girish Jain

Director

DIN: 00151673

Rajnish Jain

Whole Time Director

DIN: 00151988

Pradeep Poddar

Chief Financial Officer

Place : Mumbai

Date: 22nd May 2019

Kanak Lata Jain

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

CIN NO : L65100MH1988PLC047873

('₹ in '000')

PARTICULARS	NOTE NO.	For the year ended 31.03.2019	For the year ended 31.03.2018
Revenue from Operations	19	70,365	69,242
Other Income	20	556	652
Total Revenue		70,921	69,894
Expenses:			
Purchase of Shares in Stock in Trade	21	38,720	34,665
Change in Stock in Trade	22	(3,208)	(1,725)
Employee Benefits Expenses	23	9,245	10,571
Finance Costs	24	14,196	12,335
Depreciation and Amortization Expenses	10	897	661
Other Expenses	25	9,670	7,364
Total Expenses		69,520	63,871
Profit Before Tax		1,401	6,023
Tax Expense:			
(1) Current tax		-	-
(2) Deferred tax		340	1,049
(3) MAT Credit		-	-
(4) Prior period Taxes		47	-
		387	1,049
Profit for the Year		1,014	4,974
Earnings per Equity Share: (₹)			
(1) Basic		0.21	1.04
(2) Diluted		0.21	1.04

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: 22nd May 2019

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

Girish Jain
Director
DIN: 00151673

Rajnish Jain
Whole Time Director
DIN: 00151988

Pradeep Poddar
Chief Financial Officer
Place : Mumbai
Date: 22nd May 2019

Kanak Lata Jain
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

CIN NO : L65100MH1988PLC047873

(₹ in '000')

PARTICULARS		For the year ended 31.03.2019	For the year ended 31.03.2018
A	Cash Flow from Operating Activities		
A	Net Profit Before Tax and Extraordinary Items	1,401	6,023
	Adjustment for:		
	Depreciation	897	661
	Profit on Sale of Asset	(362)	-
	Addition/(Reversal) of Provision of Standard Assets	10	72
	Interest and Financial Charges	14,196	12,335
	Operating Profit Before Working Capital Changes	16,142	19,091
	Changes in Working Capital :		
	(Increase)/Decrease in Loans and Advances	(5,420)	(26,937)
	(Increase)/Decrease in Inventory	(3,208)	(1,725)
	(Increase)/Decrease in Investments	8,053	1,125
	Increase/(Decrease) in Trade Payable and Other Liabilities	1,960	(4,690)
	(Increase)/ Decrease in Working Capital	1,385	(32,227)
	Cash generated from Operations	17,527	(13,136)
	Net of Income Taxes Refund received/(Paid)	(1,206)	(868)
	Cash Flow Before Extraordinary Items	16,321	(14,004)
	Extraordinary Items	-	-
	Net Cash flow from Operating Activities	16,321	(14,004)
B	Cash Flow from Investment Activities		
	Purchase of Fixed Assets	(2,555)	(124)
	Sale of Asset	500	-
	Net Cash Flow from Investing Activities	(2,055)	(124)
C	Cash Flow From Financing Activities		
	Long Term Loan Taken-Secured	1,434	-
	Short Term Loan Taken-Secured	57,543	14,305
	Short Term Loan Repaid-Secured	(58,626)	-
	Short Term Loan Repaid-UnSecured	(1,330)	(3,620)
	Short Term Loan Taken-UnSecured	991	15,875
	Interest and Financial Charges	(14,196)	(12,335)
	Net Cash Flow from Financing Activities	(14,184)	14,225
	Net Increase in Cash and Cash Equivalents	82	95
	Cash and Cash Equivalents at the beginning of the Year *	283	188
	Cash and Cash Equivalents at the close of the Year *	365	283
*	Cash and Cash Equivalents comprise of :		
	Cash in hand	18	1
	Balance in current account	347	282
	Total	365	283

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: 22nd May 2019

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

Girish Jain
Director
DIN: 00151673

Pradeep Poddar
Chief Financial Officer
Place : Mumbai
Date: 22nd May 2019

Rajesh Jain
Whole Time Director
DIN: 00151988

Kanak Lata Jain
Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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'). 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 recognised 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 31.03.2019	As at 31.03.2018
Note - 2: Share Capital		
Authorised:		
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
Issued,Subscribed and Paid up:		
47,85,740 (Previous Year: 47,85,740) Equity Shares of ₹ 10/- each fully paid up	47,857	47,857
	47,857	47,857

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

(₹ in '000')

Equity Shares of ₹ 10 each	2018-19		2017-18	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	4,785,740	47,857	4,785,740	47,857
Add: Issued during the year	-	-	-	-
Add: Shares Issued out of conversion of Preference shares during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,785,740	47,857	4,785,740	47,857

(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 31-03-2019		At at 31-03-2018	
	No. of Shares held	%age of Holding	No. of Shares held	%age of Holding
Chand Devi Jain	1,387,242	28.99%	1,387,242	28.99%
KJMC Corporate Advisors (I) Ltd.	950,000	19.85%	950,000	19.85%
KJMC Shares & Securities Ltd.	245,000	5.12%	245,000	5.12%
I. C. Jain HUF	267,065	5.58%	267,065	5.58%

Particulars	As at 31.03.2019	As at 31.03.2018
Note - 3 : Reserves and Surplus		
Securities Premium		
As per last balance sheet	14,410	14,410
Add : Received during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	14,410	14,410
General Reserve :		
As per last balance sheet	2,760	2,637
Add : Addition during the year	25	124
Less: Deduction during the year	-	-
Closing Balance	2,785	2,761
Capital Redemption Reserve :		
As per last balance sheet	49,900	49,900
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	49,900	49,900
Special Reserve		
As per last balance sheet	10,221	9,227
Add : Addition during the year	203	995
Less : Deduction during the year	-	-
Closing Balance	10,424	10,222
Surplus/(Deficit) in the statement of profit and loss		
Balance brought forward from last year	31,971	28,116
Add:		
Profit for the Year	1,014	4,974
Amount available for appropriation	32,985	33,090
Less : Appropriations		
a) Special Reserve *	203	995
b) General Reserve	25	124
Balance carried forward	32,757	31,971
Total	110,276	109,264

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

(₹ in '000')

Particulars	Non-Current Maturities		Current Maturities	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Note - 4: Other Long Term Liabilities				
Term Loans:				
From Bank (Secured):	1,435	-	474	-
From other (Secured):				
Vehicle Loan	-	-	-	-
(Refer Additional Information below)				
Amount disclosed under the head "Other Current Liabilities"			(474)	-
(Refer Note-8)				
NET AMOUNT	1,435	-	(474)	-



Additional Information
Vehicle Loan

Particulars	Amount of Loan (₹ In '000s.)	Interest rate % p.a	Installment amount (₹ in '000s.)	No. of Outstanding Installments
Secured by vehicle bought under loan and repayable in 48 Equated monthly installments	2,097	9.1	52.195	43

(₹ in '000')

Particulars	As at 31.03.2019	As at 31.03.2018
Note -5 : Other Long Term Liabilities		
Security Deposits		
Interest free deposit from related party payable from Related Parties :	21,500	21,500
Total	21,500	21,500
Note -6 : Long Term Provision		
Provision for Ex- Gratia	538	423
Total	538	423
Note -7 : Short Term Borrowings		
Cash credit from bank repayable on demand (Secured) (Cash credit from bank is secured against equitable mortgage of premises belonging to the Company and 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 - 32)	12,873	23,195
HDFC Bank (Over Draft against FD) - 8.60%	63,357	-
Loan from NBFC (Secured) (Loans secured against pledge of shares bearing interest rate @ 12.00%, repayable on demand.)	20,512	79,138
(Loans secured against pledge of shares bearing interest rate @ 11.00%, repayable on demand.)	4,034	-
Loan from Group Company (Unsecured) bearing interest rate @ 12.00%	16,991	17,330
Total	117,767	119,663
Note -8 : Other Current Liabilities		
Current Maturities of Long Term Borrowings	474	-
Employee Dues	1739	327
Statutory Dues	503	646
Provision for Expenses	241	243
Others	838	259
Total	3,795	1,475
Note -9 : Short Term Provisions		
Contingent Provision against Standard/Sub - Standard Assets	145	134
Total	145	134

