

KJMC FINANCIAL SERVICES LIMITED

NBFC : No. B-13.01633



Date: - August 26, 2023

To,

The Department of Corporate Services - CRD,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
Scrip Code: 530235

Sub: Submission of 35th Annual Report under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

With reference to above captioned subject and pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the 35th Annual Report of the Company for the financial year 2022-23.

The said Annual Report is also uploaded on the Company's website at www.kjmcfinserv.com.

You are requested to kindly take same on record.

Thanking you,

Yours faithfully,
For **KJMC Financial Services Limited**

Behla M. Tambawala
Company Secretary & Compliance Officer
ACS: A63971

Encl: A/a

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

Tel.: +91-22-2288 5201-2, 4094 5500 | Fax: +91-22-2285 2892 | Email: info@kjmc.com | Website : www.kjmcfinserv.com

CIN : L65100MH1988PLC047873



KJMC FINANCIAL SERVICES LIMITED

**35th
Annual Report
2022-2023**

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Sajjan Bawri

COMPANY SECRETARY

Mr. Mahipal Singh Chouhan (till 27/02/2023)
Mr. Behla Murtaza Tambawala (From 28/02/2023)

STATUTORY AUDITOR

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

BANKERS

HDFC Bank Limited
Union Bank of India
ICICI Bank Limited

REGISTRAR & TRANSFER AGENT

Bigshare Services Private Limited
Office No S6-2, 6th floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves
Road, Andheri (East) Mumbai - 400093, India.
Tel. No. 022 62638200, Fax No. 022 62638299,
Mail id: investor@bigshareonline.com.

REGISTERED OFFICE

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

35th ANNUAL GENERAL MEETING

Date : Monday, September 18, 2023
Time : 1.00 p.m.
Venue : through Video Conferencing / Other Audio Visual Means (deemed venue shall be registered office of the Company)

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NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Members of **KJMC Financial Services Limited** (CIN:L65100MH1988PLC047873) will be held on Monday, September 18, 2023, at 1:00 p.m. through Video Conferencing / Other Audio Visual Means ("VC/OAVM") to transact the following businesses :-

ORDINARY BUSINESSES: -

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.
2. To consider re-appointment of Mr. Inderchand Jain (DIN: 00178901), Non-Executive Director who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESSES:-

3. ISSUE OF NON-CONVERTIBLE DEBENTURES THROUGH PRIVATE PLACEMENT

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

“**RESOLVED THAT** pursuant to the provisions of Section(s) 42, and 71 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modifications or re-enactments thereof for the time being in force), and in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable SEBI Regulations and Guidelines, if any, the Foreign Exchange Management Act, as amended, applicable Master Directions, relevant guidelines, circulars and clarifications issued by the Reserve Bank of India as applicable to Non-Banking Financial Companies (“NBFC”) from time to time, the provisions of Memorandum and Articles of Association of the Company, and such any other laws, acts, rules, guidelines, regulations for the time being in force and any other circulars, notifications and/ or clarifications issued by any relevant authority (including any statutory modifications or re-enactments thereof for the time being in force), and subject to such other consent(s)/permission(s)/sanction(s), as may be required, consent of the Members of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee constituted / may be constituted of the Board of Directors of the Company) to raise funds from time to time by way of issue, offer, invite for subscription and to allot rated/unrated, Secured/unsecured, listed/unlisted, Redeemable Non-Convertible Debentures (‘NCDs’), on a private placement basis, in one or more series / tranches, aggregating upto Rs. 50,00,00,000/- (Rupees Fifty Crores only), during the period of 1 (One) year from the date of passing of this Special Resolution, to Bank(s), Financial Institution(s), International Lenders, Multilateral Financial Institutions, Agencies, Qualified Institutional Buyers, Mutual Funds, Pension Fund, Provident Fund and Gratuity Funds, Corporate, Insurance Companies, Investors and such other entities/ eligible persons as the Board may in

absolute discretion decide, within the overall borrowing limits of the Company as approved by the Members of the Company;

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

4. TO APPROVE MATERIAL RELATED PARTY TRANSACTION

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 2(1)(zc) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time read with Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (“the Act”), consent of the members of the Company be and is hereby accorded to the Company to enter into material related party transaction with Mr. Rajnesh Jain, Whole-Time Director of the Company, who shall fall under the definition of a related party within the meaning of Section 2(76) of the Act read with Regulation 2(1)(zb) of Listing Regulations as per details given below:

Relevant provision	Section 188(1)(b) of the Act read with Regulation 23 of Listing Regulations
Name of Related Party	Mr. Rajnesh Jain
Nature of relationship	Whole-Time Director
Nature of transaction	Purchase of immovable property from Mr. Rajnesh Jain, Whole-Time Director of the Company
Material Terms and particulars of proposed transaction	Purchase of premises situated at Flat No. J 13, Maker Tower J CHS LTD, Cuffe Parade, Mumbai-400005, bearing area of 700 square feet (including terrace area of 75 sq ft)
Duration / Completion of transaction	To be executed within 2 months from date of this resolution

Value of proposed transaction	Rs. 4,00,00,000/- and stamp duty, transfer charges etc.
Advance paid, if any	Nil
Manner of determining the pricing and other commercial terms	The prevailing market in the area and the ratable value of the premises as per the Registrar of Sub Assurance.
Whether all factors relevant to the contract have been considered	Yes

RESOLVED FURTHER THAT any of the Director alongwith other Director(s) of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be required for the purpose of giving effect to this Resolution.”

5. TO RE-APPOINT MR. RAJNESH JAIN (DIN: 00151988) AS A WHOLE-TIME DIRECTOR OF THE COMPANY

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

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded for the reappointment of Mr. Rajnesh Jain (DIN: 00151988) as Whole-Time Director of the Company, for a further period of 3 (three) years with effect from August 11, 2023 to August 10, 2026, on the following terms and conditions:

1. Basic Salary:

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

2. Perquisites and allowances:

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

- (i) Reimbursement of medical expenses incurred for self and family in India or abroad, including hospitalization, nursing home and surgical charges and in case of medical treatment abroad, the air-fare, boarding/ lodging for patient and attendant.
- (ii) Mediclaim and Life insurance policy for himself and family for which Company will be nominee.
- (iii) Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, with regard to any business purpose, as may be approved by the Board of Directors from time to time.
- (iv) Company's contribution to provident fund and superannuation fund to the extent these either singly or put together are not taxable under the Income-tax Act.

- (v) Gratuity at the rate of half month's salary for each year of service.
- (vi) Leave with full pay as per the rules of the Company, with encashment of unavailed leave being allowed.
- (vii) Payment of tax on non-monetary perquisites.

Subject to any statutory ceiling(s), Mr. Rajnesh Jain will be entitled to claim reimbursement of expenditure incurred for promotion of business.

3. Valuation of perquisites:

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

4. Other terms:

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

5. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay remuneration by way of Salary, Perquisites and Allowances not exceeding Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakhs only) in compliance with Section II of Part II of Schedule V of the Companies Act, 2013, as may be agreed to the Board of Directors of the Company and Mr. Rajnesh Jain.

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

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

**Behla Murtaza Tambawala
Company Secretary
ACS-63971**

**Place: Mumbai
Date: August 09, 2023**

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

NOTES:

1. The Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 20/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 ("MCA Circulars") read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 05, 2023 issued by the Securities and Exchange Board of India ("SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue up to September 30 2023. In compliance with the aforesaid Circulars, the forthcoming AGM is being held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing 35th AGM through VC/OAVM.
2. The registered office of the Company shall be deemed to be the venue for the ensuing AGM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars as mentioned above, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 35th AGM. For this purpose, the Company has entered into an agreement with Bigshare Services Private Limited ("Bigshare") for facilitating voting through electronic means, as the authorized e-voting's agency.
4. In accordance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Bigshare /Company/ Depositories, unless any Member has requested for a physical copy of the same.
5. The Members can join the 35th AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 35th AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 35th AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the 35th AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
7. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA circulars and SEBI circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this Notice.
8. The Notice convening the 35th AGM has been uploaded on the website of the Company at <https://www.kjmcfinserv.com>. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The 35th AGM Notice is also disseminated on the website of Bigshare (agency for providing the Remote e-voting facility and e-voting system during the AGM) i.e. <https://ivote.bigshareonline.com>.
9. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item Nos. 3 to 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.
10. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Institutional Investors, who are Members of the Company and Corporate Members intending to appoint an authorized representative to attend the AGM through VC and to vote thereat through remote e-voting are requested to send a certified copy of the Board Resolution/ Letter of Authorisation/Power of Attorney to the Scrutiniser by e-mail at js@rathindassociates.com with a copy marked to cosec@kjmc.com.
11. 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 electronically for inspection by the members at the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of 35th AGM. Members seeking to inspect such documents can send an email to cosec@kjmc.com.
12. In case of joint holders, the member whose name appears as the first holder in the order of their names as per the Register of Members of the Company will be entitled to cast vote at the AGM.
13. Members who have not yet registered their e-mail addresses are requested to register the same with their respective Depository Participants ("DP") in case the shares are held by them in electronic form and with Bigshare in case the shares are held by them in physical form.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to Bigshare if the shares are held by them in physical form.

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15. Members are requested to address all correspondence to the Registrar and Share Transfer Agents (RTA), Bigshare Services Private Limited at Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India, Tel. No.022- 62638200, Fax No. 022-62638299, mail id : investor@bigshareonline.com.
16. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrars and Share Transfer Agent.
17. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://www.kjmcfin serv.com/investor_relation. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in dematerialised form and to Bigshare in case the shares are held by them in physical form, quoting their folio number.
18. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 in Form ISR-1. The Form ISR-1 is also available on the website of the Company at https://www.kjmcfin serv.com/investor_relation. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1.
19. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition.

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the Company's website https://www.kjmcfin serv.com/investor_relation. It may be noted that any service request can be processed only after the folio is KYC Compliant.
20. Members desirous of seeking any information relating to the accounts and operations of the Company are requested to write to the Company at least 10 (Ten) days in advance of the Meeting through email on cosec@kjmc.com to enable the Company to provide the information required at the meeting. The same will be replied by the Company suitably.
21. Non-Resident Indian members are requested to inform the Company's RTA, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable if such details were not furnished earlier.
22. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with Bigshare / Depository participants.
23. The remote e-voting period commences from Wednesday, September 13, 2023 at 9.00 a.m. and ends on Sunday, September 17, 2023 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 11, 2023 ("cut-off date") may cast their vote electronically.
24. The remote e-voting module shall be disabled by Bigshare 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.
25. 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 11, 2023 i.e. the cut off date.
26. The Company has appointed M/s. Rathi & Associates, a firm of Practicing Company Secretaries as a scrutinizer for conducting the e-voting including remote e-voting at the Annual General Meeting in a fair and transparent manner.
27. The Register of Members and Share Transfer Books of the Company will remain closed from September 12, 2023 to September 18, 2023 (both days inclusive) for the purpose of annual general meeting
28. Any person, who acquires shares of the Company and become members of the Company after dispatch of the Notice and holding shares as on the cut-off-date i.e. September 11, 2023 may follow the same instructions for e-voting. A person who is not a member as on the Cut-off date should treat the Notice for information purpose only.
29. The Voting results will be declared within 2 (Two) working days from the conclusion of AGM. The results declared along with the Scrutinizer's Report shall be uploaded on the website of the Company i.e. www.kjmcfin serv.com and on the website of Bigshare i.e. <https://ivote.bigshareonline.com> and the same shall also be communicated to BSE Limited, where the shares of the Company are listed.
30. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India in respect of the Directors seeking appointment / re-appointment at the AGM are furnished below:

The Director have furnished the requisite consents /declarations for their appointment/re appointment.

(I) Mr. Inderchand Jain

Name & Designation	Mr. Inderchand Jain, Chairperson & Non-Executive Director														
Director Identification Number (DIN)	00178901														
Date of Birth	November 7, 1939														
Qualifications	B.Com, Fellow Member of the Institute of Chartered Accountants of India														
Nationality	Indian														
Expertise in specific functional area	Mr. IC Jain by profession, is a Chartered Accountant, is having over five decades of rich and varied experience in Income Tax Counseling, Corporate Finance, Merchant Banking and Company Audit etc. He has guided the Company through decades of diversification and growth. He was a Director on Local Board of RBI from 1994-2002. He has also served as an Independent Director of prominent Companies such as Asian Paints Ltd, Mahindra & Mahindra Ltd, Raymond India Ltd etc.														
Director of the Company since	June 30, 2000														
Terms and conditions of re-appointment	Non-Executive Director, liable to retire by rotation														
Details of last remuneration drawn in FY 23	Mr. Jain has been paid a sitting fees of Rs. 20,000 during the financial year ended March 31, 2023														
Details of proposed remuneration	Apart from the sitting fees, he will not be entitled for any other monetary benefits.														
Number of Shares held in the Company as on March 31, 2023	213000														
Number of Meetings of the Board attended during the financial year 2022-23	Please refer Corporate Governance Report														
Listed entities from which the Director has resigned in the past three years	None														
Disclosure of relationships between directors inter-se	<table border="1"> <thead> <tr> <th>Sr.No.</th> <th>Name & Designation of Director</th> <th>Relationship with Director</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Mr. Rajnesh Jain, Whole-Time Director</td> <td>Son</td> </tr> <tr> <td>2.</td> <td>Mr. Girish Jain, Director</td> <td>Son</td> </tr> <tr> <td>3.</td> <td>Mrs. Shraddha Jain</td> <td>Son's wife</td> </tr> </tbody> </table> <p>Apart from the above mentioned directors, Mr. IC Jain is not related to any other Directors</p>			Sr.No.	Name & Designation of Director	Relationship with Director	1.	Mr. Rajnesh Jain, Whole-Time Director	Son	2.	Mr. Girish Jain, Director	Son	3.	Mrs. Shraddha Jain	Son's wife
Sr.No.	Name & Designation of Director	Relationship with Director													
1.	Mr. Rajnesh Jain, Whole-Time Director	Son													
2.	Mr. Girish Jain, Director	Son													
3.	Mrs. Shraddha Jain	Son's wife													
Other Companies in which he is a Director excluding Directorship in Private and Section 8 Companies	1. KJMC Corporate Advisors (India) Limited 2. KJMC Trading & Agency Limited														

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

Name of the Company (Directorship)	Committee Chairmanship/Membership
KJMC Corporate Advisors (India) Limited	1. Member – Audit Committee 2. Chairperson – Stakeholders Relationship Committee 3. Chairperson – Credit & Investment Committee

(II) Mr. Rajnesh Jain

Name & Designation	Mr. Rajnesh Jain, Whole-Time Director
Director Identification Number (DIN)	00151988
Date of Birth	January 31, 1967
Qualifications	B.Com, Fellow Member of the Institute of Chartered Accountants of India
Nationality	Indian
Expertise in specific functional area	Mr. Rajnesh Jain by profession, is a Chartered Accountant, having vast experience in Corporate Finance, Financial Services, Merchant Banking, Capital Market and fund based activities including investments, fund based and non fund based working capital facilities and trade finance.

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Director of the Company since	June 30, 2001												
Terms and conditions of re-appointment	Re-appointment as Whole-Time Director for a further period of 3 years												
Details of last remuneration drawn in FY 23	Rs. 81,30,000/-												
Details of proposed remuneration	Not exceeding Rs. 1,20,00,000/- per annum												
Number of Shares held in the Company as on March 31, 2023	5,95,668												
Number of Meetings of the Board attended during the financial year 2022-23	Please refer Corporate Governance Report												
Listed entities from which the Director has resigned in the past three years	None												
Disclosure of relationships between directors inter-se	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Sr. No.</th> <th style="text-align: center;">Name & Designation of Director</th> <th style="text-align: center;">Relationship with Director</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Mr. Inderchand Jain, Chairperson</td> <td>Father</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Mr. Girish Jain, Director</td> <td>Brother</td> </tr> <tr> <td style="text-align: center;">3.</td> <td>Mrs. Shraddha Jain</td> <td>Wife</td> </tr> </tbody> </table> <p>Apart from the above mentioned directors, Mr. Rajnesh Jain is not related to any other Directors.</p>	Sr. No.	Name & Designation of Director	Relationship with Director	1.	Mr. Inderchand Jain, Chairperson	Father	2.	Mr. Girish Jain, Director	Brother	3.	Mrs. Shraddha Jain	Wife
Sr. No.	Name & Designation of Director	Relationship with Director											
1.	Mr. Inderchand Jain, Chairperson	Father											
2.	Mr. Girish Jain, Director	Brother											
3.	Mrs. Shraddha Jain	Wife											
Other Companies in which he is a Director excluding Directorship in Private and Section 8 Companies	<ol style="list-style-type: none"> 1. KJMC Corporate Advisors (India) Limited 2. Graham Firth Steel Products (India) Limited 3. KJMC Trading & Agency Limited 4. KJMC Capital Market Services Limited 5. KJMC Credit Marketing Limited 												

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

Name of the Company (Directorship)	Committee Chairmanship/Membership
KJMC Capital Market Services Limited	<ol style="list-style-type: none"> 1. Member – Audit Committee 2. Member – Nomination & Remuneration Committee

31. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- i. The voting period begins on Wednesday, September 13, 2023 at 9.00 a.m. and ends on Sunday, September 17, 2023 at 5.00 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 i.e. September 11, 2023 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

32. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/ideasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

33. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

34. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “LOGIN” button under the ‘INVESTOR LOGIN’ section to Login on E-Voting Platform.
- Please enter you ‘USER ID’ (User id description is given below) and ‘PASSWORD’ which is shared separately on you register email id.
 - o Shareholders holding shares in CDSL demat account should enter 16 Digit Beneficiary ID as user id.
 - o Shareholders holding shares in NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID as user id.
 - o Shareholders holding shares in physical form should enter Event No + Folio Number registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on I AM NOT A ROBOT (CAPTCHA) option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on ‘LOGIN’ under ‘INVESTOR LOGIN’ tab and then Click on ‘Forgot your password?’
- Enter “User ID” and “Registered email ID” Click on I AM NOT A ROBOT (CAPTCHA) option and click on ‘Reset’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

35. Voting method for shareholders on i-Vote E-voting portal:

- After successful login, Bigshare E-voting system page will appear.
- Click on “VIEWEVENTDETAILS(CURRENT)” under ‘EVENTS’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “VOTE NOW” option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option “IN FAVOUR”, “NOT IN FAVOUR” or “ABSTAIN” and click on

“SUBMIT VOTE”. A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote.

- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can “CHANGE PASSWORD” or “VIEW/UPDATE PROFILE” under “PROFILE” option on investor portal.

36. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “REGISTER” under “CUSTODIAN LOGIN”, to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with “User id and password will be sent via email on your registered email id”.

NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘LOGIN’ under ‘CUSTODIAN LOGIN’ tab and further Click on ‘Forgot your password?’
- Enter “User ID” and “Registered email ID” Click on I AM NOT A ROBOT (CAPTCHA) option and click on ‘RESET’.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

37. Voting method for Custodian on i-Vote E-voting portal:

- After successful login, Bigshare E-voting system page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under “DOCUMENTS” option on custodian portal.
 - o Click on “DOCUMENT TYPE” dropdown option and select document type power of attorney (POA).
 - o Click on upload document “CHOOSE FILE” and upload power of attorney (POA) or board resolution for respective investor and click on “UPLOAD”.

Note: The power of attorney (POA) or board resolution has to be named as the “InvestorID.pdf” (Mention Demat account number as Investor ID.)



- o Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select "VOTE FILE UPLOAD" option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "UPLOAD". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can "CHANGE PASSWORD" or "VIEW/UPDATE PROFILE" under "PROFILE" option on custodian portal.

38. Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

39. PROCEDURE FOR JOINING THE AGM/EGM THROUGH VC/ OAVM:

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, Bigshare E-voting system page will appear.
- Click on "VIEWEVENTDETAILS(CURRENT)" under 'EVENTS' option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.

- For joining virtual meeting, you need to click on "VC/OAVM" link placed beside of "VIDEO CONFERENCE LINK" option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

40. INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM/EGM ARE AS UNDER:-

- The Members can join the AGM/EGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM/EGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM/EGM. However, they will not be eligible to vote at the AGM/EGM.

41. Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

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

**Behla Tambawala
Company Secretary
ACS 63971**

**Place: Mumbai
Date: August 09, 2023**

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

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

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

ITEM NO. 3

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

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

As part of the measures to further strengthen its funds position and to augment the long term resources of the Company for its Lending, Financing and Investment activities, inter alia, for the strategic business expansion in future and for general corporate purpose, the Board of Directors at their meeting held on August 09, 2023, subject to the approval of the Shareholders of the Company and statutory authorities as may be required, accorded their approval to raise funds from time to time by way of issue, offer, invite for subscription and to allot rated/unrated, Secured/unsecured, listed/unlisted, redeemable Non Convertible Debentures ('NCDs'), for Cash on a private placement basis, in one or more series / tranches, aggregating upto Rs. 50,00,00,000 /- (Rupees Fifty Crores only).

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

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

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

ITEM NO. 4

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

In the light of provisions of Section 188 of Companies Act, 2013 read with Rules made there under and Regulation 23 of SEBI (LODR) 2015, the Board of Directors of your Company in their Board meeting held on August 09, 2023 approved transaction with Mr. Rajnesh Jain, Whole-Time Director of the Company, subject to approval of members in Annual General Meeting.

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, for the proposed related party transaction is furnished below:

Name of Related Party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Mr. Rajnesh Jain, Whole-Time Director
Name of the director or key managerial personnel who is related, if any;	Mr. I C Jain – Father Mr. Girish Jain – Brother Mrs. Shraddha Jain - Wife
Nature of transaction	Purchase of immovable property from Mr. Rajnesh Jain, Whole-Time Director of the Company
Material Terms and particulars of proposed transaction	Purchase of premises situated at Flat No. J 13, Maker Tower J CHS LTD, Cuffe Parade, Mumbai-400005, bearing area of 700 square feet (including terrace area of 75 sq ft)
Duration / Completion of transaction	To be executed within 2 months from date of this resolution



KJMC FINANCIAL SERVICES LIMITED

Value of proposed transaction	Rs. 4,00,00,000/- and stamp duty, transfer charges etc.
Advance paid, if any	Nil
Manner of determining the pricing and other commercial terms	The prevailing market in the area and the ratable value of the premises as per the Registrar of Sub Assurance.
Whether all factors relevant to the contract have been considered	Yes

Members are hereby informed that since the transaction is proposed to be entered into with a person forming part of the Promoter Group, no promoters of the company shall be allowed to vote on such resolution to approve the contract or arrangement. The Directors recommend the Item No. 4 of the Notice for consent and approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Inderchand Jain, Mr. Rajnesh Jain, Mr. Girish Jain and Mrs. Shraddha Jain is in any way, concerned or interested, financially or otherwise, in the proposed ordinary resolution except to the extent of their respective shareholding in the Company, if any.

ITEM NO. 5

Based on the recommendation of the Nomination and Remuneration Committee and after considering his performance, the Board of Directors at their meeting held on August 09, 2023, approved the re-appointment of Mr. Rajnesh Jain (DIN: 00151988) as Whole-time Director of the Company for a further period of three years i.e. with effect from August 11, 2023 to August 10, 2026.

The said appointment and terms are subject to the approval of the members at the ensuing Annual General Meeting by way of Special Resolution. The Board recommends the Special Resolution as set out at Item No. 5 of Notice for approval of members.

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

1. General information:

1	Nature of Industry	Financial Services (NBFC)		
2	Expected date of commencement of commercial production	Not applicable		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4	Financial performance based on given indicators	As per the Audited Accounts of the Company for the following financial year ended March 31, 2023 (Rs. in '000)		
		Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
		Total Revenue	30874	37350
		Profit Before Tax	(6302)	(974)
		Profit for the period	(8936)	(4307)
5	Foreign Investments or collaborators, if any	Not applicable		

2. Information about the appointee:

1.	Background details	Mr. Rajnesh Jain is a Fellow Member of the Institute of Chartered Accountant of India, having vast experience in Corporate Finance, Financial Services, Merchant Banking, Capital Market and fund based activities including investments, fund based and non fund based working capital facilities and trade finance. He is also one of the promoters of the Company and associated with the Company for more than two decades. He holds 5,95,668 (12.45%) Equity Shares of the Company.
2.	Past remuneration	Last drawn remuneration is given in the Corporate Governance Section of the Annual Report.

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3.	Job profile and his Suitability	Mr. Rajnesh Jain shall, subject to the directions, supervision and control of the Board of Directors of the Company, manage and conduct the business and affairs of your Company.
4.	Remuneration proposed	The remuneration details for proposed appointment are given in the text of the Resolution.
5.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	Mr. Rajnesh Jain is responsible for the affairs of the Company and discharging his duties under the supervisions of the Board of Directors of the Company. Keeping in view the profile of Whole time Director with his enriched knowledge and vast experience, the Board of Directors considers that the remuneration proposed to Mr. Rajnesh Jain is fully justifiable and commensurate with the similar sized industry.
6.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Besides the proposed remuneration payable to him, he does not have any other pecuniary relationship with the Company or with managerial personnel.

3. Other information:

1.	Reasons for inadequacy of profits	The Company is exposed to specific risks that are peculiar to its business and the environment within which it operates including the economic cycle, market risk, etc. therefore, the profitability of the Company varies accordingly.
2.	Steps taken or proposed to be taken for improvement	The Economic Outlook for the Country has considerably improved with the stable Government which is committed to economic reforms and policies to improve ease of doing business. Considering the Country's stable Central Government and economic outlook coupled with importance of financial services, your directors expect better performance of the Company in the coming years.
3.	Expected increase in productivity and profits in measurable terms	The Nomination and Remuneration Committee and the Board of Directors are of the opinion that appointment of Mr. Rajnesh Jain as 'Whole Time Director' would be in the interest of your Company and, therefore, recommend the resolution for your approval.

In compliance with the provisions of Sections 196, 197 and 203 read with Schedule V and any other applicable provisions, if any of the Companies Act, 2013, the terms of appointment and remuneration of Mr. Rajnesh Jain, as specified above are now being placed before the Members for approval.

The Directors recommend the Item No. 5 of the Notice for consent and approval by the Members by way of special resolution.

Mr. Rajnesh Jain (DIN: 00151988) himself and his relatives' viz. Mr. Inderchand Jain, Mr. Girish Jain and Mrs. Shraddha Jain are concerned or interested in the Resolution. Save and except above, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

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

**Behla Tambawala
Company Secretary
ACS-63971**

**Place: Mumbai
Date: August 09, 2023**

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

DIRECTORS REPORT

Dear Members,

Your Directors' hereby present the 35th Annual Report of KJMC Financial Services Limited ('KFSL / Company'), together with the Annual Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2023. The consolidated performances of the Company and its subsidiary company has been referred to wherever required.

FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

The performance of the Company for the financial year ended March 31, 2023 is summarized below:

(Rs. in "000")

Particulars	Standalone		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	28850	35804	28849	35956
Other Income	2024	1546	2341	1935
Total Revenue	30874	37350	31190	37891
Total Expenses	37176	38324	37742	39617
Profit before Tax	(6302)	(974)	(6552)	(1726)
Less: Provision for Tax				
- Current Tax	-	-	-	-
- Deferred Tax	2634	(774)	2634	(775)
- Earlier year Provision Written off	-	(2085)	-	(2085)
- MAT Credit Written off	-	6192	-	6192
Profit/(loss) after tax	(8936)	(4307)	(9186)	(5058)
Share in Associates' profit/(Loss)	-	-	(30)	(9)
Profit/(loss) for the year	(8936)	(4307)	(9216)	(5067)
Appropriations:				
Profit/(loss) for the year	(8936)	(4307)	(9216)	(5067)
Add: Balance brought forward from previous year	(16843)	(12538)	(19922)	(14855)
Add: Transfer from OCI Reserves	64162	-	64162	-
Amount available for appropriations	38381	(16845)	35024	(19922)
Less: Appropriations				
Special Reserve	-	-	-	-
General Reserve	-	-	-	-
Balance carried to Balance Sheet	38383	(16845)	35024	(19922)
EPS				
-Basic	(1.87)	(0.90)	(1.93)	(1.06)
-Diluted	(1.87)	(0.90)	(1.93)	(1.06)

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On standalone basis, your Company earned the gross income of Rs. 30874 (Rs. in 000) as against Rs 37350 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs. 37176 (Rs. in 000) as against Rs 38324 (Rs. in 000) in the previous year. The Net Loss after tax before OCI was Rs. 8936 (Rs. In 000) as against Net Loss after tax before OCI of Rs 4307 (Rs. in 000) in the previous year.