Note - 10: Property, Plant & Equipment

(₹ in '000')

Description	Gross Block					Depreciation				Net Block	
	As on 01.04.2018	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2019	As on 01.04.2018	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2019	As on 31.03.2019	As on 31.03.2018
Building	10,849	-	-	-	10,849	9,021	334	-	9,355	1,494	1,828
Computers	397	138	-	-	535	319	76	-	395	140	78
Furniture & Fixtures	6,646	-	-	-	6,646	6,555	9	-	6,564	82	91
Office Equipments	2,199	19	-	-	2,218	2,171	12	-	2,183	35	28
Vehicles	2,792	2,397	2,792	-	2,397	2,621	466	2,654	433	1,964	171
Total (A)	22,883	2,554	2,792	-	22,645	20,687	897	2,654	18,930	3,715	2,196
Previous Year	22,758	125	-	-	22,883	20,026	661	-	20,687	2,196	

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Intangible Assets

Description	Gross Block					Depreciation				Net Block	
	As on 01.04.2018	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2019	As on 01.04.2018	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2019	As on 31.03.2019	As on 31.03.2018
Computer Software	36	-	-	-	36	36	-	-	36	-	-
Total (B)	36	-	-	-	36	36	-	-	36	-	-
Previous Year	36	-	-	-	36	36	-	-	36	-	-
Total (A+B)	22,919	2,554	2,792	-	22,681	20,723	897	2,654	18,966	3,715	2,196
Previous Year	22,794	125	-	-	22,919	20,062	661	-	20,723	2,196	-

(₹ in '000')

Sr No.	Particulars	FV (₹)	As on 31.03.2019		As on 31.03.2018	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	Note - 11 : Non-Current Investments Non- Trade-Quoted Investment in Equity Shares					
1	Avenue Supermarts Limited (Dmart)	10	-	-	1,000	450
2	Arvind Fashions Limited	4	580	220	-	-
3	Anveshan Heavy Engineering Limited	10	107	4	-	-
4	Bodal Chemicals Ltd	2	-	-	1,000	185
5 ***	Capacite Infraprojects Ltd	10	5,850	2,428	6,493	2,695
6	Cochin Shipyard Ltd	10	-	-	1,606	924
7 *	Hotline Glass Ltd	10	37,549	-	37,549	-
8 **	ICICI Prudential Life Insurance Co Ltd	10	49,375	16,872	50,000	17,086
9	ICICI Bank Ltd	2	10	3	10	3
10 *	KDL Biotech Ltd.	10	10	-	10	-
11	Lawreshwar Polymers Ltd	10	1,251	88	1,251	88
12	Menon Pistons Ltd	2	264,393	3,436	307,458	3,996
13	N2N Technologies Limited	10	5,000	261	5,000	261
14 **	Poly Medicure Ltd. (Share)	10	783,996	49,883	858,345	54,517
15	Polylink Polymers (I) Ltd	5	4,617	37	10,500	85
16	State Bank Of India (Share)	1	100	29	100	29
17	Shree Ram Urban Infrastructure Ltd	10	-	-	4,701	240
18 *	Shree Vindhya Paper Mills Ltd	10	1	-	1	-
19 ***	Arvind Ltd	10	2,900	895	4,000	1,544
20	Electrosteel Steels Ltd	10	-	-	90,000	606
21	KSK Energy Ventures Ltd	10	25,000	449	50,000	898
22	Som Dist & Brew Ltd	10	-	-	2,500	657
23 * **	RBL Bank Ltd	10	3,250	1,792	-	-
24 ***	HDFC Asset Management Co Ltd	5	1,500	2,234	-	-
25	Lasa Supergenerics Ltd	10	3,234	611	3,234	611
26 ***	Reliance Nippon Life Ltd	10	11,310	3,457	11,898	3,637
27	The South Indian Bank Ltd	10	60,000	905	-	-
28	Tube Investments of India Ltd (TIINDIA)	1	-	-	1,000	244
29	V2 Retail Limited	10	-	-	1,500	645
30	Arman Financial Services Limited	10	-	-	462	103
31	Care Ratings Limited	10	-	-	98	149
32	DCB Bank Ltd	10	-	-	1,329	247
33	Garware - Wall Ropes Ltd	10	-	-	268	249
34	Good Year India Ltd	10	-	-	182	151
35	Hero MotoCorp Ltd	2	-	-	25	99
36	Tata Investment Corporation Ltd.	10	-	-	195	156
37	Manapurram Finance Ltd.	2	-	-	1,568	163
38	Muthoot Finance Limited.	10	-	-	632	281
39	Nesco Ltd.	2	-	-	348	183
40	Ujjivan Financial Services Ltd.	10	-	-	506	179
	SUB-TOTAL (A)			83,604		91,361



Sr No.	Particulars	FV (₹)	As at 31.03.2019		As at 31.03.2018	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	Non-Trade -Unquoted Investment in Equity Shares					
A	In Subsidiaries					
1	KJMC Asset Management Co.Limited	10	10,250,000	113,263	10,250,000	113,263
2	KJMC Investment Trust Co.Limited	10	150,000	1,500	150,000	1,500
3	KJMC Trading & Agency Limited	10	100,000	1,000	100,000	1,000
				115,763		115,763
B	In Associates					
1	KJMC Platinum Builders Pvt Ltd	10	79,800	12,635	79,800	12,635
2	KJMC Realty Pvt. Ltd.	10	-	-	3,800	38
				12,635		12,673
C	In other companies					
1	Prime Pictures Limited	10	25,000	-	25,000	-
2	0% CCDs of Piquor Technologies Private Ltd	10	300,000	3,000	300,000	3,000
				3,000		3,000
	SUB - TOTAL (B)			131,398		131,436
	TOTAL (A + B)			215,002		222,797
	Aggregate amount of quoted Investment			83,604		91,361
	Aggregate Market Value of quoted Investment			203,150		255,352
	Aggregate amount of unquoted Investment			131,398		131,436
	Aggregate provision for diminution in value of investments			NIL		NIL

* These shares stand de-listed as on 31/03/2019".

** 226,200 (P.Y 200,200) Shares of Poly Medicare Ltd & 49375 (P.Y 45700) Shares of ICICI Prudential Life Insurance Co Ltd are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 7)

*** These Shares are Pledged in current Financial year as security for Loan from Non-Banking Financial Company (Refer Note - 7)

(₹ in '000')

Particulars	As at 31.03.2019	As at 31.03.2018
Note -12 : Deferred Taxation		
Deferred Tax Assets		
Business Loss	12,393	4,910
Unabsorbed Depreciation	409	409
Unabsorbed Long Term Capital Loss	471	8,302
Property, Plant & Equipment (Diff in W.D.V)	116	108
	13,389	13,729
Deferred Tax Liability		
Property, Plant & Equipment	-	-
Deffered tax Asset/(Liability)-Net	13,389	13,729

(₹ in '000')

Particulars	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Note -13 : Receivables under Financing Activity				
(Good unless otherwise stated)				
Secured				
Against hypothecation of automobiles.	14,898	8,272	32,179	10,866
Others				
Loans to Others (Unsecured, Considered good)	820	-	9,178	29,942
Loans to Others (Secured by Pledge of Securities)			-	2,027
Related Parties :				
- Unsecured, Considered good				
Loans to Related Party (Rate of Interest 14%)	-	-	950	1,900
	15,718	8,272	42,307	44,735

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(₹ in '000')

Particulars	As at 31.03.2019	As at 31.03.2018
Note -14 : Long Term Loans and Advances		
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	3,913	2,706
Less: Provision for Taxation	(1,836)	(1,709)
MAT credit Entitlement	2,247	2,167
Total	5,853	4,693

(₹ '000')

Particulars	As At 31.03.2019		As At 31.03.2018	
	Qty (Nos)	Amount	Qty (Nos)	Amount
Note -15 : Current Investment				
Non-Trade -Quoted				
Investment in Mutual Funds				
Quantum Liquid Fund	11,968	299	-	-
Reliance ETF Liquid Bees	0.475	1	-	-
DSP Black Rock Liquid Fund	-	-	231	558
		300		558
Aggregate amount of quoted Investment		300		558
Aggregate Market Value of quoted Investment		305		573
Aggregate amount of unquoted Investment		NIL		NIL
Aggregate provision for diminution in value of investments		NIL		NIL