On consolidated basis, your Company earned the gross income of Rs 31190 (Rs. in 000) as against Rs 37891 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs 37742 (Rs. in 000) as against Rs 39617 (Rs. in 000) in the previous year. The Net Loss after tax before OCI was Rs 9216 (Rs. in 000) as against Net Loss after tax before OCI of Rs 5067 (Rs. in 000) in the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with 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 2022-23, together with the Auditors' Report forms part of this Annual Report.

PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY AND ASSOCIATE COMPANY

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

A statement containing the salient features of financial statements of subsidiary and associate company of the Company in the prescribed **Form AOC-1**, forming part of Consolidated Financial Statements of the Company is 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 is attached.

In accordance with Section 136 of the Act, the financial statements of the subsidiary and associate companies are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the AGM. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary & Compliance Officer 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 i.e. www.kjmcfinserv.com/investor_relation.

Brief performance and financial position of subsidiary company is given hereunder:

KJMC Trading & Agency Limited: It earned gross income of Rs 1431 (Rs. in 000) as against Rs 1,669 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs 1682 (Rs. in 000) as against Rs 2,422 (Rs. in 000) in the previous year. The Net Loss after tax was Rs 251 (Rs. in 000) as against Net Loss after tax of Rs 752 (Rs. in 000) in the previous year.

Brief performance and financial position of associate company is given hereunder:

KJMC Platinum Builders Private Limited: It earned gross income of Rs 394 (Rs. in 000) as against Rs 554 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs 134 (Rs. in 000) as against Rs 581 (Rs. in 000) in the previous year. The Net Loss after tax was Rs 88 (Rs. in 000) as against Net Loss after tax of Rs 27 (Rs. in 000) in the previous year.

SHARE CAPITAL

The Authorised share capital of the Company as on March 31, 2023, was Rs. 62,15,00,000. Further, the issued, subscribed and paid-up share capital of the Company as on March 31, 2023 was Rs 4,78,57,400 comprising of 47,85,740 equity shares of Rs 10/- each. During the reporting period, the Company has not altered its share capital.

DIVIDEND

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

TRANSFER TO RESERVES

The Company has not transferred any amount to reserves due to the loss incurred during the financial year 2022-23.

PUBLIC DEPOSITS

The Company being a Non-Deposit Accepting Non-Banking Finance Company, it 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).

INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Indian Accounting Standards ('IND AS') and accordingly, the financial statements for the year 2022-23 have been prepared in accordance with IND-AS, prescribed under Section 133 of the Act, read with the relevant rules issued there under and the other recognised accounting practices and policies to the extent applicable.

RBI PRUDENTIAL NORMS

The Company being Non-Banking Financial (Non- Deposit Accepting or Holding), capital adequacy requirement, under Companies Prudential Norms (Reserve Bank) Directions, 2007, are not applicable to the Company.

ANNUAL RETURN

The Annual Return of the Company for the financial year 2022-23 in Form MGT-7 pursuant to Section 134(3)(a) and Section 92(3) of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.kjmcinserv.com/investor_relation.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2022-23, 4 (four) meetings were held. The details of the Board Meetings and the attendance of the Directors are provided in the Report on Corporate Governance forming part of the Annual Report.

COMMITTEES OF THE BOARD

The Company has constituted committees in accordance with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, and Reserve Bank of Guidelines for NBFC viz.:

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

AUDIT COMMITTEE

During the year under review, 4 (four) meetings were held. The details pertaining to composition of Audit Committee and the attendance of the members of the Audit Committee are provided in the Corporate Governance Report and forms part of the annual report.

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year under review, 1 (one) meeting was held. The details pertaining to composition of Stakeholders Relationship Committee and the attendance of the members of the Stakeholders Relationship Committee are provided in the Corporate Governance Report and forms part of the annual report.

CREDIT AND INVESTMENT COMMITTEE

During the year under review, 2 (two) meetings were held. The details pertaining to composition of Credit and Investment Committee and the attendance of the members of the Credit and Investment Committee are provided in the Corporate Governance Report and forms part of the annual report.

DEBENTURE ALLOTMENT COMMITTEE

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

IT STRATEGY COMMITTEE

During the year under review, 2 (two) IT Strategy Committee Meetings were held. The details pertaining to composition of IT Strategy Committee and the attendance of the members of the IT Strategy Committee are provided in the Corporate Governance Report and 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, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. the Directors' have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Loss of the Company for the year ended March 31, 2023;
- 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, 2023 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.

AUDITORS

STATUTORY AUDITORS AND REPORT

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

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

The Auditors' Report for the financial year ended March 31, 2023 does not contain any qualification, reservation or adverse remark. Further, notes to accounts are self-explanatory and do not call for any comments.

SECRETARIAL AUDITORS AND REPORT

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 had re-appointed M/s. Bhadrash Shah & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the Financial Year 2022-23.

The Report of the Secretarial Auditors issued by M/s. Bhadrash Shah and Associates for the FY 2022-23 forms part of the Annual Report and the said report does not contain any qualifications, reservations, or adverse remarks.

Further, the Board of Directors of the Company have approved the appointment of M/s. Rathi & Associates, Company Secretaries as Secretarial Auditors for the Financial Year 2023-24.

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company had re-appointed M/s Sanjay Raja Jain & Co., as internal auditors of the Company to conduct internal audit for the financial year 2023-24.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12)

During the reporting period, no frauds were reported by Auditors under sub section (12) of section 143 of the Act, and 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') for its Directors and employees. The Code is applicable to Executive, Non-Executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the core values of the Company.

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transaction entered into by the Company with its related parties, during the financial year 2022-23, were in ordinary course of business and at 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.

Further, 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 made there under and relevant provisions of Listing Regulations.

All the transactions with related parties were reviewed and approved by the Audit Committee and were in accordance with the Policy on dealing with and Materiality of Related Party Transactions, formulated by the Company. The Policy is also available on the website of the Company viz; www.kjmcfinserv.com/investor_relation.

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

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 THIS 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.

Further, there has been no change in the nature of business of the Company.

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

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts), Rules 2014:

(A) Conservation of Energy

(i)	The steps taken or impact on conservation of energy	Your Company, being a Non-Banking Financial Company requires minimal energy consumption and every attempt is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible. Further, the Company believes in conserving the natural resources and uses CFL and LED Lighting in the office premises which has low energy consumption.
(ii)	the steps taken by the Company for utilising alternate sources of energy	
(iii)	the capital investment on energy conservation equipments	Nil

(B) Technology absorption, adaptation, and innovation

Your Company being a Non-banking Finance Company, the provisions related to technologies absorption, adaptation and innovation are not applicable.

(C) Foreign Exchange Earnings and Outgo:

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

RISK MANAGEMENT

The Company has implemented a mechanism for risk assessment and management. It assists for identification of possible risks associated with the business of the Company, assessment of the same at regular intervals and taking appropriate measures. The key categories of risk jotted down while assessment are strategic risks, financial risks, operational risks and such other risk that may potentially affect the working of the Company.

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 Nomination and Remuneration Committee of the Company has laid down the criteria for performance evaluation of the Board and individual directors including the Independent Directors and Chairperson covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board Culture, execution and performance of specific duties, obligations and governance.

The criteria include evaluation of the Board, its' Committees, Independent Directors / Non-Executive Directors / Executive Directors and the Chairperson of the Company. In a separate meeting of Independent Directors which was held on February 03, 2023, performance of Non-Independent Directors, the Board as a whole and the Chairperson of the Company was evaluated, taking into account the views of Executive Director and Non-Executive Directors.

At the board meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its' Committees, and individual directors was also discussed. The directors expressed satisfaction with the evaluation process.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2023, the Board of Directors of the Company comprises of 8 (eight) Directors consisting of a Whole-Time Director and 7 (Seven) Non-Executive Directors, including 1 (one) woman director and 4 (four) Independent Directors. The constitution of the Board of the Company is in accordance with Section 149 of the Act read with Regulation 17 of SEBI Listing Regulations.

On the basis of the written representations received from the Directors, none of the Directors of the Company are disqualified under Section 164 (2) of the Act.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Inderchand Jain (DIN: 00178901), Chairperson and Non-Executive Director of the Company will retire by rotation at the ensuing Annual General Meeting. 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. Inderchand Jain as Director of the Company liable to retire by rotation. Mr. Jain being eligible has offered himself for re-appointment. A resolution seeking shareholder's approval for his re-appointment along with the required details forms part of the Notice of AGM.

Further, Mr. Mahipal Singh Chouhan ceased to be the Company Secretary and Compliance Officer (KMP) of the Company w.e.f February 27, 2023 and Mr. Behla Murtaza Tambawala, Associate Member of the Institute of Company Secretaries of India was appointed as the Company Secretary and Compliance officer (KMP) of the Company w.e.f. February 28, 2023.

DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence prescribed under the Act, and the Listing Regulations. The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Director of the Company and the Board is satisfied of the integrity, expertise, and experience including proficiency in terms of Section 150(1) of the Act and applicable rules made thereunder.

REMUNERATION

The remuneration paid to the Directors is 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.

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

No significant or material orders were passed by the Regulators or Courts or Tribunals which can have 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. During the year under review, no material or serious observation has been received from the Auditors of your Company citing inefficiency or inadequacy of such controls.

SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and during the year under review, the Company has complied with all the applicable provisions of the standards.

PARTICULARS OF EMPLOYEES

The information required under Section 197 (12) 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 2022-23;

Directors	Ratio to median remuneration
Non-Executive Directors*	
Mr. Inderchand Jain	1.47%
Mr. Anil Sampat	1.47%
Mr. S.C. Aythora	1.91%
Mr. Nitin Kulkarni	1.91%
Mr. Vijay Joshi	1.47%
Mrs. Shraddha Jain	1.17%
Mr. Girish Jain	1.32%
Executive Director	
Mr. Rajnesh Jain	596.52%

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

The median remuneration is calculated based on the salary paid during the financial year to employees on payroll as on March 31, 2023.

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. 2022-23
Mr. Inderchand Jain	Non Executive Director & Chairperson	No Increase
Mr. S.C. Aythora	Non Executive Independent Director	No Increase
Mr. Nitin Kulkarni	Non Executive Independent Director	No Increase
Mr. Anil Sampat	Non Executive Independent Director	No Increase
Mr. Vijay Joshi	Non Executive Independent Director	No Increase
Mr. Girish Jain	Non Executive Director	No Increase
Mrs. Shraddha Jain	Non Executive Director	No Increase
Mr. Rajnesh Jain	Whole-Time Director	No Increase
Mr. Mahipal Singh Chouhan (Resigned w.e.f February 27, 2023)	Company Secretary & Compliance Officer	Not applicable
Mr. Behla Murtaza Tambawala (Appointed w.e.f February 28, 2023)	Company Secretary & Compliance Officer	Not applicable

iii. **The percentage increase in the median remuneration of employees in the financial year:** No increase

iv. **The number of permanent employees on the rolls of Company as on March 31, 2023:** 3 (Three)

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

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

Note :- The average percentile increase in the salaries of the employees other than the managerial Personnel is calculated based on the employees on payroll as on March 31, 2023.

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

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

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

PREVENTION OF INSIDER TRADING

The Company has adopted "Internal Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information" ("Code") as amended from time to time with a view to regulate trading in securities by the Directors, designated persons of the Company including their immediate relatives. The Code requires pre-clearance for dealing in the shares of the Company for consideration more than the threshold limit provided therein and prohibits trading in shares of the Company by the Directors, designated persons including their immediate relatives while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Board is responsible for implementation of the Code. All the Board Members and the designated employees have confirmed compliance with the said Code. The Code has been made available on the Company's website at www.kjmcfinerv.com/investor_relation.

WHISTLE BLOWER/VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations to report 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 under the mechanism and also provides for direct access by any employee to the Chairperson of the Audit Committee for such matters.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. During the year under review, no person was denied access to the Chairperson 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 at www.kjmcfinerv.com/investor_relation.

INVESTOR EDUCATION AND PROTECTION FUND

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

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

During the year under review, the Policy on Prevention of Sexual Harassment at work place is not applicable to the Company.

CORPORATE GOVERNANCE

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the corporate governance provisions are not applicable to the Company as the Company's paid-up Equity Share Capital does not exceed Rs. 10 Crores and Net Worth does not exceed Rs. 25 Crores during the year under review.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

DETAILS OF APPLICATION MADE OR ANY PROCEEDING IS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 ("IBC") DURING THE YEAR ALONG WITH ITS STATUS AS AT THE END OF FINANCIAL YEAR

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year is not applicable.



DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONETIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The Company has not entered into one-time settlement for any loan or credit facilities from any Bank or Financial Institutions been made during the period under review.

MAINTENANCE OF COST RECORDS AND COST AUDIT

During the year under review, provisions of Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014 read with Section 148(1) and rule 3 and 4 of the Companies (Cost Records and Audit) Rules, 2014 were not applicable on the Company.

Further, there was no requirement for appointment of Cost Auditor for the Company for conducting Cost Audit for the financial year ended March 31, 2023.

OTHER DISCLOSURES

1. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
2. There was no change in nature of business of the company during the year;

3. The Company has not issued any sweat equity shares to its directors or employees;
4. There was no revision of financial statements and Board's Report of the Company during the year under review.

ACKNOWLEDGMENT

Your Directors would like to express their gratitude to the shareholders for reposing unstinted trust and confidence in the management of the Company and will also like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance extended by our bankers, customers, Government & Non-Government Agencies & various other stakeholders.