(₹ '000')

Note -16 : Inventory		
Stock in Trade	4,933	1,725
	4,933	1,725
Note -17 : Cash and cash equivalents		
Cash in Hand	18	1
Balance with Banks		
- In Current Accounts	347	282
Total	365	283
Note -18 : Short Term Loans and Advances		
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	1,731	1,328
Total	1,731	1,328

(₹ '000')

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Note -19 : Revenue from Operations		
Interest Income	13,432	6,980
Profit on Sale of Investments, Futures & Options (Net)	13,939	24,563
Dividend Income	2,204	1,122
Processing & Documentation Fees	1,748	1,005
Sale of Shares	39,042	35,572
Total	70,365	69,242



(₹ '000's)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Note -20 : Other Income		
Compensation for Use of Office & Common Facilities	30	30
Miscellaneous Income	526	622
Total	556	652
Note -21 : Purchase of Shares in Stock in Trade		
Purchase of Shares in Stock in Trade	38,720	34,665
	38,720	34,665
Note -22 : Change in Stock in Trade		
Closing Stock in Trade	4,933	1,725
Opening Stock in Trade	1,725	-
	(3,208)	(1,725)
Note -23 : Employee Benefit Expenses		
Salaries and wages	7,334	6,682
Contribution / provisions to provident, Gratuity and other provisions.	432	465
Staff welfare expenses	1,479	3,424
Total	9,245	10,571
Note -24 : Finance Costs		
Interest to other/NBFC	6,980	9,596
Interest to Bank	6,550	2,618
Bank Charges	96	121
Guarantee Commission	570	-
Total	14,196	12,335
Note -25 : Other Expenses		
Advertisement	56	52
Auditors Remuneration (for break up refer below)	129	126
Business Promotion Expenses	637	197
Electricity Expenses	299	245
Infrastructural Support service Expenses	238	246
Insurance Expenses	41	49
Legal Fees	135	46
Listing Fees	250	287
Miscellaneous Expenses	1,243	452
Motor Car Expenses	88	157
Loan Processing Charges	1,112	711
Service Charge	1,890	280
Office Maintenance & Utility Expenses	247	279
Postage & Telegram	111	36
Printing & Stationery	140	130
Professional & Consul. Fees Exp	742	622
Rent	1,800	1,800
Repairs & Maintenance (Others)	39	20
Subscription & Membership	53	91
Travelling Expenses	409	1,466
Provision for Standard Asset	11	72
Total	9,670	7,364
As Statutory Auditor		
As Audit Fees	40	40
For Taxation matters	10	10
For Limited Review	68	68
For reimbursement of expenses/Service Tax	12	9
	129	126

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

27. Contingent Liabilities:

Claims against the Company for the Financial Year 2018-19 is NIL (PY 2017-18 is NIL)

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

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	31.03.2019	31.03.2018
(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.

29 a Earnings in Foreign Currency - ₹ Nil (₹ Nil).

Expenditure in Foreign Currency - C.Y ₹ 101 ('000') (P.Y ₹ 1122 (in'000')).

29 b The Board of Directors of the Company at its meeting held on January 23, 2019 has subject to the approval of the National Company Law Tribunal (NCLT) and other statutory authorities, considered and approved the proposed Scheme of Amalgamation ("Scheme") under Section 230 and 232 and other applicable provisions of the Companies Act, 2013 between the company and KJMC Asset Management Co Ltd & KJMC Investment Trust Co Ltd, in terms of which KJMC Asset Management Co Ltd & KJMC Investment Trust Co Ltd will get merged with the Company on going concern basis with effect from April 1, 2018 (Appointed date). KJMC Asset Management Co Ltd & KJMC Investment Trust Co Ltd are both wholly owned subsidiaries under common control of the Holding Company i.e KJMC Financial Services Ltd. The company has made an application to NCLT on 25th March 2019, pending approval of the NCLT and other statutory authorities, no effect of the proposed Scheme has been given in the financial statements of the company for the financial year ended March 31, 2019.

30 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	
	31.03.2019	31.03.2018
Lease rental recognized during the year	1,800	1,800
Lease obligation Payable		
Within one year of the balance sheet date	1,800	1,200
Due in a period between one year and five years	1200	-

31. Earnings per Share:

(₹ '000's)

Particulars	For the year ended	
	31.03.2019	31.03.2018
Net Profit / (Loss) after Taxation (₹ in '000')	1,014	4,974
Less : Preference Dividend and Tax thereon (₹)	Nil	Nil
Net Profit/(Loss) for calculation of EPS (₹ in '000')	1,014	4,974
The weighted average Number of Equity Share (Nos.)- (Basic)	4,785,740	4,785,740
The weighted average Number of Equity Share (Nos.)- (Diluted)	4,785,740	4,785,740
Face Value (₹)	10	10
Earnings Per Share (Basic)	0.21	1.04
Earnings Per Share (Diluted)	0.21	1.04

32. Related party disclosures under Accounting Standard 18:

List of related parties

1) Parties where control exists

Wholly owned subsidiary Companies : KJMC Asset Management Company Limited.
KJMC Investment Trust Company Limited.
KJMC Trading & Agency Limited.

2) Other parties

(a) Key Management Personnel

Rajnesh Jain - Whole Time Director.
Pradeep Poddar - Chief Financial Officer.
Kanak Lata Jain - Company Secretary

(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
Shradha Rajnesh 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 Shares and Securities Limited
KJMC Commodities Market India Limited
Prathamesh Enterprises Private Limited
KJMC Investment Company
KJ Diamond Real Estate Private Limited
AKIP Venture Private Limited

KJMC Credit Marketing Limited
KJMC Capital Market Services Limited
Puja Trades & Investments Pvt Ltd
KJMC e.Business Ventures Private Limited
KJ Golden Real Estate Private Limited
KJMC Realty Pvt. Ltd.

(d) Associates

KJMC Platinum Builders Private Limited



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	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
1	Interest Income Prathmesh Enterprises Pvt Ltd KJMC Trading & Agency Ltd Rajnish Jain	- - -	- 1 -	- - -	- - -	- - -	- - 632	204 - -	85 - -
2	Interest Paid KJMC Platinum Builders Pvt Ltd KJMC Asset Management CO Ltd	- 1200	- 930	- -	- -	- -	- -	795 -	842 -
3	Board Meeting Fees Inderchand Jain Aditi Jain Girish Jain	- - -	- - -	- - -	- - -	20 16 19	20 16 18	- - -	- - -
4	Salary and Perquisites Rajnish Jain Pratham R Jain	- -	- -	- -	- -	4,398 -	4,677 -	- -	- -
5	Deposit (For Appt of Director) KJMC Trading & Agency Ltd	-	100	-	-	-	-	-	-
6	Deposit Repaid (For Appt of Director) KJMC Trading & Agency Ltd	-	100	-	-	-	-	-	-
7	Loan given to Borrower Rajnish Jain KJMC Trading & Agency Ltd Prathmesh Enterprises Pvt Ltd	- - - -	- - 25 -	- - - -	- - - -	- - - -	- 11,350 - -	- - - 750	- - - 3,175
9	Repayment of Loan by Borrower Rajnish Jain KJMC Trading & Agency Ltd Kartik Konar (Against Salary) Prathmesh Enterprises Pvt Ltd	- - - -	- 25 - -	- - - -	- - - -	- - - -	11,350 - 20 -	- - - 1,700	- - - 1,275
10	Loan taken KJMC Platinum Builders Pvt Ltd KJMC Asset Management Co Ltd	- -	- 10,000	- -	- -	- -	- -	- -	2,375 -
11	Loan Repaid KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	-	1,300	120
12	Rent Income KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	-	30	30
13	Infrastructural Support Services KJMC Capital Market Services Ltd	-	-	-	-	-	-	238	247
14	Brokerage Charges KJMC Capital Market Services Ltd	-	-	-	-	-	-	146.159	211
15	Depository Charges KJMC Capital Market Services Ltd	-	-	-	-	-	-	53	36
16	Sale of Shares KJMC Corporate Advisors (India) Ltd KJMC Trading & Agency Ltd KJMC Shares and Securities Limited	- 7 -	- - -	- - -	- - -	- - -	- - -	- - -	2,185 - 3,395
17	Purchase of Shares KJMC Capital Market Services Ltd	-	-	-	-	-	-	-	3,420
18	Service Received KJMC Asset Management Company Ltd	570	-	-	-	-	-	-	-
19	Service Rendered KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	-	-	344
20	Reimbursement of Expenses Paid KJMC Corporate Advisors (India) Ltd Pratham R Jain (Fees & Accomodation Charges)	- -	- -	- -	- -	- 1,366	- 2,952	28 -	- -
21	Reimbursement of Expenses Received KJMC Investment Trust Co. Ltd KJMC Asset Management Company Ltd	- -	1 1	- -	- -	- -	- -	- -	- -
22	Net Receivables Kartik Konar (Loan Against Salary) Prathmesh Enterprises Pvt Ltd	- -	- -	- -	- -	- -	- -	- 950	- 1,900