Your Directors also place on record their appreciation of the vital contribution made by employees at all levels and their unstinted support, hard work, solidarity, cooperation and stellar performance during the year under review

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

**Inderchand Jain
Chairperson
DIN: 00178901**

**Place: Mumbai
Date: August 09, 2023**

Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": SUBSIDIARY

(Rs. in 000)

S r . No.	Particulars	Details
1.	Name of the subsidiary	KJMC Trading & Agency Limited
2.	The date since when subsidiary was acquired	07-09-2015
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as per holding Company's reporting period (i.e. 1st April to 31st March)
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5.	Share capital	1000
6.	Reserves & surplus	(3728)
7.	Total assets	152942
8.	Total Liabilities	6040
9.	Investments	152427
10.	Turnover	1431
11.	Profit before taxation	251
12.	Provision for taxation	-
13.	Profit after taxation before Other Comprehensive Income	251
14.	Other comprehensive income	696
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None



KJMC FINANCIAL SERVICES LIMITED

Part "B": ASSOCIATE AND JOINT VENTURE

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

(Rs. In 000)

Sr No.	Particulars	Details
1.	Name of Associate	KJMC Platinum Builders Private Limited
2.	Latest audited Balance Sheet Date	31-03-2023
3.	Date on which the Associate was associated or acquired	13-03-2013
4.	Shares of Associate held by the company on the year end	79,800
5.	Amount of Investment in Associates	12635
6.	Extend of Holding (%)	34.04%
7.	Description of how there is significant influence	The Company's shareholding in the said Company is more than 20% of Equity Shares, however there is no significant influence over the said associate company.
8.	Reason why the associate/joint venture is not consolidated	NA
9.	Net worth attributable to shareholding as per latest audited Balance Sheet	20277
10.	Profit/Loss for the year	(88)
i.	Considered in Consolidation	175.65
ii.	Not Considered in Consolidation	340.35

- Names of associates or joint ventures which are yet to commence operations: None
- Names of associates or joint ventures which have been liquidated or sold during the year: None

For and on behalf of the Board of Directors

KJMC Financial Services Limited

Rajesh Jain
Whole-Time Director
DIN : 00151988

Girish Jain
Director
DIN: 00151673

Sajjan Bawri
Chief Financial Officer

Behla Tambawala
Company Secretary

Place: Mumbai

Date: August 09, 2023

35TH ANNUAL REPORT 2022 - 2023

Form No. AOC-2

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

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Mr. Rajnesh Jain, Whole Time Director	Payment of remuneration	36 months	The amount will not be more than Rs. 1,20,00,000/- p.a.	15.07.2020	-
2.	Mr. Rajnesh Jain Whole-Time-Director of the Company.	Granting of loan	12 months	Granted loan upto Rs. 1,00,00,000 at Interest rate of 14% p.a.	11.08.2022	-
3.	Prathamesh Enterprises Private Limited, Enterprise over which key management personnel/relatives are able to exercise significant influence	Borrowings from Prathamesh Enterprises Private Limited for meeting working capital requirements	12 months	Borrowings upto Rs. 1 Crore at an interest rate of 14% p.a.	03.02.2023	-
4.	Puja Trades & Investments Private Limited, Enterprise over which key management personnel/relatives are able to exercise significant influence	Borrowings from Puja Trades & Investments Private Limited for meeting working capital requirements	12 months	Borrowings upto Rs. 1.25 Crore at an interest rate of 14% p.a.	03.02.2023	-

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

**Inderchand Jain
Chairperson
DIN: 00178901**

**Place: Mumbai
Date: August 09, 2023**

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

GLOBAL ECONOMY

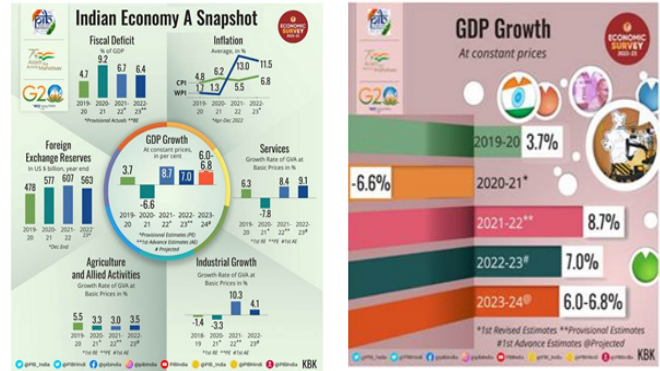
Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

Global inflation is forecast to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

The 2023 forecast is 0.2 percentage point higher than predicted but below the historical average of 3.8 percent. Rising interest rates and the war in Ukraine continue to weigh on economic activity. China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels.

INDIAN ECONOMY

Indian economy is expected to grow at 7 per cent (in real terms) for the year ending March 2023, this follows an 8.7 per cent growth in the previous financial year. Credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.5 per cent, on average during Jan-Nov 2022 period. Capital Expenditure (Capex) of the Central Government, which increased by 63.4 per cent in the first eight months of FY 2023, was another growth driver of the Indian economy in the current year. RBI projects headline inflation at 6.8 per cent in FY23, which is outside its target range.



Source: www.pib.gov.in

The optimistic growth forecasts stem from a number of positives like the rebound of private consumption given a boost to production activity, higher Capital Expenditure (Capex), near-universal vaccination coverage enabling people to spend on contact-based services as well as the return of migrant workers to cities to work, the strengthening of the balance sheets of the Corporates, a well-capitalised public sector banks ready to increase the credit supply and the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector to name the major ones.

Despite the three shocks of COVID-19, Russian-Ukraine conflict and the Central Banks across economies led by Federal Reserve responding with synchronised policy rate hikes to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits (CAD) in net importing economies, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. Despite the downward revision, the growth estimate for FY23 is higher than for almost all major economies and even slightly above the average growth of the Indian economy in the decade leading up to the pandemic.

OUTLOOK

Dwelling on the Outlook for 2023-24, the Survey says, India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. It says that aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible and more importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially.

Entrenched inflation may prolong the tightening cycle, and therefore, borrowing costs may stay 'higher for longer'. In such a scenario, global economy may be characterised by low growth in FY24. However, the scenario of subdued global growth presents two silver linings – oil prices will stay low, and India's CAD will be better than currently projected. The overall external situation will remain manageable.

Growth is expected to be brisk in FY24 as a vigorous credit disbursal, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporates and banking sectors.

India is the third-largest economy in the world in PPP terms and the fifth-largest in market exchange rates. As expected of a nation of this size, the Indian economy in FY23 has nearly “recouped” what was lost, “renewed” what had paused, and “re-energised” what had slowed during the pandemic and since the conflict in Europe.

INDUSTRY OVERVIEW

As per the Reserve Bank of India (RBI), India’s banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well. BFSI sector in India is likely to become third largest sector in the world by the year 2025.

The Indian banking industry has recently witnessed the rollout of innovative banking models like payments and small finance banks. Schemes like these coupled with major banking sector reforms like digital payments, neo-banking, a rise of Indian NBFCs and fintech have significantly enhanced India’s financial inclusion and helped fuel the credit cycle in the country.

Financial Inclusion remains one of the most important agenda of Government of India and also will be area of focus for different players in the BFSI Sector players viz Banks, NBFCs, Mutual Funds, Insurance etc.

INDUSTRY GROWTH PROSPECTS:

MSME

The MSME sector comprises nearly 63 million enterprises, which contribute 30 per cent to India’s GDP, 45 per cent to manufacturing, 40 per cent to exports, and provides employment to over 113 million people, per government data.

The sector has put up with several shocks in recent times. Demonetisation came first, followed by GST implementation that took time to settle down, which was then followed by the downturn in the economy, Covid-19 and, most recently, geopolitical tensions such as the Russia-Ukraine war. According to government data, more than 5,907 MSME units shut shop during the time. The sector faced challenges related to financial liquidity, debt repayments, meeting fixed expenses like wages and salaries, statutory dues, etc. In addition, raw material prices also went up manifold, which led to an increase in the cost of production, thereby impacting cash flows.

The government is cognisant of the challenges and has from time to time taken steps to alleviate them. During the pandemic, for example, to alleviate the pressure on the MSME sector, it came out with the Emergency Credit Line Guarantee Scheme (ECLGS). While that has helped to some extent, there have also been defaults in repayments. A Reserve Bank of India (RBI) report states that micro enterprises availed 24 per cent of the loans disbursed under ECLGS, but their share in overall NPAs stood at 43 per cent as of September 2022.

Changes in the MSME sector as per the Union Budget 2023:

The Finance Minister highlighted the following changes in the MSME sector while presenting the Union Budget 2023:

- a. The Credit Guarantee Scheme for MSMEs will be revamped through infusion of Rs.9,000 crore in the corpus, further enabling additional collateral-free credit of Rs. 2 lakh crore. Also, the cost of such credit will be reduced by about 1%.

- b. The FM also announced that the buyers may not claim tax deductions unless they pay the MSMEs first. This will ensure that MSMEs receive timely payments.
- c. The FM has also proposed to set up an “Entity DigiLocker” that can be used by MSMEs, large businesses and charitable trusts to store and share documents online with financial authorities, regulators and banks.
- d. The government and government entities will return 95% of the forfeited amount to MSME business persons who were unable to fulfil their contracts during the Covid period.

Micro sector with 630.52 Lakh estimated enterprises accounts for more than 99% of total estimated number of MSMEs. Small sector with 3.31 Lakh and Medium sector with 0.05 lakh estimated MSMEs accounted for 0.52% and 0.01% of total estimated MSMEs, respectively. Out of 633.88 estimated number of MSMEs, 324.88 lakh MSMEs (51.25%) are in rural area and 309 lakh MSMEs (48.75%) are in the urban areas.

LOANS & INVESTMENTS

S&P Global Ratings projected Indian banking sector’s weak loans will decline to 3-3.5 per cent of gross advances by March 31, 2025 as structural improvements and good economic prospects would support the resilience of financial institutions. In its mid-year global bank outlook, S&P said India’s economic growth prospects should remain strong over the medium term, with GDP expanding 6-7.1 per cent annually in fiscal years 2024-2026. India to remain the fastest-growing economy in Asia-Pacific, and the fastest-growing large economy globally.

The small and midsize enterprise sector and low-income households are vulnerable to rising interest rates and high inflation. But it is believed that interest rates in India are unlikely to rise materially. This should limit the risk for the country’s banking industry.

BUSINESS REVIEW

Your Company is a NBFC registered with the RBI to carry out NBFC activities under Section 45(IA) of the Reserve Bank of India Act, 1934 and it is engaged primarily in the business of investing/trading in securities and advancing personal and commercial loans. The Company is also involved in providing fund based financial services and funding solutions to the Indian Corporate, institutions, MSME’s etc.

In the present era of digital revolution, technology has been leaving its indelible mark in several areas, including finance. Your Company believes technology will play a crucial role in making a breakthrough in the NBFC sector for the years to come. The use of technology typically has been confined to calculation of ‘credit scores’. Your Company initiated building its own proprietary technology for Lending including assessment and collection.

This technology will utilize several third Party API’s for assessing customer’s credit worthiness using data collected through loan application and other credit verification of the documents of the customer using technology. Your Company believes that its focus on positioning itself as a Tech based NBFC shall provide a significant competitive advantage in the market and it expects to continue to grow and align itself with the expected general economic and population growth trends and the government’s focus on improving the economic standard of this population segment.

FINANCIAL REVIEW

On standalone basis, your Company earned the gross income of Rs. 30874 (Rs. in 000) as against Rs 37350 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs. 37176 (Rs. in 000) as against Rs 38324 (Rs. in 000) in the previous year. The Net Loss after tax before OCI was Rs. 8936 (Rs. In 000) as against Net Loss after tax before OCI of Rs 4307 (Rs. in 000) in the previous year.

On consolidated basis, your Company earned the gross income of Rs 31190 (Rs. in 000) as against Rs 37891 (Rs. in 000) in the previous year. The total expenditure during the year under review was Rs 37742 (Rs. in 000) as against Rs 39617 (Rs. in 000) in the previous year. The Net Loss after tax before OCI was Rs 9216 (Rs. in 000) as against Net Loss after tax before OCI of Rs 5067 (Rs. in 000) in the previous year.

KEY FINANCIAL RATIOS

Sr. No.	Ratio	31.03.2023	31.03.2022	Key Ratio Analysis
1	Debtors Turnover Ratio	-	-	
2	Inventory Turnover Ratio	-	-	
3	Interest Coverage Ratio	0.11	0.89	On Standalone basis, the interest coverage ratio as on 31st March 23 is 0.11 as against 0.89 as on 31st March 2022. The reduction is primarily on decrease in the EBIT to 7.90 Lakhs in the current year as from 76.11 Lakh in the previous year.
4	Current Ratio	17.86	1.33	On Standalone basis the current ratio as on 31st March 23 is 17.86 as against 1.33 as on 31st March 2022. The increase in the current ratio is primarily due to decrease in current liability.
5	Debit Equity Ratio	0.11	0.06	On Standalone basis the debt equity ratio as on 31st March 23 is 0.11 as against 0.06 as on 31st March 2022. The increase in the debt equity ratio is primarily due to increase in debt.
6	Operating profit Margin	0.03	0.20	On Standalone basis, the operating profit margin on 31st March 23 is 0.03 against 0.20 as on 31st March 2022. The reduction is primarily on decrease in the EBIT to 7.90 Lakhs in the current year as from 76.11 Lakh in the previous year.
7	Net Profit Margin	(0.29)	(0.12)	On Standalone basis, Net Profit Margin as on 31st March 23 is (0.29) as against (0.12) as on 31st March 2022. The increase is primarily on decrease in the PAT to (89.36) Lakhs in the current year as from (43.07) Lakh in the previous year.

RISKS AND CONCERNS

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

The Company's business could potentially be affected by the following factors:-

- Impact of markets on our revenues and investments, sustainability of the business across cycles.
- Sharp movement / Volatility in prevailing interest rates in the market.
- Risk that a client will fail to deliver as per the terms of a contract with us or another party at the time of settlement.
- Risk due to uncertainty of a counterparty's ability to meet its financial obligations to us
- Risk of default or non-repayment of loan by a borrower due to liquidity crisis, economic downturns, bankruptcy or other reasons
- Risk due to mismatch between assets and liabilities on account of inadequate liquidity, changes in interest rates, etc.
- Failure of processes and controls with respect to the operations can have adverse impact on the business continuity, reputation and profitability of the Company
- Risk due to changes in Regulatory framework
- Inability to conduct business and service clients in the event of a contingency such as a natural calamity breakdown of infrastructure, etc.
- Higher pricing pressure with the risk of increase in weighted average cost of funds

- Depreciation in the rupee and hardening global yields to have risks of effects on Overseas Investors

OPPORTUNITIES AND THREATS

The Indian financial sector has weathered the Covid-19 storm and has emerged stronger with higher capital, better asset quality and improved profitability. Your non-banking financial institution will have to remain prepared to face new challenges and reap emerging opportunities in this dynamic environment, keeping the focus on appropriate business models, adoption of new technologies, sustainability, stability, consumer protection and financial inclusion.

One of the significant opportunity for our Company is the increasing demand for credit in the Indian market. The growth in demand for credit is driven by the increase in consumer spending, the rise of e-commerce, and the expansion of small and medium-sized enterprises. Your Company can leverage this opportunity by expanding the offerings and catering to the diverse needs of our customers.

Another opportunity for our Company is the growth of digital payments and the adoption of digital technologies in the financial sector. The rise of digital payments has led to a surge in the number of digital transactions, which has created a vast amount of data. Your Company can leverage this data to offer personalized financial products and services to the customers.

One of the significant challenges faced by most of the NBFCs is liquidity crunch. The COVID-19 pandemic has led to a decrease in the availability of funds, which has affected the NBFCs' ability to lend. The Reserve Bank of India (RBI) has announced several measures to address the liquidity issues faced by NBFCs, such as the Targeted Long-Term Repo Operations (TLTRO) and the Partial Credit Guarantee Scheme. In our case, your Company needs to adopt a cautious approach to manage the liquidity to mitigate the impact of any future disruptions.

Another challenge faced by NBFCs is the increasing competition from banks and fintech companies. Banks have been expanding their offerings to cater to the needs of the unbanked and underbanked segments of the population, which were earlier serviced by NBFCs. Fintech companies have also been disrupting the traditional financial sector by offering innovative financial products and services. As a result, your Company need to be agile and innovative in our approach to stay competitive in the ever evolving financial sector.

ADEQUACY OF INTERNAL CONTROLS

Your Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss

from unauthorised use or disposition and that transaction are authorised, recorded and reported correctly. The Company has an extensive system of internal control which ensures optimal utilisation and protection of resources, its security, accurate reporting of financial transactions and compliances of applicable laws and regulations as also internal policies and procedures.

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

The Company has continued its efforts to align all its processes and controls with best practices in these areas. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022-23.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

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

CAUTIONARY STATEMENT

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

**FORM NO. – MR-3
SECRETARIAL AUDIT REPORT**

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

To,
The Members
KJMC Financial Services Limited
(CIN: L65100MH1988PLC047873)
162, Atlanta, 16th Floor, 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 **KJMC Financial Services Limited’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 has, during the audit period covering the Financial Year ended on **March 31, 2023 (“Audit Period”)**, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the **KJMC Financial Services Limited** for the financial year ended on March 31, 2023 according to the provisions of:

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

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. – **Not Applicable** as the Company has not offered any stock options to the Employees under the said regulation.
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable** as Debt securities were not listed on stock exchange
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not Applicable** as the Company is not registered as Registrar to Issue and Share Transfer Agent;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;- **Not applicable** as the Company has not delisted its Equity Shares from the Stock Exchange;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable** as the Company has not bought back any of its securities

VI. Other laws specifically applicable to the Company:

- Reserve Bank of India Act, 1934, its Guidelines and Directions issued by Reserve Bank of India (RBI) as applicable to Non-Banking Finance Companies (NBFCs-ND);
- Income Tax Act 1961, and Goods and Service Tax Act, 2017
- Information Technology (Amendment), Act 2008
- Labour Laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis related to wages, gratuity, provident fund, ESIC, compensation etc

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with BSE Limited.

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

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

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

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

35TH ANNUAL REPORT 2022 - 2023

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

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

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

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

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

1. The Board of Directors has passed a Resolution that the Company has neither accepted any Public Deposit nor is holding any Public Deposit as on March 31, 2023. Further the Company shall not accept any Public Deposit in future without the prior approval of Reserve Bank of India.
2. During the year under review, the Company has received the continual disclosure in Form C under the regulation 7(2) read with Regulation 6(2) of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 for inter-se transfer of equity shares between the promoters of KJMC Financial Services Limited (Target Company). The details of the promoters and transaction are as follows:

S. No.	Name of Transferor (Seller)	Name of Transferee (Buyer)	No. of shares equity shares transferred	% of Shares equity shares Transferred
1	KJMC Corporate Advisors India Limited	Mrs. Chanddevi Jain	3,98,334	8.32
2	KJMC Corporate Advisors India Limited	Mr. Rajnesh Jain	3,98,333	8.32
3	KJMC Corporate Advisors India Limited	Mr. Girish Jain	1,53,333	3.20
4	KJMC Shares & Securities Limited	Mr. Girish Jain	2,45,000	5.12

Bhadresh Shah
Proprietor
Bhadresh Shah and Associates

Membership No.: A23847
CP No.:15957 **Place: Mumbai**
PR Certificate No.: 1917/ 2022 **Date: 09/08/2023**
UDIN: A023847E000773530

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

ANNEXURE A

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

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

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

Disclaimer:

- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Bhadresh Shah
Proprietor
Bhadresh Shah and Associates

Membership No.: A23847
CP No.:15957 **Place: Mumbai**
PR Certificate No.: 1917/ 2022 **Date: 09/08/2023**
UDIN: A023847E000773530

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

Further, the information in terms of Para C(2)(h)(ii) of Schedule V of the SEBI Listing Regulations is mentioned below:

Sr. No	Name of Director	Skills / competencies / experience possessed
1	Mr. Inderchand Jain	Mr. IC Jain is having over five decades of rich and varied experience in Income Tax Counseling, Corporate Finance, Merchant Banking and Company Audit etc. He is a qualified Chartered Accountant. He has guided the Company through decades of diversification and growth. He was a Director on Local Board of RBI from 1994-2002. He was also on the Board of prominent Companies such as Asian Paints Limited, Mahindra & Mahindra Limited, Raymond India Limited etc.
2	Mr. Rajnesh Jain	Mr. Rajnesh Jain is a Fellow Chartered Accountant, having vast experience in Corporate Finance, Financial Services, Merchant Banking, Capital Market and fund based activities including investments, fund based and non-fund based working capital facilities and trade finance. He is also one of the promoters of the Company and associated with the Company for more than two decades.
3	Mr. Girish Jain	Mr. Girish Jain is a B.E. in Electronics and PGDBM in Finance. He is responsible for setting up and running the Investment Banking, Broking, Research and Distribution Business of the Group Company. He was the past Chairman of the Association of Merchant Bankers of India (AMBI) and an Ex-member of SEBI committee of primary market advisory committee.
4	Mr. S.C. Aythora	Mr. S C Aythora is a Chartered Accountant in Practice and has more than 35 years of experience in the field of Corporate Accounts, Audit, Taxation and Company Law matters.
5	Mr. Nitin Kulkarni	Mr. Nitin Kulkarni is a Chartered Accountant in Practice and has more than 35 years of experience in the field of Corporate Accounts, Audit, Taxation and Company Law matters.
6	Mrs. Shraddha Jain	Mrs. Shraddha Jain is a Bachelor of Arts (B.A). She is having vast experience in holding management positions in the stream of Human Resources and Administration, NBFC etc.
7	Mr. Anil Sampat	Mr Anil Sampat is a Chartered Accountant, started his practise in the year 1979. He has devoted last 50 years in Banking related activities and developed expertise in Banking, Finance, Mutual Funds, BIFR matters and Corporate Debt Restructuring activities etc. He was an Independent Trustee of Bank Of Baroda Mutual Fund for about 10 years since its inception.

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Sr. No	Name of Director	Skills / competencies / experience possessed
		He was also a member of Expert Committee of Indian Merchant Chamber on Banking, Finance and Capital Market for about Six Years and a member of Expert Committee on Banking and Finance of ASSOCHAM for a period of three years.
8	Mr. Vijay Joshi	Mr. Vijay Joshi is a Company Secretary with over 30 years of rich and varied professional experience in the areas of Secretarial, Legal and Corporate Finance.

(a) Board Composition & Meetings:

The composition of the Board complies with the provisions of the Companies Act, 2013. As on March 31, 2023, the Board consists of 8 (eight) Directors comprising of 3 (three) Non-Executive Directors including a woman Director, 4 (four) Independent Directors and 1 (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.

None of the Directors on the Board holds directorships in more than twenty (20) Indian Companies including ten public limited companies. Further, none of the Directors on the Board is a member of more than ten (10) Committees and Chairperson of more than five (5) Committees across all public companies in which he/she is a Director. None of the Independent Directors of the Company serve as Independent Directors in more than seven (7) listed entities and none of the Whole-time Directors of the Company serve as Independent Directors in more than three (3) listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023, have been made by the Directors.

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, 2023 are given herein below.

Name of the Director	Category	Relationship with each other	Directorships held in other listed entities	Number of Board meetings during the year 2022-23		Whether attended last AGM held on September 28, 2022	Number of directorships in other Public Companies	Number of committee positions held in other public companies*		No. of shares held in the Company along with % to the paid up share capital of the Company ***
				Held	Attended			Chairperson	Member	
Mr. Inderchand Jain DIN:00178901	Promoter & Non Executive Director (Chairperson)	Father of Mr. Rajnesh Jain and Mr. Girish Jain & Father in law of Mrs. Shraddha Jain	Non-Executive - Non Independent Director of KJMC Corporate Advisors (India) Limited	4	4	No	2	1	2	2,13,000 (4.45%)
Mr. Rajnesh Jain DIN:00151988	Promoter & Executive Director	Son of Mr. Inderchand Jain, Brother of Mr. Girish Jain and Husband of Mrs. Shraddha Jain	Non-Executive - Non Independent Director of KJMC Corporate Advisors (India) Limited	4	4	Yes	5	-	2	5,95,668 (12.45%)
Mr. Girish Jain DIN:00151673	Promoter & Non-Executive Director	Son of Mr. Inderchand Jain, Brother of Mr. Rajnesh Jain	Whole-Time Director of KJMC Corporate Advisors (India) Limited	4	4	Yes	4	-	1	5,95,668 (12.45%)

The Chairperson 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 appointed as the independent directors, as outlined under Regulation 16(1)(b) of the Listing Regulations.

Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs. The Company has issued formal letters of appointment to the Independent Directors. The familiarisation programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company viz; www.kjmcfinerv.com/investor_relation. Further, in the opinion of the Board, all the Independent Directors of the Company fulfils the conditions specified in the Listing Regulations and are independent of the management of the Company. During this financial year, there was no instance of resignation by an Independent Director before the expiry of their tenure.

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 under review, the Board met 4 (Four) times i.e. May 16, 2022, August 11, 2022, November 09, 2022 and February 03, 2023. The required quorum was present at all the meetings.

Name of the Director	Category	Relationship with each other	Directorships held in other listed entities	Number of Board meetings during the year 2022-23		Whether attended last AGM held on September 28, 2022	Number of directorships in other Public Companies	Number of committee positions held in other public companies*		No. of shares held in the Company along with % to the paid up share capital of the Company ***
				Held	Attended			Chairperson	Member	
Mr. S.C. Aythora DIN:00085407	Independent Director	**	Non-Executive - Independent Director of KJMC Corporate Advisors (India) Limited and Gold Rock Investments Limited	4	4	Yes	5	2	3	350 (0.00%)
Mr. Nitin Kulkarni DIN: 02297383	Independent Director	**	Non-Executive - Independent Director of KJMC Corporate Advisors (India) Limited	4	4	Yes	2	2	3	10 (0.00%)
Mrs. Shraddha Jain DIN:00156306	Non-Executive Director	Wife of Mr. Rajnesh Jain	Non-Executive - Non Independent Director of KJMC Corporate Advisors (India) Limited	4	4	Yes	3	-	-	-
Mr. Anil Sampat DIN: 06735051	Independent Director	**	Non-Executive - Independent Director of KJMC Corporate Advisors (India) Limited	4	4	Yes	1	-	-	5500 (0.11%)
Mr. Vijay Joshi DIN: 00151550	Independent Director	**	Non-Executive - Independent Director of KJMC Corporate Advisors (India) Limited	4	4	Yes	1	-	-	-

Notes:

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

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

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

(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. Actions taken/ status reports on decisions of the previous meeting(s) are placed at the next meeting(s) for information and further recommended actions, if any.