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Related Parties Transactions :

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	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
23	Net Payables								
	KJMC Capital Market Services Ltd (Security Deposit)	-	-	-	-	-	-	10,000	10,000
	KJMC Platinum Builders Pvt Ltd (Loan)	-	-	-	-	-	-	6,000	7,330
	" KJMC Corporate Advisors (India) Ltd (Security Deposit) "	-	-	-	-	-	-	1,500	1,500
	KJMC Asset Management Company Ltd (other)	513	-	-	-	-	-	-	-
	KJMC Asset Management Company Ltd (Loan)	10,991	10,000	-	-	-	-	-	-
	KJMC Asset Management Company Ltd (Security Deposit)	10,000	10,000	-	-	-	-	-	-
24	Balances in Investment in Associates								
	KJMC Realty Private Limited	-	-	-	38	-	-	-	-
	KJMC Platinum Builders Private Limited	-	-	12,635	12,635	-	-	-	-
25	Security and Corporate Guarantee given to Union Bank of India on behalf of KJMC Financial Services Limited by Puja Impex Pvt. Ltd.								
		-	-	-	-	-	-	39,300	39,300

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

33. 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] (₹ In '000's)

Particulars	As on 31.03.2019	
	Amount outstanding	Amount overdue
Liabilities side :		
1 Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	-	-
Unsecured	-	--
(other than falling within the meaning of public deposits)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	16,991	-
(e) Commercial Paper	-	-
(f) Other Loans (specify nature)		
Secured Loans against office premises	12,873	-
Secured Loans against FD of Wholly owned Subsidiary	63,357	-
Secured Loans against Shares	24,546	-
Asset Side :		Amount outstanding (₹ in 000's)
2 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		47,077
(b) Unsecured		10,948
3 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(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')		
Current Investments :				
1. Quoted :				
(i) Shares : (a) Equity				
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual funds				
(iv) Government Securities				
(v) Others (please specify)				
2. Un Quoted :				
(i) Shares : (a) Equity				
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual funds		300		
(iv) Government Securities				
(v) Others (please specify)				
Long Term Investments :				
1. Quoted :				
(i) Shares : (a) Equity		83,604		
(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		131,398		
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual funds				
(iv) Government Securities				
(v) Others (please specify)				
5. Borrower group-wise classification of assets financed as in (2) and (3) above :	Amount Net of Provisions			
Category	Secured	Unsecured	Total	
1. Related Parties	-	-	-	
(a) Subsidiaries	-	-	-	
(b) Companies in the same group	-	-	-	
(c) Other related parties	-	950	950	
2. Other than related parties	47,077	9,998	57,075	
6. Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value / Breakup or fair value or NAV		Book Value (Net of Provisions)	
1. Related Parties				
(a) Subsidiaries	115,763		115,763	
(b) Companies in the same group	38,304		38,304	
(c) Other related parties	-		-	
2. Other than related parties	205,598		205,598	
Total	359,665		359,665	
Other information				
Particulars		Amount		
Gross Non-Performing Assets				
(a) Related parties			-	
(b) Other than related parties			-	
Non-Performing Assets				
(a) Related parties			-	
(b) Other than related parties			-	
Assets acquired in satisfaction of debt		-		

34 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.

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

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

Girish Jain
Director
DIN: 00151673

Rajesh Jain
Whole Time Director
DIN: 00151988

Sachin A Negandhi
Partner
Membership No. 112888
Place : Mumbai
Date: 22nd May 2019

Pradeep Poddar
Chief Financial Officer
Place : Mumbai
Date: 22nd May 2019

Kanak Lata Jain
Company Secretary

Independent Auditor's Report**To The Members of KJMC Financial Services Limited****Opinion**

We have audited the accompanying consolidated financial statements of **KJMC Financial Services Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate companies, which comprise the Consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss and the Statement of consolidated cash flows for the year then ended, and notes to consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2019, and its profit and its consolidated cash flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including annexures thereto but does not include the consolidated financial statements and our auditor's report thereon. Directors' Report including annexures thereto is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors' Report including annexures thereto, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of the Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, specified under Section 133 of the Act read with the rules made thereunder. 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; 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associates are responsible for assessing the ability of the Group and its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and its jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matters

The financial statements of two subsidiaries and an 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 ` 123749 (thousands) as at March 31, 2019, total revenues of ` 10960 (thousands) and net cash outflows amounting to ` 20 (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 ` 78 (thousands) for the year ended March 31, 2019 in an associate, whose financial statements have not been audited by us.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, 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 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.
 - (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2019 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, 2019 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 with reference to financial statements of the Group 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiaries to its respective directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) 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 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 22, 2019

Annexure - B 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")**

In conjunction with our audit of the consolidated financial statements of **KJMC Financial Services Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries and its associate company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company its subsidiary companies and its associate company, 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. 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 with reference to financial statements of the Holding Company, its subsidiary companies and associate, 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 internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 subsidiary companies and associate, has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies and an associate, 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 22, 2019



KJMC FINSERV
MONEY MATTERS

KJMC FINANCIAL SERVICES LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

CIN No.: L65100MH1988PLC047873 (₹ in '000')

PARTICULARS	NOTE NO.	As At	As At
		31.03.2019	31.03.2018
(I) EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	47,857	47,857
(b) Reserves and Surplus	3	119,004	109,569
Non-Current Liabilities			
(a) Long Term Borrowings	4	1,434	-
(b) Other Long-Term Liabilities	5	11,747	11,747
(c) Long Term Provision	6	538	423
Current Liabilities			
(a) Short-Term Borrowings	7	118,189	120,662
(b) Trade Payables			
(A) Micro & Small Enterprises		-	-
(B) Others		-	-
(c) Other Current Liabilities	8	3,678	1,580
(d) Short-Term Provisions	9	144	134
TOTAL		302,591	291,972
(II) ASSETS			
Non-Current Assets			
(a) (i) Property, Plant & Equipment	10	3,715	2,196
(ii) Intangible assets (Including Goodwill on Consolidation)		10,763	10,763
(iii) Capital work in progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	11	110,995	119,674
(c) Deferred Tax Assets (net)	12	13,501	13,729
(d) Receivables under financing activity	13	15,718	8,272
(e) Long-Term Loans and Advances	14	25,467	23,927
(f) Other Non-Current Assets	15	10	20
Current Assets			
(a) Current Investments	16	3,579	62,972
(b) Inventory	17	4,933	1,725
(c) Cash and cash equivalents	18	69,209	2,119
(d) Receivables under financing activity	13	42,307	44,735
(e) Short-Term Loans and Advances	19	2,387	1,834
(f) Other Current Assets	20	7	7
TOTAL		302,591	291,972

Significant Accounting Policies and Notes to Accounts

1 to 36

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 : 22-05-2019

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

Girish Jain
Chairman
DIN: 00151673

Rajesh Jain
Whole Time Director
DIN: 00151988

Pradeep Poddar
Chief Financial Officer

Kanak Lata Jain
Company Secretary

Place : Mumbai
Date : 22-05-2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