3. AUDIT COMMITTEE

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

(a) Terms of Reference:

- a) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Review and monitor the auditor's independence and performance and the effectiveness of audit process;
- d) Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be stated in the Director's responsibility statement to be included in the board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

- (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Qualifications and modified opinions in the draft audit report
- f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
 - g) Scrutiny of inter-corporate loans and investments;
 - h) Valuation of undertakings or assets of our Company, wherever it is necessary;
 - i) Evaluation of internal financial controls and risk management systems;
 - j) Approval or any subsequent modification of transactions of our Company with related parties;
 - k) Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - l) Approving or subsequently modifying transactions of our Company with related parties;
 - m) Evaluating undertakings or assets of our Company, wherever necessary;
 - n) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
 - o) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
 - p) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - q) Discussion with internal auditors on any significant findings and follow up thereon;
- r) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - s) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
 - t) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - u) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - v) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
 - w) Carrying out any other functions as provided under the Act, the SEBI Listing Regulations and other applicable laws;
 - x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
 - y) Reviewing the utilisation of loan and/or advances from investment by the holding company in the subsidiary exceeding Rs. 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments
 - z) The powers of the Audit Committee include the following:
 - (i) To investigate activity within its terms of reference;
 - (ii) To seek information from any employees;
 - (iii) To obtain outside legal or other professional advice; and
 - (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
 - aa) The Audit Committee shall mandatorily review the following information:
 - (i) Management discussion and analysis of financial condition and result of operations;
 - (ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - (iii) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (iv) Internal audit reports relating to internal control weaknesses;
 - (v) The appointment, removal and terms of remuneration of the chief internal auditor; and
 - (vi) Statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

- annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

(b) Composition & Meetings:

The Committee met Four (4) times during the year under review i.e. May 16, 2022, August 11, 2022, November 09, 2022 and February 03, 2023. 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 Member	Category	No. of meetings during the financial year 2022-23	
		Held	Attended
Mr. S. C. Aythora	Chairperson – Independent Director	4	4
Mr. Nitin Kulkarni	Independent Director	4	4
Mr. Inderchand Jain	Non-Executive Director	4	4

All the members 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 at its meetings. The Company Secretary acts as the Secretary to the audit committee. The last Annual General Meeting (AGM) of the Company was attended by Mr. S. C. Aythora, Chairperson of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations

(a) Terms of Reference:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulating of criteria for evaluation of performance of independent directors and the Board;
- Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Analysing, monitoring and reviewing various human resource and compensation matters;
- Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market related, usually consisting of a fixed and variable component; and recommend to the board, all remuneration, in whatever form, payable to senior management
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Perform such other activities as may be delegated by the Board of Directors and/or as statutorily prescribed under any law to be attended to by such committee; and
- Recommend to the board, all remuneration, in whatever form, payable to senior management

(b) Composition & Meetings:

The Committee met Two (2) times during the year on August 11, 2022 and February 03, 2023. The necessary quorum was present at the said meetings.

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

Name of Member	Category	No. of meetings during the financial year 2022-23	
		Held	Attended
Mr. S. C. Aythora	Chairperson – Independent Director	2	2
Mr. Nitin Kulkarni	Independent Director	2	2
Mr. Girish Jain	Non-Executive Director	2	2

(c) Remuneration Policy:

The Nomination and Remuneration Committee is fully empowered to determine/ approve and revise from time to time, 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.

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

Independent and Non-Executive Directors entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by them, 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.

Independent Directors are not entitled to participate in the Stock Option Scheme, if any, introduced by the Company.

Board Governance, Nomination and Remuneration Committee recommend the remuneration for the Whole Time Directors, Senior Management and Key Managerial Personnel on the recommendation by the Board, approval of Shareholders is obtained.

The last Annual General Meeting (AGM) of the Company was attended by Mr. S. C. Aythora, Chairperson of the Nomination and Remuneration Committee.

(d) The details and criteria for making payments to Non-Executive Directors of the Company are as under:

The Non-Executive Independent Directors are paid remuneration in form of sitting fees for attending the Board and Committee meetings, respectively.

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

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

None of the non-executive directors had any pecuniary relationship with the Company apart from the receipt of sitting fees for attending the Board and Committee Meetings wherever they are members.

(e) Details of remuneration paid to the Executive Director for the year ended March 31, 2023:

(Rs. in 000)

Name of Executive Director	Salary Basic and allowances	Benefits Perquisites	Others	Total	Service contract / Notice period
Mr. Rajnesh Jain	2400	5730	-	8130	Was reappointed for a further period of three years w.e.f. 11th August, 2020.

(f) Details of equity shares of the Company held by the Directors as on March 31, 2023 are given below:

Name	Number of Equity Shares
Mr. Inderchand Jain	2,13,000
Mr. Rajnesh Jain	5,95,668
Mr. Girish Jain	5,95,668
Mr. S. C. Aythora	350
Mr. Nitin Kulkarni	10
Mr. Anil Sampat	5500

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in accordance with the Regulation 20 of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.

The role and functions of the Stakeholders Relationship Committee are, 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. Further, the Committee overviews the steps to be taken for further value addition in the quality of service to the investors.

During the year, the Company had received 1 (one) complaint and the same was redressed/resolved effectively by the Company. As on March 31, 2023, no investor grievance had remained unattended/pending for more than thirty days.

The Board has delegated the powers to approve transmission, issue of duplicate certificate for securities held in physical mode and all other matters related to securities of the Company.

During the year ended on March 31, 2023, One (1) meeting was convened and held on September 07, 2022.

Mr. Behla Murtaza Tambawala, Company Secretary is the Compliance Officer of the Company in terms of Regulation 6 of the Listing Regulations.

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

Sr. No.	Name of Member	Category	No. of meetings during the financial year 2022-23	
			Held	Attended
1.	Mr. Inderchand Jain	Chairperson (Non-Executive Director)	1	1
2.	Mr. Nitin Kulkarni	Member (Independent Director)	1	1
3.	Mr. Rajnesh Jain	Member (Executive Director)	1	1
4.	Mr. Girish Jain	Member (Non-Executive Director)	1	1

6. INDEPENDENT DIRECTORS MEETING

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and the SEBI Listing Regulations, Independent Directors mandated to hold at least one meeting in a year without the presence of Non-Independent Directors and members of the management.

The independent directors in their meeting shall, inter alia-

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

Independent Directors met on February 03, 2023 and the said meeting was attended by all Independent Directors.

7. CREDIT & INVESTMENT COMMITTEE

In addition to the above mentioned committees, the Credit and Investment Committee has been constituted by the Board for considering and approving the proposals of investing the funds of the Company and to grant loan or give guarantee or provide security in respect of loans.

The composition of Credit and Investment Committee is as follows:

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

During the year under review, Two (2) meetings were convened and held on August 01, 2022 and March 10, 2023. Both the meetings were attended by all the members of the Committee.

8. DEBENTURE ALLOTMENT COMMITTEE

The Board of Directors has constituted Debenture Allotment Committee for considering and approving Allotment of Debentures.

The composition of the Debenture Allotment Committee is as follows:

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

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

9. IT STRATEGY COMMITTEE

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

The composition of the IT Strategy Committee is as follows:

S r . No.	Name of Member	Category	No. of meetings during the financial year 2022-23	
			Held	Attended
1.	Mr. Nitin Kulkarni	Chairperson (Independent Director)	2	2
2.	Mr. Sajjan Bawri	Member (Chief Financial Officer & Chief Information Officer)	2	2
3.	Mr. Raj Randhawa	Member (Group Chief Technology Officer)	2	2

During the financial year 2022-23, two meetings of the IT Strategy Committee were held on August 11, 2022 and February 09, 2023.

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
2021-22***	AGM	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point Mumbai – 400021	28/09/2022	11.30 A.M.
2020-21**	AGM	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point Mumbai – 400021	29/09/2021	11.00 A.M.
2019-20*	AGM	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point Mumbai – 400021	24/12/2020	11.00 A.M.

*** Special Resolution for issue, offer, invite for subscription and to allot rated/unrated, Secured/unsecured, listed/unlisted, Redeemable Non-Convertible Debentures ('NCDs'), on a private placement basis, in one or more series / tranches, aggregating upto Rs. 25,00,00,000/- (Rupees Twenty five Crores only), during the period of 1 (one) year from the date of passing of this Special Resolution, was passed.

*** Special Resolution to enter/continue to enter into Material Related Party Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) for the maximum amount of Rs. 10 Crores (Rupees Ten Crores only) from the conclusion of this AGM to the conclusion of the next AGM.

*** Special Resolution to renew loan to Mr. Rajnesh Jain, Whole-Time-Director of the Company, for a period of 12 months up to an amount of Rs.1,00,00,000/- (Rupees One Crore only) at an interest of 14% p.a.

** Special Resolution to issue, offer, invite for subscription and to allot rated/unrated, Secured/unsecured, listed/unlisted, Redeemable Non-Convertible Debentures ('NCDs'), on a private placement basis, in one or more series / tranches, aggregating upto Rs. 25,00,00,000/- (Rupees Twenty five Crores only), during the period of 1 (one) year from the date of passing of this Special Resolution, was passed.

* Special Resolution to grant loan to Mr. Rajnesh Jain, (DIN: 00151988) Whole-Time-Director of the Company, for a period of 12 months up to an amount of Rs.1,00,00,000/- (Rupees One Crore only) at an interest of 14% p.a. on arm's length basis.

*Special Resolution for Continuation of Mr. Inderchand Jain, aged 81 years, as the Chairperson and Non-Executive Director of the Company.

* Special Resolution for appointment of Mr Anil Sampat (DIN: 06735051), aged 77 years, as an Independent Non-Executive Director of the Company to hold office for a term of five consecutive years with effect from July 15, 2020.

* Special Resolution for reappointment of and payment of remuneration to Mr. Rajnesh Jain (DIN: 00151988), Whole-time Director of the Company, for a period of 3 (three) years.

* Special Resolution to issue, offer, invite for subscription and to allot rated/unrated, Secured/unsecured, listed/unlisted, Redeemable Non-Convertible Debentures ('NCDs'), on a private placement basis, in one or more series / tranches, aggregating upto Rs. 25,00,00,000/- (Rupees Twenty five Crores only), during the period of 1 (one) year from the date of passing of this Special Resolution, was passed.

(b) Extra Ordinary General Meeting:

No Extra-ordinary general meeting of the members was held during the financial year 2022-23.

(c) Postal Ballot:

No approval was taken from the members through postal ballot process, during the financial year 2022-23.

(d) NCLT Convened meeting

No NCLT convened meeting was held during the financial year 2022-23.

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.

The web-link as required under Schedule V of the Listing Regulations, is as under https://www.kjmcfinserv.com/investor_relation

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, actual or suspected fraud or violation of the Company's Code of Ethics. No person has been denied access to the Chairperson of 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.
- vi. The Company has one unlisted subsidiary company. The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the Subsidiary, including the investments made by the Subsidiary, if any.
- vii. The Company obtains share capital audit report on quarterly basis to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.
- viii. Particulars of total fees paid to Auditors are provided in notes to accounts of the standalone financial statements.
- ix. During the year under review, the Policy on Prevention of Sexual Harassment at work place was not applicable to the Company.
- x. During the financial year 2022-23, the Board of Directors of the Company accepted all recommendations made to it by its' Committees.
- xi. The Company does not deal in commodities and hence the disclosure as required under SEBI Listing Regulations is not applicable.

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 promptly report 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

having wide circulation. The Company also submits 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.kjmcfinerv.com provides information about the businesses carried on by the Company, its subsidiary 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 viz; Financial Results, Annual Reports, Shareholding Pattern, Official News Releases, various policies adopted by the Board and other general information about the Company and such other disclosures as required under the Listing Regulations, are made available on the Company's website.

c. Annual Report

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

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 disseminated to the Stock Exchanges in terms of the Company's Policy for Determination of Materiality of Events/Information and the Listing Regulations.

f. SEBI Complaints Redressal System (SCORES)

The Company has registered on the SCORES portal of the SEBI and regularly tracks the investor complaints received on the said Portal.

10. GENERAL SHAREHOLDER'S INFORMATION

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65100MH1988PLC047873.

i. Annual General Meeting scheduled to be held:

Date : September 18, 2023
 Time : 1.00 p.m.
 Venue : through Video Conferencing / Other Audio Visual Means (deemed venue shall be registered office of the Company)

For more details, please refer Notice of the AGM.

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 2023-24 is as under:

Financial Reporting for the Financial Year 2023-24	Tentative month of reporting
Un-audited Financial Results for the quarter ending June 30, 2023	August 9, 2023
Un-audited Financial Results for the quarter and half year ending September 30, 2023	On or before November 14, 2023
Un-audited Financial Results for the quarter and nine months ending December 31, 2023	On or before February 14, 2024
Audited Financial Results for the quarter and year ending March 31, 2024	On or before May 30, 2024

iii. Book Closure:

The Register of Members and Share Transfer Books will remain closed from September 12, 2023 to September 18, 2023 (both days inclusive) for the purpose of AGM.

iv. Dividend Payment Date:

No dividend recommended on the Equity Shares of the Company for the financial year under review.

v. Listing of Equity Shares on Stock Exchange:

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

Annual listing fees for the financial year 2023-24 have been paid to the BSE Limited, Mumbai.

vi. Stock Code:

- (i) BSE Limited, Mumbai (BSE): 530235
- (ii) ISIN: INE533C01018

vii. Stock Price Data:

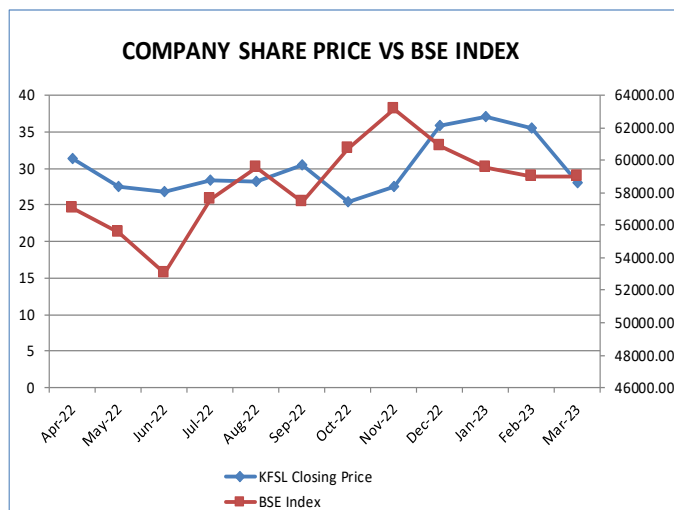
Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2022 to March, 2023 are as under:

Month	BSE Limited (BSE)		SENSEX		No. of shares traded
	High (Rs.)	Low (Rs.)	High	Low	
April, 2022	31.75	24.05	60,845.10	56,009.07	55,688
May, 2022	35.80	27.40	57,184.21	52,632.48	3,984
June, 2022	28.05	21.00	56,432.65	50,921.22	12,064
July, 2022	33.45	25.00	57,619.27	52,094.25	14,533
August, 2022	31.95	28.05	60,411.20	57,367.47	4,034
September, 2022	38.05	26.85	60,676.12	56,147.23	32,483
October, 2022	32.15	25.45	60,786.70	56,683.40	10,645
November, 2022	30.65	24.05	63,303.01	60,425.47	8,808