CIN No.: L65100MH1988PLC047873 (₹ in '000')

PARTICULARS	NOTE NO.	For the	For the
		Year Ended	Year Ended
		31.03.2019	31.03.2018
Revenue from Operations	21	76,692	69,444
Other Income	22	3,515	840
Total Income		80,207	70,284
Expenses:			
Purchase of Shares in Stock in Trade	23	38,720	34,665
Change in Stock in Trade	24	(3,208)	(1,725)
Employee Benefits Expenses	25	10,177	11,238
Finance Costs	26	12,885	11,406
Depreciation & Amortization Expenses	10	897	661
Other Expenses	27	9,948	7,921
Total Expenses		69,419	64,166
Profit before Tax		10,788	6,118
Tax Expense:			
(1) Current tax		1,835	973
(2) Deferred tax		228	1,049
(3) MAT credit Entitlement		(1,837)	(964)
(4) Prior Period Taxes		47	2
		273	1,060
Profit/(Loss) before Share in Associates' profit / Loss		10,515	5,058
Less: Profit / (Loss) in Share of Associates		(1,081)	1,350
Profit for the year		9,434	6,408
Earnings per equity share: (₹)			
(1) Basic		1.97	1.34
(2) Diluted		1.97	1.34

Significant Accounting Policies and Notes to Accounts

1 to 36

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 : 22-05-2019

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

Girish Jain
Chairman
DIN: 00151673

Rajesh Jain
Whole Time Director
DIN: 00151988

Pradeep Poddar
Chief Financial Officer

Kanak Lata Jain
Company Secretary

Place : Mumbai
Date : 22-05-2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

CIN NO : L65100MH1988PLC047873

(₹ in '000')

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	10,788	6,118
Adjustment for:		
Depreciation	897	661
Profit on Sale of Asset	(362)	-
(Profit)/Loss on Sale of Investments	(6,328)	(204)
Addition/(Reversal) of Provision of Standard Assets	11	72
Interest and Financial Charges	14,655	12,335
Interest Income	(33)	(9)
Operating Profit Before Working Capital Changes	19,628	18,973
Changes in Working Capital		
(Increase)/Decrease in Loans and Advances	(7,289)	(25,963)
(Increase)/Decrease in Inventory	(3,208)	(1,725)
(Increase)/Decrease in Other current and non current assets	(350)	3
(Increase)/Decrease in Investments	8,053	1,125
Increase/(Decrease) in Trade Payable and Other Liabilities	2,252	(4,766)
(Increase)/ Decrease in Net Current Assets	(542)	(31,326)
Cash generated from Operations	19,086	(12,353)
Direct taxes paid (Net of refund)	(1,211)	(870)
Cash Flow Before Extraordinary Items	17,875	(13,223)
Extraordinary Items	-	-
Net Cash flow from Operating Activities	17,875	(13,223)
Cash Flow from Investment Activities		
Purchase of Shares/ units	(2,297)	(1,640)
Drawings from Patnership Firm	-	202
Fixed deposit with maturity more than 3 Months	(67,000)	-
Sale of Shares/Units	67,564	10,415
Purchase of Fixed Assets	(2,555)	(124)
Interest Income	597	97
Net Cash Flow from Investing Activities	(3,691)	8,950
Cash Flow From Financing Activities		
Long Term Loan Taken-Secured	1,434	-
Short Term Loan Taken-Secured	57,543	14,305
Short Term Loan Taken-UnSecured	11,404	5,875
Short Term Loan Given	(120)	(725)
Short Term Loan Repaid-Unsecured	(11,330)	(3,620)
Short Term Loan Repaid-Secured	(58,626)	-
Short Term Loan Received back	320	1,070
Interest Income	(64)	(88)
Interest and Financial Charges	(14,655)	(12,335)
Net Cash Flow from Financing Activities	(14,094)	4,482
Net Increase in Cash and Cash Equivalents	90	209
Cash and Cash Equivalents at the beginning of the Year	2,119	1,910
Cash and Cash Equivalents at the close of the Year *	2,209	2,119
* Cash and Cash Equivalents comprise of :		
Cash in hand	181	168
Balance in current account	628	551
In Deposit Accounts with Less than 12 months'	1,400	1,400
Total	2,209	2,119

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

For K.S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No: 100186W

Girish Jain

Chairman

DIN: 00151673

Rajesh Jain

Whole Time Director

DIN: 00151988

Sachin A Negandhi

Partner

Membership No. 112888

Pradeep Poddar

Chief Financial

Officer

Place : Mumbai

Date : 22-05-2019

Kanak Lata Jain

Company Secretary

Place : Mumbai

Date : 22-05-2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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') 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 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.

Particulars	₹ in '000'	
	As at 31.03.2019	As at 31.03.2018
Note - 2: Share Capital		
Authorised:		
Amount of Shares:		
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
Issued and Subscribed & Paid up :		
47,85,740 (Previous Year: 47,85,740)		
Equity Shares of ₹ 10/- each fully paid up	47,857	47,857
	47,857	47,857

(₹ in '000')

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

Equity Shares of ₹ 10 each	2018-19		2017-18	
	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	-	-	-	-
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

(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 2019		As at 31 March 2018	
	No of Shares held	%age of Holding	No of Shares	%age of Holding
Chand Devi Jain	1,387,242	28.99%	1,387,242	28.99%
KJMC Corporate Advisors (I) Ltd.	950,000	19.85%	950,000	19.85%
KJMC Shares & Securities Ltd.	245,000	5.12%	245,000	5.12%
I. C. Jain HUF	267,065	5.58%	267,065	5.58%

(₹ in '000')

Particulars	As At	
	31.03.2019	31.03.2018
Note - 3: Reserves and Surplus		
Securities Premium Account :		
As per last balance sheet	14,410	14,410
Add : Received during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	14,410	14,410
General Reserve :		
As per last balance sheet	2,760	2,636
Add : Addition during the year	25	124
Less: Deduction during the year	-	-
Closing Balance	2,785	2,760
Capital Redemption Reserve :		
As per last balance sheet	49,900	49,900
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	49,900	49,900
Special Reserve :		
As per last balance sheet	10,222	9,227
Add : Addition during the year	203	995
Less : Deduction during the year	-	-
Closing Balance	10,425	10,222
Surplus/(Deficit) in the statement of profit and loss :		
Balance brought forward from last year	32,278	26,988
Add:		
Profit for the period	9,434	6,408
Amount available for appropriation	41,712	33,396
Less : Appropriations		
a) Special Reserve *	203	995
b) General Reserve	25	124
Balance carried forward	41,484	32,277
Total	119,004	109,569

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

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(₹ in '000')

Equity Shares of ₹ 10 each	Non-Current Maturities		Current Maturities	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Note 4: Long Term Borrowings				
Term Loans:				
From Bank (Secured):	-	-	-	-
From other (Secured):				
Vehicle Loan	1,434	-	474	-
(Refer Additional Information below)				
Amount disclosed under the head "Other Current Liabilities" (Refer Note-8)			(474)	-
NET AMOUNT	1,434	-	-	-

Additional Information

Vehicle Loan

Particulars	Amount of Loan (₹ in '000s.)	Interest rate % p.a	Installment amount (₹ in '000s.)	No. of Outstanding installments as on date
Secured by Vehicle bought under loan and repayable in 36 Equated monthly installments	2,097	9.1	52,195	43

(₹ in '000')

Particulars	As At 31.03.2019	As At 31.03.2018
Note 5: Other Long Term Liabilities		
Interest free deposit from related party payable		
Security Deposits	11,500	11,500
Unsecured Deposit	247	247
	11,747	11,747
Note 6: Long Term Provision		
Provision for Ex- Gratia	538	423
	538	423

(₹ in '000')