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Month	BSE Limited (BSE)		SENSEX		No. of shares traded
	High (Rs.)	Low (Rs.)	High	Low	
December, 2022	36.50	28.85	63,583.07	59,754.10	18,141
January, 2023	42.75	34.10	61,343.96	58,699.20	16,119
February, 2023	42.80	33.85	61,682.25	58,795.97	12,096
March, 2023	37.27	27.95	60,498.48	57,084.91	13,084

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



ix. Registrar & Share Transfer Agent (R&T Agent):

Bigshare Services Private Limited, Office No S6-2, 6th floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India., Tel. No.022-62638200, Fax No.022- 62638299, email id: info@bigshareonline.com.

x. Share Transfer System:

As per SEBI norms, all requests for transfer of securities shall be processed only in dematerialised form. Further vide circular dated January 24, 2022, SEBI has notified that all requests for transmission, transposition, duplicate issuance, splitting and consolidation requests too will be processed in a demat mode only. All Shareholders are requested to convert their shares in demat mode. The necessary form is available on the Company's website at https://www.kjmcinserv.com/investor_relation

The Company obtains, from a Company Secretary in Practice, annual 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 Exchange. The Share Transfer Committee meets generally as and when required basis to consider the transfer proposals.

xi. Shareholding as on March 31, 2023:

a. Distribution of equity shareholding as on March 31, 2023:

Range (in Rs)	Number of Shareholders	% of Total	Shares Amount (in Rs)	% of Total
1 - 5000	3158	95.73	2380810	4.97
5001 - 10000	43	1.30	325570	0.68
10001 - 20000	31	0.94	453660	0.95
20001 - 30000	10	0.30	247240	0.52
30001 - 40000	8	0.24	263640	0.55
40001 - 50000	8	0.24	382120	0.80
50001 - 100000	12	0.36	902720	1.89
100001 - 999999999	29	0.90	42901640	89.64
Total	3299	100.00	47857400	100.00

b. Shareholding pattern as on March 31, 2023:

Categories of equity shareholding as on March 31, 2023 is given below:

Category	Number of shares	Percentage %
Promoter and Promoters Group	35,31,977	73.80
Directors and their Relatives	6,760	0.14
Investor Education and Protection Fund	16,215	0.34
Bodies Corporate	5,37,214	11.23
Resident Individuals	6,13,137	12.81
Financial Institutions/Banks	65,400	1.37
Foreign Investors (FIIs/NRIs/ OCBs/ Foreign Bank/ Foreign Corporate Bodies)	351	0.01
Others (Clearing Members/HUF)	14,686	0.30
TOTAL	47,85,740	100

xii. Top ten Equity Shareholders of the Company as on March 31, 2023:

Sr No.	Name of shareholder	Number of equity shares held	Percentage of holding
1	Chanddevi Jain	18,60,576	38.88
2	Rajnesh Jain	5,95,668	12.45
3	Girish Jain	5,95,668	12.45
4	I C Jain HUF	2,67,065	5.58
5	Inderchand Jain	2,13,000	4.45
6	Chandurkar Investments Private Limited	1,53,615	3.21
7	Oricon Enterprises Limited	1,06,420	2.22
8	TCK Finance & Leasing Private Limited	75,000	1.57
9	Apex Enterprises (India) Limited	50,000	1.04
10	Dena Bank	64,300	1.34

xiii. De-materialisation of Shares and its liquidity:

The Company's shares are compulsorily traded in dematerialised form on BSE. Further, as on March 31, 2023, out of total Equity Capital of 47,85,740 Equity Shares, 45,22,976 Equity Shares representing 94.51% are held in dematerialized form with NSDL and CDSL.

xiv. 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, 2023, the Company does not have any outstanding GDRs / ADRs or any Warrants.

xv. Plant Locations:

Since the Company is engaged in providing financial services, the Company does not have any plant.

xvi. 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
Website: www.kjmcfinserv.com

xvii. Company Secretary and Compliance Officer:

Behla Murtaza Tambawala

xviii. Credit Rating:

The Company has not issued any securities/instruments for which credit rating is required.

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:

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

- Whistle Blower Policy to enable reporting in case of leak of UPSI

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

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

ii. CEO/CFO Certification:

Whole Time Director/Chief Financial Officer (CFO) have issued certificate as specified in Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the financial year ended March 31, 2023 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.

Adoption of non-mandatory requirements as prescribed under Schedule II Part E of the SEBI Listing Regulations are reviewed by the Board from time to time.

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

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

v. Separate posts of chairperson and Chief Executive Officer:

The Chairperson of the Company is not the Chief Executive Officer or Managing Director of the Company.

vi. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee of the Company.

vii. Policy for determining 'material subsidiaries':

There were no material subsidiary of the Company for the period under review. Further, the Company has formulated and adopted a policy for determining 'Material Subsidiaries' in compliance with the Listing Regulations.

The Policy is available on the website of the Company at https://www.kjmcfinserv.com/investor_relation

viii. Details of utilization of funds raised through Preferential allotment:

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI LODR Regulations, 2015, during the year under review.

ix. Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations:

The Company has complied with all the requirements in this regard, to the extent applicable.

x. Traded Securities:

The securities of the Company have not been suspended from trading from stock exchanges during FY 2022-23.

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, 2023.

Rajnish Jain
Whole Time Director
DIN : 00151988

Place : Mumbai
Date : August 09, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of KJMC Financial Services Limited.

Report on the Audit of the Standalone Financial Statements
Opinion

We have audited the standalone financial statements of KJMC Financial Services Limited. ("the Company"), which comprise the Balance Sheet as at March 31 2023, and the statement of Profit and Loss, (Including other comprehensive income), Statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

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

No.	Key Audit Matter	Auditors' Response
1	<p>Impairment of Investments</p> <p>Where impairment indicators have been identified, the quantification of impairment in the carrying value of investments is considered to be a risk area due to the judgmental nature of key assumptions. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The most significant judgements are:</p> <ul style="list-style-type: none"> • Timely identification of diminution in the value of investments. • Proper estimation of fair market value in respect of listed and unlisted investments 	<p>Auditor's Response</p> <p>Tested the design and effectiveness of internal controls implemented by the management for following:</p> <ul style="list-style-type: none"> • Identification of any diminution in the value of investments. • Collection of relevant data to estimate the fair market value of investments at the balance sheet date. • To ascertain the sufficiency of amount of provision in case of diminution in value of investments • Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision. • Completeness and accuracy of the data inputs used. • We critically assessed and tested the key underlying assumptions and significant judgements used by management. • For investments identified by management as potentially impaired, examined the same and checked the calculation of the impairment <p>Examined the investments which had not been identified by management as potentially impaired and formed our own judgement as to whether that was appropriate through examining available information</p>
2	<p>Impairment of financial assets as at the balance sheet (Expected Credit Losses)</p> <p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p>	<p>Auditors Response</p> <ul style="list-style-type: none"> • Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 • Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Tested the ECL model, including assumptions and underlying computation. • Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults.

No.	Key Audit Matter	Auditors' Response
	<p>In the process, a significant degree of judgment has been applied by the Management for:</p> <ul style="list-style-type: none"> • Grouping of borrowers based on homogeneity by using appropriate statistical techniques; • Estimation of behavioral life; • Determining macro-economic factors impacting credit quality of receivables; <p>Estimation of losses for loan products with no/minimal historical defaults.</p>	<ul style="list-style-type: none"> • Tested assumptions used by the Management in determining the overlay for macro-economic factors. <p>Assessed disclosures included in the standalone Ind AS financial statements in respect of expected credit losses.</p>

Information other than the Financial Statements and Auditors' Report thereon

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

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

We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
3. The Balance Sheet, the Statement of Profit and Loss (Including other comprehensive Income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
4. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

7. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note on contingent liabilities to the financial statements
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.

- The Company has not declared any dividend during the current financial year ended March 31, 2023.
- Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**Place: Mumbai
Date: May 15, 2023**

**Gaurav Dhebar
Partner
Membership No. 153493
UDIN: 23153493BGQHWU5210**

The Annexure A referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2023 we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
- b) As explained to us, the fixed assets have been physically verified by management at reasonable intervals under a phased programme of verification. In accordance with this program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
- c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in Properties, Plant & Equipment are held in the name of the Company as at the balance sheet date.
- d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year.
- e) No proceedings have been initiated or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, during the year, from financial institution on the basis of security of non-current assets. Accordingly, the provisions of clause 3(ii) of order is not applicable on company.
- (iii) a) The Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it
- b) The Company, being a Non-Banking Financial Company ('NBFC'), is registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
- c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.
- d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 180 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note no 33 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.
- e) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(e) of the Order is not applicable to it.
- (iv) In our opinion and according to the information and explanations given to us, the Company has granted loans to party covered under Section 185 of the Act. The provision of section 185 and 186 of the Companies Act 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and Rules framed there under to extent notified.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employee state insurance, income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable, with the appropriate authorities.
- Further no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at March 31 2023 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, and the records of the company examined by us, the dues in respect of sales tax, income-tax, duty of customs, Goods and Service tax, entry tax, value added tax, central sales tax, duty of excise, there are no amounts which have not been deposited with the appropriate authority on account of any dispute.

- (viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) a) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government as at the Balance sheet date.
- b) The company is not declared as a wilful defaulter by any bank or financial institution or other lenders.
- c) Company has vehicle loan from Banks. The said loan has been applied for the purpose for which it was obtained.
- d) According to the records of the company examined by us and the information and explanation given to us, the funds raised on short term basis have not been utilised for long term purposes.
- e) As per the records of the company examined by us and the information and explanation given to us no funds are taken from any entity to meet the obligations of the subsidiary or associate companies.
- f) As per the records of the company examined by us and the information and explanation given to us, the company has raised no loans during the year on pledge of securities held in its subsidiaries.
- (x) The Company did not raise any moneys by way of initial public offer or further public offer including debt instruments) nor has made any preferential allotment of shares during the year, hence paragraph 3 (x) of the order is not applicable to the Company.
- (xi) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management.
- b) As there are no frauds, hence sub para (b) of clause (xi) of the order is not applicable to the company.
- c) Whistle blower complaints if any received during the year were considered by us.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required under Ind AS and Companies Act, 2013.
- (xiv) (a) In our opinion, the Company have an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31st March, 2023.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
- b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.
- d) As per information provided in course of our audit, the Group to which the Company belongs has no CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) The Company has incurred cash loss during the current financial year but not in immediately preceding financial year.
- (xviii) There is no resignation of the Statutory auditor during the current financial year.
- (xix) According to the information and explanation given to us including the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and on the basis of Board of Directors and management plans, nothing has come to our attention which causes us to believe that material uncertainty exists as on the date of the audit report indicating that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the explanation given to us and based on our scrutiny of the books of accounts, Section 135 of the Companies Act 2013 is not applicable for the financial year 2022-23 and hence the said clause of the order is not applicable to the Company.

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

Place: Mumbai
Date: May 15, 2023

Gaurav Dhebar
Partner
Membership No. 153493
UDIN: 23153493BGQHWU5210

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of KJMC Financial Services Limited. ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information & according to the explanations give to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Date: May 15, 2023

Gaurav Dhebar
Partner
Membership No. 153493
UDIN: 23153493BGQHWU5210

35TH ANNUAL REPORT 2022 - 2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023 CIN NO : L65100MH1988PLC047873

(Rs. in '000')

PARTICULARS	NOTE NO.	As At 31.03.2023	As At 31.03.2022
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	4	3,734	3,318
(b) Bank Balance other than (a)	5	400	400
(c) Loans	6	76,667	50,831
(d) Investments	7	7,19,556	7,14,011
(e) Other Financial Assets.	8	6,133	22,955
Non-Financial Assets			
(a) Current Tax Assets	9	2,753	4,339
(b) (i) Property, Plant & Equipment	10	9,192	8,490
(ii) Intangible assets		-	1
(c) Other Non Financial Assets.	11	953	435
Total assets		8,19,388	8,04,780
Financial Liabilities			
(a) Payables			
(l) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	937	857
(b) Borrowings(other than Debt Securities)	13	75,303	39,895
(c) Deposits	14	2,890	11,110
(d) Other Financial Liabilities	15	888	737
Non-Financial Liabilities			
(a) Provision	16	4,946	4,542
(b) Other Non Financial Liabilities	17	799	753
(c) Deferred Tax Liability (Net)	18	44,718	43,731
Equity			
(a) Equity Share Capital	19	47,857	47,857
(b) Other Equity	20	6,41,050	6,55,298
Total liabilities and equity		8,19,388	8,04,780

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

1 to 38

As per our report of even date attached
For Batliboi & Purohit
Chartered Accountants
Registration No: 101048W

Gaurav Dhebar
Partner
Membership No. 153493

Place : Mumbai
Date : 15th May 2023

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

Rajnesh Jain
Whole time Director
DIN: 00151988

Sajjan Bawri
Chief Financial Officer

Place : Mumbai
Date : 15th May 2023

Girish Jain
Director
DIN: 00151673

Behla Tambawala
Company Secretary



KJMC FINANCIAL SERVICES LIMITED

STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

CIN NO : L65100MH1988PLC047873

(Rs. in '000')

PARTICULARS	NOTE NO.	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Interest Income		11,287	7,278
Dividend Income		2,120	2,007
Processing , Documentation & other Charges		320	860
Income from Shares & Securities Trading		15,123	25,659
Revenue from Operations	21	28,850	35,804
Other Income	22	2,024	1,546
Total Revenue		30,874	37,350
Expenses:			
Finance Costs	23	7,092	8,585
Employee Benefits Expenses	24	11,297	14,765
Depreciation and Amortization Expenses	10	2,016	1,069
Other Expenses	25	16,771	13,905
Total Expenses		37,176	38,324
Profit Before Tax		(6,302)	(974)
Tax Expense:			
(1) Current tax		-	-
(2) Deferred tax		2,634	(774)
(3) Earlier year Provision Written off		-	(2,085)
(4) Mat Credit Written off		-	6,192
		2,634	3,333
Profit for the Year		(8,936)	(4,307)
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Profit / (Loss) on Sale of Investments (Equity) - Realised		8,797	2,556
Remeasurement gains/(losses) on defined benefit plans		71	69
Net Gain / (Loss) on Fair Value Changes - Unrealised		(15,826)	98,298
Deferred Tax		1,646	16,242
Other comprehensive income for the year (net of tax)		(5,312)	1,17,165
Total		(14,248)	1,12,858
Earnings per Equity Share: (Rs)			
(1) Basic		(1.87)	(0.90)
(2) Diluted		(1.87)	(0.90)