Particulars	As At 31.03.2019	As At 31.03.2018
Note 7 : Short Term Borrowings		
Secured :		
Loans repayable on demand		
Cash credit from bank repayable on demand (Secured)	12,873	23,194
(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 32)		
HDFC Bank (Over Draft against FD) - 8.60%	63,357	
Loan from NBFC (Secured)		
(Loans secured against pledge of shares bearing interest rate @ 12.00%, repayable on demand.) - (Refer Note -11)	20,512	79,138
(Loans secured against pledge of shares bearing interest rate @ 11.00%, repayable on demand.) - (Refer Note -11)	4,034	
Loan From Related Party/Group Company	17,413	18,330
	118,189	120,662
Note 8: Other Current Liabilities		
Current Maturities of Long Term Borrowings	474	-
Employee Dues	2,071	381
Statutory Dues	515	647
Provision for Expenses	241	243
Others	377	309
	3,678	1,580
Note 9: Short Term Provisions		
Contingent provision against standard/Sub Standard assets	144	134
	144	134

Note 10: Property, Plant & Equipment

(₹ in '000')

Description	Gross Block					Depreciation				Net Block	
	As at 01.04.2018	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	Impairment/ Reversal during the year	As at 31.03.2019	As at 01.04.2018	Provided during the year	Deductions/ Adjustments during the year	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Building	10,900	-	-	-	10,900	9,072	334	-	9,406	1,494	1,828
Computers	397	138	-	-	535	319	76	-	395	140	78
Furniture & Fixture	6,646	-	-	-	6,646	6,555	9	-	6,564	82	91
Office Equipments	2,198	19	-	-	2,217	2,170	12	-	2,182	35	28
Vehicles	2,792	2,397	2,792	-	2,397	2,621	466	2,654	433	1,964	171
Total (A)	22,933	2,554	2,792	-	22,695	20,737	897	2,654	18,980	3,715	2,196
Previous year	22,809	124	-	-	22,933	20,076	661	-	20,737	2,196	

Intangible assets

Description	Gross Block					Depreciation				Net Block	
	As at 01.04.2018	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	Impairment/ Reversal during the year	As at 31.03.2019	As at 01.04.2018	Provided during the year	Deductions/ Adjustments during the year	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Computer Software	36	-	-	-	36	36	-	-	36	-	-
Total (B)	36	-	-	-	36	36	-	-	36	-	-
Previous year	36	-	-	-	36	36	-	-	36	-	
Total (A+B)	22,969	2,554	2,792	-	22,731	20,773	897	2,654	19,016	3,715	2,196
Previous year	22,845	124	-	-	22,969	20,112	661	-	20,773	2,196	

(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2019		As at 31.03.2018	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	Note - 11: Non-Current Investments					
	Non-Trade -Quoted					
	Investment in Equity Shares					
1	Avenue Supermarts Limited (Dmart)	10	-	-	1,000	450
2	Arvind Fashions Limited	2	580	220	-	-
3	Anveshan Heavy Engineering Limited	10	107	4	-	-
4	Bodal Chemicals Ltd	10	-	-	1,000	185
5 ***	Capacite Infraprojects Ltd	2	5,850	2,428	6,493	2,695
6	Cochin Shipyard Ltd	10	-	-	1,606	924
7 *	Hotline Glass Ltd	1	37,549	-	37,549	0



(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2019		As at 31.03.2018	
			Qty (Nos)	Amount	Qty (Nos)	Amount
8 **	ICICI Prudential Life Insurance Co Ltd	10	49,375	16,872	50,000	17,086
9	ICICI Bank Ltd	10	10	3	10	3
10 *	KDL Biotech Ltd.	10	10	-	10	0
11	Lawreshwar Polymers Ltd	10	1,251	88	1,251	88
12	Menon Pistons Ltd	10	264,393	3,436	307,458	3,996
13	N2N Technologies Limited	10	5,000	261	5,000	261
14 **	Poly Medicare Ltd. (Share)	1	783,996	49,883	858,345	54,517
15	Polylink Polymers (I) Ltd	10	4,617	37	10,500	85
16	State Bank Of India (Share)	10	100	29	100	29
17 *	Shree Ram Urban Infrastructure Ltd	10	4,701	5	4,701	240
18 *	Shree Vindhya Paper Mills Ltd	10	1	-	1	0
19 ***	Arvind Ltd	10	2,900	895	4,000	1,544
20 *	Electrosteel Steels Ltd	10	1,800	2	90,000	606
21	KSK Energy Ventures Ltd	2	25,000	449	50,000	898
22	Som Dist & Brew Ltd	10	-	-	2,500	657
23 ***	RBL Bank Ltd	2	3,250	1,792	-	-
24 ***	HDFC Asset Management Co Ltd	10	1,500	2,234	-	-
25	Lasa Supergenerics Ltd	10	3,234	611	3,234	611
26 ***	Reliance Nippon Life Ltd	10	11,310	3,457	37,549	3,637
27	The South Indian Bank Ltd	10	60,000	905	-	-
28	Arman Financial Services Limited	-	-	-	462	103
29	Care Ratings Limited	-	-	-	98	149
30	DCB Bank Ltd	-	-	-	1,329	247
31	Garware - Wall Ropes Ltd	-	-	-	268	249
32	Good Year India Ltd	-	-	-	182	151
33	Hero MotoCorp Ltd	-	-	-	25	99
34	Tata Investment Corporation Ltd	-	-	-	195	156
35	Manapurram Finance Ltd	-	-	-	1,568	163
36	Muthoot Finance Limited	-	-	-	632	281
37	Nesco Ltd	-	-	-	348	183
38	Ujjivan Financial Services Ltd	-	-	-	506	179
39	Tube Investments of India Ltd (TIINDIA)	-	-	-	1,000	244
40	V2 Retail Limited	-	-	-	1,500	645
	SUB-TOTAL (A)			83,611		91,361

Sr No.	Particulars	FV (₹)	As at 31.03.2019		As at 31.03.2018	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	Non-Trade -Unquoted Investment in Equity Shares In Associates					
A						
1	KJMC Platinum Builders Private Limited	10	79,800	12,904	79,800	12,826
2	KJMC Realty Private Limited	10	-	-	3,800	1,197
				12,904		14,023
B	Other					
1	Prime Pictures Limited	10	25,000	-	25,000	-
2	0% CCDs of Piquor Technologies Private Ltd		300,000	3,000	300,000	3,000
3	KJMC Investment Co			11,480		11,289
				14,480		14,289
	SUB-TOTAL (B)			27,384		28,312
	TOTAL (A + B)			110,995		119,674

Aggregate amount of quoted Investment	83,611	91,361
Aggregate Market Value of quoted Investment	203,150	255,352
Aggregate amount of unquoted Investment	27,384	28,312
Aggregate provision for diminution in value of investments	NIL	NIL

* These shares stand de-listed as on 31/03/2019".

** 226,200 (P.Y 200,200) Shares of Poly Medicare Ltd & 49375 (P.Y 45700) Shares of ICICI Prudential Life Insurance Co Ltd are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 7)

*** These Shares are Pledged in current Financial year as security for Loan from Non-Banking Financial Company (Refer Note - 7)

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(₹ in '000')

Particulars	As At	As At
	31.03.2019	31.03.2018
Note 12 : Deferred Taxation		
Deferred Tax Assets		
Business Loss	12,505	4,910
Unabsorbed Depreciation	409	409
Unabsorbed Long Term Capital Loss	471	8,302
Property, Plant & Equipment (Diff in W.D.V)	116	108
	13,501	13,729
Deferred Tax Liability		
Property, Plant & Equipment	-	-
	-	-
Deferred tax Asset/(liability)-Net	13,501	13,729

(₹ in '000')

Particulars	Non-current		Current	
	As At		As At	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Note -13 : Receivables under Financing Activity (Good unless otherwise stated)				
Secured				
Against hypothecation of automobiles.	14,898	8,272	32,179	10,866
Others				
Loans to Others (Unsecured, Considered good)	820	-	9,178	29,942
Loans to Others (Secured by Pledge of Securities)	-	-	-	2,027
Related Parties :				
- Unsecured, Considered good				
Loans to Related Party (Rate of Interest 14%)	-	-	950	1,900
	15,718	8,272	42,307	44,735

(₹ in '000')

Particulars	As At	As At
	31.03.2019	31.03.2018
Note 14 : Long Term Loans and Advances		
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	-	-
Security Deposits		
Unsecured, considered good	20,529	20,529
Advance Income Tax	4,578	2,999
Less: Provision for Taxation	(1,918)	(1,774)
MAT credit Entitlement	2,278	2,173
Total	25,467	23,927
Note 15 : Other Non Current Assets		
Other	10	20
	10	20

(₹ in '000')

Sr No.	Particulars	As At 31.03.2019		As At 31.03.2018	
		Qty (Nos)	Amount	Qty (Nos)	Amount
	Note 16: Current Investments Non-Trade -Quoted Investment in Mutual Funds				
1	SBI Premier Liquid Fund	1,106	3,109	24,446	62,244
2	DSP Black Rock Liquid Fund	-	-	231	558
3	Quantum Liquid Fund	11,968	299	-	-
4	Reliance ETF Liquid Bees	0.475	1	-	-
5	HDFC Liquid Fund	57	170	57	170
	TOTAL		3,579		62,972
	Aggregate amount of quoted Investment		3,579		62,972
	Aggregate Market Value of quoted Investment		3,433		62,987
	Aggregate amount of unquoted Investment		NIL		NIL
	Aggregate provision for diminution in value of investments		NIL		NIL

(₹ in '000')

Particulars	As At	As At
	31.03.2019	31.03.2018
Note -17 : Inventoy		
Stock in Trade	4,933	1,725
	4,933	1,725
Note 18: Cash and Cash Equivalents		
Cash in Hand	181	168
Balance with Banks		
- In Current Accounts	628	551
	809	719
Other Bank Balances		
- On Deposit Accounts		
With Less than 12 month's maturity	68,400	1,400
	69,209	2,119
Note 19: Short Term Loans and Advances		
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	2,082	1,329
Related Parties :		
- Unsecured		
Loans to Related Party (Rate of Interest 14%)	305	505
Others		
	2,387	1,834
Note 20: Other Current Assets		
Others		
Accrued Interest	7	7
	7	7

(₹ in '000')

Particulars	FOR THE YEAR ENDED	FOR THE YEAR ENDED
	31.03.2019	31.03.2018
Note 21: Revenue from Operations		
Interest Income	13,432	6,979
Profit on Sale of Investments, Futures & Options (Net)	20,069	24,702
Share in Partnership Firm	198	64
Dividend Income	2,204	1,122
Processing & Documentation Fees	1,748	1,005
Sale of Shares	39,041	35,572
	76,692	69,444
Note 22: Other Income		
Compensation for Use of Office & Common Facilities	30	30
Interest Income_Others	2,954	184
Miscellaneous Income	531	626
	3,515	840
Note -23 : Purchase of Shares in Stock in Trade		
Purchase of Shares in Stock in Trade	38,720	34,665
	38,720	34,665
Note -24 : Change in Stock in Trade		
Closing Stock in Trade	4,933	1,725
Opening Stock in Trade	1,725	-
	(3,208)	(1,725)
Note 25: Employee Benefit Expenses		
Salaries and wages	8,235	7,332
Contribution / provisions to provident, Gratuity and other provisions.	438	471
Staffwelfare Expenses	1,504	3,435
	10,177	11,238
Note 26: Finance Costs		
Interest to other/NBFC	6,238	8,666
Interest to Bank	6,551	2,619
Bank Charges	96	121
	12,885	11,406



(₹ in '000')

Particulars	FOR THE YEAR ENDED 31.03.2019	FOR THE YEAR ENDED 31.03.2018
Note 27: Other Expenses		
Advertisement	56	52
Auditors Remuneration (for break up refer below)	179	173
Business Promotion Expenses	642	197
Electricity Expenses	299	246
Infrastructural Support Service Expenses	238	247
Insurance Expenses	41	49
Legal Expenses	135	46
Listing Fees	250	287
Service Charge	1,890	280
Miscellaneous expenses	1,309	528
Loan Processing Charges	1,112	711
Motor Car Expenses	88	156
Office Maintenance & Utility Expenses	253	279

(₹ in '000')

Particulars	FOR THE YEAR ENDED 31.03.2019	FOR THE YEAR ENDED 31.03.2018
Postage & Telegram	111	36
Printing & Stationery	140	130
Professional Fees	821	663
Rent	1,800	1,800
Repairs & Maintenance (Others)	39	20
Subscription & Membership	52	340
Travelling Expenses	482	1,609
Provision for Standard Asset	11	72
	9,948	7,921
As Auditor		
As Statutory Auditor	81	81
For Taxation matters	10	10
For Limited Review	68	68
For reimbursement of expenses/Service Tax	20	15
	179	173

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

28. Contingent Liabilities

Claims against the Group for the financial Year is NIL (Previous Year Nil)

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

30. Earnings per Share:

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Net Profit / (Loss) after Taxation (₹ in '000)	9,434	6,408
Less : Preference Dividend and Tax thereon	-	-
Net Profit/(Loss) for calculation of EPS (₹ in '000)	9,434	6,408
The weighted average Number of Equity Share (Nos.)- (Basic)	47,85,740	47,85,740
The weighted average Number of Equity Share (Nos.)- (Diluted)	47,85,740	47,85,740
Face value (₹)	10	10
Earnings per Share (Basic)	1.97	1.34
Earnings per Share (Diluted)	1.97	1.34

31. Earnings in Foreign Currency ₹ Nil (₹ Nil)
Expenditure in Foreign Currency C.Y ₹ 101 ('000') (P.Y (₹1122 ('000')))

32. Related party disclosures under Accounting Standard 18:

List of related parties

a) Key Management Personnel

Rajnesh Jain (Whole Time Director)
Pradeep Poddar – Chief Financial Officer
Kanak Lata Jain- Company Secretary

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

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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	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
1	Interest Income						
	Prathmesh Enterprises Pvt Ltd	-	-	-	-	204	85
	Rajnish Jain	-	-	-	632	-	-
2	Interest Expenses						
	KJMC Platinum Builders Pvt Ltd	-	-	-	-	795	842
	KJMC Realty Pvt Ltd	-	-	-	-	458	-
3	Board Meeting Fees						
	Inderchand Jain	-	-	20	20	-	-
	Aditi Jain	-	-	16	16	-	-
4	Salary and Perquisites						
	Rajnish Jain	-	-	4398	4677	-	-
5	Deposit Received Back						
	Puja Trades & Investments Pvt Ltd	-	-	-	-	-	1000
6	Loan given to Borrower						
	Rajnish Jain	-	-	-	11350	-	-
	Prathmesh Enterprises Pvt Ltd	-	-	-	-	750	3175
7	Repayment of Loan by Borrower						
	Rajnish Jain	-	-	-	11350	-	-
	KJMC Investment Company	-	-	-	-	320	1070
8	Sale of Shares						
	KJMC Corporate Advisors (I) Ltd	-	-	-	-	-	2185
	KJMC Shares and Securities Limited	-	-	-	-	-	3395
9	Purchase of Shares						
	KJMC Capital Market Services Ltd	-	-	-	-	-	3420
10	Loan Taken						
	KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	2375
	KJMC Realty Pvt Ltd	-	-	-	-	10000	-
11	Loan Repaid						
	KJMC Platinum Builders Pvt Ltd	-	-	-	-	1300	120
	Inderchand Jain	-	-	-	-	10000	-
12	Rent Income						
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	30	30
13	Infrastructural Support Services						
	KJMC Capital Market Services Ltd	-	-	-	-	238	247
14	Brokerage Charges						
	KJMC Capital Market Services Ltd	-	-	-	-	146	211
15	Depository Charges						
	KJMC Capital Market Services Ltd	-	-	-	-	55	52
16	Reimbursement of Expenses Paid						
	Pratham R Jain	-	-	1366	2952	-	-
	(Fees & Accommodation Charges)	-	-	-	-	31	-
17	Balances in Investment in Associates						
	KJMC Platinum Builders Pvt. Ltd.	12635	12635	-	-	-	-
18	Net Receivables						
	Puja Trades & Investments Pvt Ltd (Security Deposit)	-	-	-	-	19000	19000
	KJMC Investment Co (Loan)	-	-	-	-	305	505
19	Net Payables						
	KJMC Capital Market Services Ltd (Security Deposit)	-	-	-	-	10000	10000
	Inderchand Jain (Loan)	-	-	-	-	1000	11000
	KJMC Corporate Advisors (India) Ltd (Security Deposit)	-	-	-	-	1500	1500
	KJMC Realty Pvt Ltd	-	-	-	-	10413	-
	KJMC Platinum Builders Pvt Ltd (Loan)	-	-	-	-	6000	7330
KJMC Mutual Fund (Loan)	-	-	-	-	247	247	
20	Security and Corporate Guarantee given by						
	Puja Trades & Investments Pvt Ltd (Refer Note No. 6)	-	-	-	-	39,300	39,300

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



33a 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:

Particulars	Year Ended	
	31.03.2019	31.03.2018
Lease rental recognized during the year	1,800	1,800
Lease obligation Payable		
Within one year of the balance sheet date	1,800	1200
Due in a period between one year and five years	1,200	-

33b. List of Subsidiaries considered in the consolidated financial statements are:

Sr. No.	Name of Subsidiary	Country of Incorporation	Ownership Interest	
			31.03.2019	31.03.2018
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%

33c. The Board of Directors of the Company at its meeting held on January 23, 2019 has subject to the approval of the National Company Law Tribunal (NCLT) and other statutory authorities, considered and approved the proposed Scheme of Amalgamation ("Scheme") under Section 230 and 232 and other applicable provisions of the Companies Act, 2013 between the company and KJMC Asset Management Co Ltd & KJMC Investment Trust Co Ltd, in terms of which KJMC Asset Management Co Ltd & KJMC Investment Trust Co Ltd will get merged with the Company on going concern basis with effect from April 1, 2018 (Appointed date). KJMC Asset Management Co Ltd & KJMC Investment Trust Co Ltd are both wholly owned subsidiaries under common control of the Holding Company i.e KJMC Financial Services Ltd. The company has made an application to NCLT on 25th March 2019, pending approval of the NCLT and other statutory authorities, no effect of the proposed Scheme has been given in the financial statements of the company for the financial year ended March 31, 2019.

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
Parent : KJMC Financial Services Ltd	95.12	1,58,703	16.78	1583
Subsidiaries -				
Indian				
1 KJMC Asset Management Co Ltd	66.34	1,10,679	101.72	9596
2 KJMC Investment Trust Co Ltd	0.90	1,504	0.39	37
3 KJMC Trading & Agency Ltd	0.76	1,275	(1.41)	(133)
Minority interest in all subsidiaries	-	-	-	-
Associates (Investment as per the equity method) –				
Indian				
KJMC Platinum Builders Pvt Ltd	-	-	0.83	78
KJMC Realty Pvt Ltd (Reversal of accumulated profit on disposal of Investment)			(12.29)	(1,159)
Joint Ventures	-	-	-	-

35. 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.

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

As per our report of even date attached

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

Sachin A Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : 22-05-2019

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

Girish Jain
Chairman
DIN: 00151673

Pradeep Poddar
Chief Financial Officer
Place : Mumbai
Date : 22-05-2019

Rajesh Jain
Whole Time Director
DIN: 00151988

Kanak Lata Jain
Company Secretary

PROXY

Form No. MGT-11

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

CIN : L65100MH1988PLC047873
 Name of the Company : KJMC FINANCIAL SERVICES LIMITED
 Registered office : 162, 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 31st Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 12.15 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	Ordinary Business		
1.	Adoption of Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr. Girish Jain who is liable to retire by rotation.		
3.	Appointment of Statutory Auditors of the Company		
	Special Business		
4.	Re-appointment of Mr. S. C. Aythora as an Independent Director of the Company		
5.	Re-appointment of Mr. Nitin Kulkarni as an Independent Director of the Company		
6.	To Regularize the appointment of Mrs. Shraddha Jain as the Director of the Company		

Signed this _____ day of _____ 2019



Signature of shareholder

Signature of Proxy holder(s)

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



KJMC FINANCIAL SERVICES LIMITED

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

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall) **31st Annual General Meeting - September 30, 2019**

I hereby record my presence at the 31ST ANNUAL GENERAL MEETING of the company held on Monday, September 30, 2019 at 12.15 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)

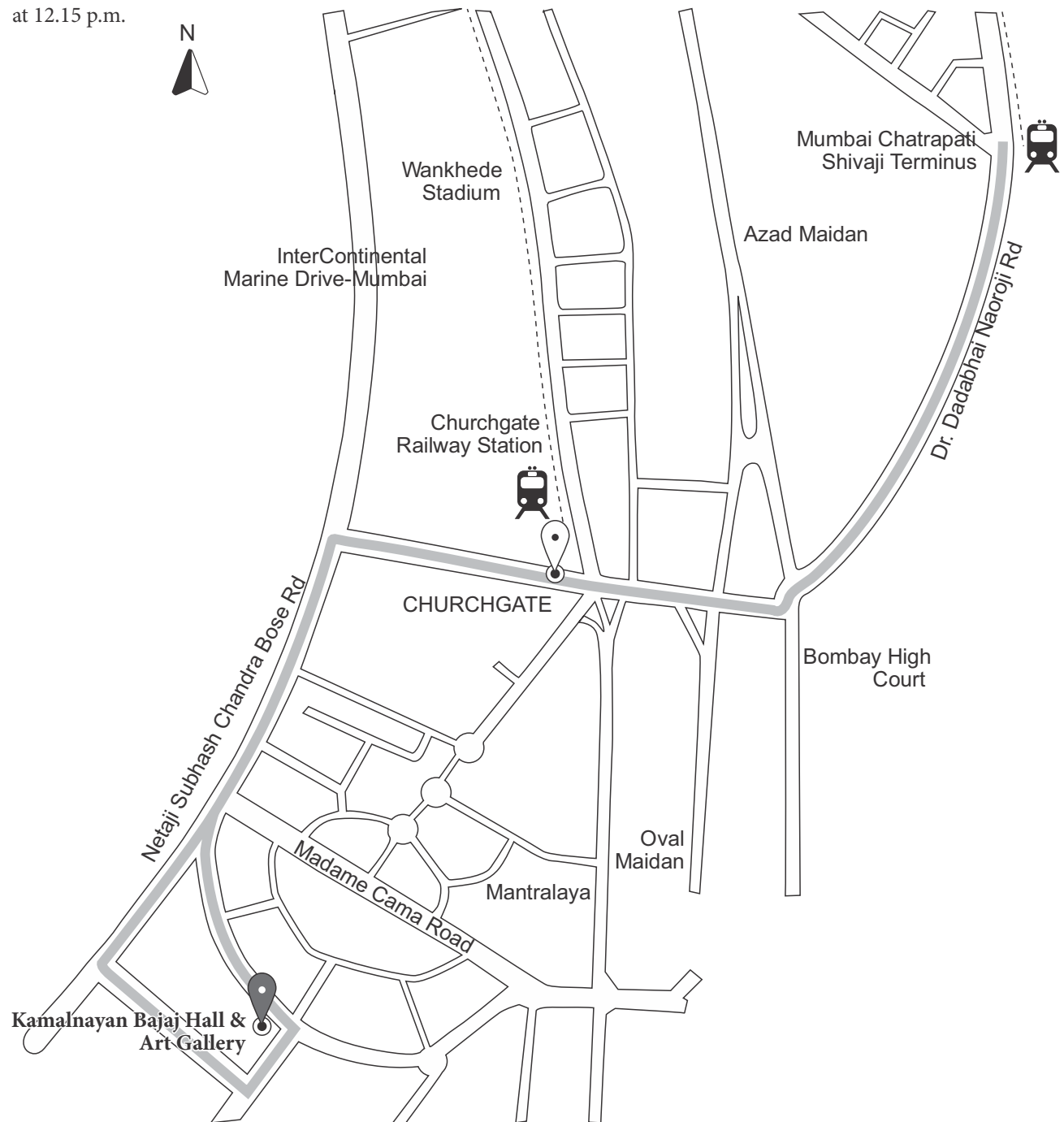
.....
Member's / Proxy Signature

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 24, 2019, 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.
31st Annual General Meeting
Monday, September 30, 2019
at 12.15 p.m.



Venue:

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



To,



KJMC FINSERV
MONEY 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, Website : www.kjmcfinserv.com