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

1 to 38

As per our report of even date attached
For Batliboi & Purohit
Chartered Accountants
Registration No: 101048W

Gaurav Dhebar
Partner
Membership No. 153493

Place : Mumbai
Date : 15th May 2023

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

Rajnesh Jain
Whole time Director
DIN: 00151988

Sajjan Bawri
Chief Financial Officer

Place : Mumbai
Date : 15th May 2023

Girish Jain
Director
DIN: 00151673

Behla Tambawala
Company Secretary

35TH ANNUAL REPORT 2022 - 2023

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023 CIN NO : L65100MH1988PLC047873

(Rs. in '000')

PARTICULARS	For the Year ended 31-Mar-23	For the Year ended 31-Mar-22
Cash Flow from Operating Activities		
Net Profit Before Tax	(6,302)	(974)
Adjustment for:		
Depreciation & amortisation	2,016	1,069
Gratuity Provision through OCI	71	69
Addition/(Reversal) of Provision of Standard Assets	325	621
Interest and Financial Charges	7,092	8,585
Operating Profit Before Working Capital Changes	3,202	9,370
Changes in Working Capital		
(Increase)/Decrease in Loans	(25,836)	(649)
(Increase)/Decrease in other financial assets	16,822	(206)
(Increase)/Decrease in other non financial assets	(519)	(244)
Stock in Trade (Securities held for trading)	(13,145)	(20,039)
Increase/(Decrease) in other payables	80	36
Increase/(Decrease) in other financial liabilities	151	34
Increase / (Decrease) in Deposit (Liability)	(8,220)	(62)
Increase / (Decrease) in provisions	79	76
Increase/(Decrease) in other non financial Liabilities	45	(823)
(Increase)/ Decrease in Net Current Assets	(30,542)	(21,877)
Cash generated from Operations	(27,340)	(12,507)
Direct taxes (paid) (Net of refund)/Refund	1,585	(318)
Cash Flow Before Extraordinary Items	(25,755)	(12,825)
Extraordinary Items		
Net Cash flow from Operating Activities	(25,755)	(12,825)
Cash Flow from Investment Activities		
Purchase & Sale of Shares/ units (Net)	7,601	(84,553)
Net (gain)/loss on Equity instruments at fair value through OCI (Unrealised)	(15,826)	98,298
Net (gain)/loss on Equity instruments through OCI (Realised)	8,797	2,556
Purchase of Property Plant & Equipment	(2,717)	(7,678)
Net Cash Flow from Investing Activities	(2,145)	8,623
Cash Flow From Financing Activities		
Borrowings other than debt securities issued (net)	35,407	13,978
Interest and Financial Charges	(7,092)	(8,585)
Net Cash Flow from Financing Activities	28,316	5,393
Net Increase in Cash and Cash Equivalents	416	1,191
Cash and Cash Equivalents at the beginning of the Year *	3,718	2,527
Cash and Cash Equivalents at the close of the Year *	4,134	3,718
* Cash and Cash Equivalents comprise of :		
Cash in hand	291	90
Balance in current account	3,443	3,228
In Deposit Accounts with Less than 12 months'	400	400
Total	4,134	3,718

Note:-

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

As per our report of even date attached

For Batliboi & Purohit

Chartered Accountants

Registration No: 101048W

Gaurav Dhebar

Partner

Membership No. 153493

Place : Mumbai

Date : 15th May 2023

For and on behalf of the Board of Directors

KJMC FINANCIAL SERVICES LIMITED

Rajnesh Jain

Whole time Director

DIN: 00151988

Sajjan Bawri

Chief Financial Officer

Place : Mumbai

Date : 15th May 2023

Girish Jain

Director

DIN: 00151673

Behla Tambawala

Company Secretary



KJMC FINANCIAL SERVICES LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2023 CIN NO : L65100MH1988PLC047873

Statement of Changes in Equity

(Rs in '000')

Particulars	For the year ended	
	31st March 2023	31st March 2022
Balance of the Beginning of the year	47,857	47,857
Changes in equity	-	-
	47,857	47,857

Other Equity for the year ended 31st March 2023

(Rs in '000')

Particulars	Note No	Reserves and Surplus						Total
		General Reserve	Securities Premium	Capital Redemption Reserve	Other Comprehensive Income'	Special Reserve	Profit & Loss A/c	
Balance as on 31.03.2022	20	2,786	14,410	49,900	5,94,623	10,424	(16,845)	6,55,298
Profit after tax				-		-	(8,936)	(8,936)
Other Comprehensive Income (Net of tax)					(5,312)	-		(5,312)
		2,786	14,410	49,900	5,89,311	10,424	(25,781)	6,41,050
Transfer to Reserve		-		-	-	-	-	-
Balance as on 31.03.2023		2,786	14,410	49,900	5,89,311	10,424	(25,781)	6,41,050

Other Equity for the year ended 31st March 2022

Rs in '000'

Particulars	Note No	Reserves and Surplus						Total
		General Reserve	Securities Premium	Capital Redemption Reserve	Fair Value Reserve	Special Reserve	Profit & Loss A/c	
Balance as on 31.03.2021	20	2,786	14,410	49,900	4,77,458	10,424	(12,538)	5,42,440
Addition								
Profit after tax		-	-	-	-	-	(4,307)	(4,307)
Other Comprehensive Income (Net of tax)		-	-	-	1,17,165	-	-	1,17,165
		2,786	14,410	49,900	5,94,623	10,424	(16,845)	6,55,298
Transfer to Reserve		-	-	-	-	-	-	-
Balance as on 31.03.2022		2,786	14,410	49,900	5,94,623	10,424	(16,845)	6,55,298

As per our report of even date attached
For **Batliboi & Purohit**
Chartered Accountants
Registration No: 101048W

Gaurav Dhebar
Partner
Membership No. 153493

Place : Mumbai
Date : 15th May 2023

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

Rajnish Jain
Whole time Director
DIN: 00151988

Sajjan Bawri
Chief Financial Officer

Place : Mumbai
Date : 15th May 2023

Girish Jain
Director
DIN: 00151673

Behla Tambawala
Company Secretary

Notes to standalone financial statements for the year ended 31 March 2023

1. Corporate information

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

The company is a non-deposit accepting Non-Banking Financial Company (NBFC) classified as an Investment Company according to Circular No. DNBS.PD, CC No.85/03-02-89/2006-07 dated December 6, 2006. It is registered with the Reserve Bank of India (RBI) as a non-deposit taking NBFC under Registration No. B-13.01633, effective from 5 March 1998.

The audited financial statements were subject to review and recommendation of Audit Committee and were subsequently approved by the Board of Directors. On 15th May 2023, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its annual general meeting.

2. Basis of preparation

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

2.1 Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity.

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

Critical accounting estimates and judgments

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the

Management's estimates are based. Accounting estimates and judgments are used in various line items in the financial statements for e.g.

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

3 Summary of significant accounting policies

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

3.1 Income

(i) Interest income

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

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

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

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

(ii) Dividend income

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

(iii) Other revenue from operations

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

(a) Fees and commission

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

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

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

(b) Net gain on fair value changes

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

(c) Recoveries of financial assets written off

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

(iv) Taxes.

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

3.2 Expenditures

(i) Finance costs

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

(ii) Fees and commission expenses

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

(iii) Taxes.

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

3.3 Cash and cash equivalents

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

3.4 Financial instruments

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

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

(i) Financial Assets

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

Initial measurement.

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

Subsequent measurement

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

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

(a) Debt instruments at FVOCI

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

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

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

(b) Debt and Equity instruments at FVTPL

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of

the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognized on net basis through profit or loss.

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

(c) Equity investments designated under FVOCI

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

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

Impairment of financial assets

ECL are recognised for financial assets held under loan portfolio

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

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

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

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

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

(a) Credit impaired (stage 3)

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

- Contractual payments of either principal or interest are

past due for more than 180 days;

- The loan is otherwise considered to be in default.

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

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

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

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

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

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

(ii) Financial liabilities

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

Initial measurement

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

Subsequent measurement

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

Derecognition

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

(iii) Offsetting of financial instruments

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

(IV) Investment in subsidiaries

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

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

3.5 Taxes

(a) Current tax

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

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

(b) Deferred tax

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

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

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

each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

3.6 Property, plant and equipment

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

Depreciation on property, plant and equipment

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

3.7 Intangible assets and amortisation thereof

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

3.8 Impairment of non-financial assets

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

3.9 Provisions and contingent liabilities

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

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

3.10 Foreign currency translation

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

Initial recognition

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

Conversion

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

Exchange differences

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

3.11 Retirement and other employee benefits

(a) Gratuity

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

planned amendments are recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

(b) Provident fund

Provident Fund Contributions are made to Recognized Provident Fund.

3.11 Leases

Measurement of Lease Liability

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

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

Measurement of Right-of-use assets

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

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

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

3.12 Fair value measurement

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

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

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

Fair value measurement has been done for investments and Deposits (Both Given and Taken). Listed investments have been valued at the market price at which the respective investments were quoting as on 31.03.2023. Unlisted investments have been valued on the basis of the valuation certificates issued by an approved valuer. Both deposits given and taken have been valued at the Net present value applying the EIR method as explained in 3.1

(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
Note -4 : Cash and cash equivalents		
Cash in Hand	291	91
Balance with Banks		
- In Current Accounts	3,443	3,227
Total	3,734	3,318
Note -5 : Bank Balance		
Other Bank Balances		
- On Deposit Accounts		
With Less than 12 month's maturity	400	400
Total	400	400
Note -6 : Loans (Good unless otherwise stated)		
Secured		
Against hypothecation of automobiles.	4,902	9,091
Less - Impairment Loss allowance		
Total A	4,902	9,091
Unsecured		
Others		
Loans to Others (Unsecured, Considered good)	51,848	31,602
Loans to Others (Secured by Pledge of Securities)	10,000	-
Related Parties :		
- Unsecured, Considered good		
Loans to Related Party (Rate of Interest 14%)	9,917	10,138
Total B	71,765	41,740
Total A+ B	76,667	50,831
Note - Unsecured Loan given to related party @ 14 p.a		
Note - 7: Investments		
(A) At Cost		
Investment in Wholly Owned Subsidiary	1,000	1,000
Investment in Associates	12,635	12,635
	13,635	13,635

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(Rs in '000')		
Particulars	As at 31.03.2023	As at 31.03.2022
(B) At fair value through Other Comprehensive Income		
i) In equity instruments	67,984	69,596
Add: Fair value gains/(losses)	5,85,815	6,01,891
ii) In CCDs (Unquoted)	1,000	4,000
Add: Fair value gains/(losses)	350	(43)
iii) In CCPS (Unquoted)	3,000	-
Add: Fair value gains/(losses)	(143)	-
	6,58,006	6,75,444
(C) Stock in trade		
i) In CCPS (Unquoted)	501	-
Add: Fair value gains/(losses)	50	-
ii) In Government Securities	7,604	-
iii) In Equity Shares (Quoted)	31,446	22,071
Add: Fair value gains/(losses)	2,583	2,861
iv) In Equity Shares (Unquoted)	5,759	-
Add: Fair value gains/(losses)	(28)	-
	47,915	24,932
Grand Total (A+B+C)	7,19,556	7,14,011
Out of the above		
In India	7,19,556	7,14,011
Outside India	-	-
	7,19,556	7,14,011
Note -8 : Other Financial Assets		
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	5,604	4,132
Security Deposits		
Unsecured, considered good	529	11,092
Interest accrued and impact of EIR	-	7,731
Total	6,133	22,955
Note -9 : Current Tax Assets		
Advance Income Tax	5,886	7,546
Less: Provision for Taxation	(3,133)	(3,207)
Total	2,753	4,339



Note -10 : Property, Plant, Equipment and Intangible Assets
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

Description	Gross Block				Depreciation			Net Block	
	As on 1.04.2022	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2023	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2023	As on 31.03.2022
	(Rs. in '000')								
Building	10,849	-	-	-	10,849	149	-	10,181	668
Computers	698	133	-	-	831	94	-	752	79
Furniture & Fixtures	6,646	1,771	-	-	8,417	188	-	6,763	1,654
Office Equipments	2,426	228	-	-	2,654	119	-	2,441	213
Vehicles	9,964	595	-	-	10,549	1,465	-	3,971	6,578
Total (A)	30,583	2,717	-	-	33,300	2,015	-	24,108	8,490

Description	Gross Block				Depreciation			Net Block	
	As on 1.04.2022	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2023	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2023	As on 31.03.2022
	(Rs. in '000')								
Computer Software	80	-	-	-	80	1	-	80	-
Right of Use	-	-	-	-	-	-	-	-	-
Total (B)	80	-	-	-	80	1	-	80	-
Total (A+B)	30,663	2,717	-	-	33,380	2,016	-	24,188	8,491

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Description	Gross Block				Depreciation			Net Block	
	As on 1.04.2021	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2022	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2022	As on 31.03.2021
	(Rs. in '000')								
Building	10,849	-	-	-	10,849	181	-	10,033	998
Computers	673	25	-	-	698	40	-	658	55
Furniture & Fixtures	6,646	-	-	-	6,646	2	-	6,574	74
Office Equipments	2,340	86	-	-	2,426	112	-	2,322	130
Vehicles	2,397	7,567	-	-	9,964	728	-	2,506	619
Total (A)	22,905	7,678	-	-	30,583	1,063	-	22,093	1,876

Description	Gross Block				Depreciation			Net Block	
	As on 1.04.2021	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2022	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2022	As on 31.03.2021
	(Rs. in '000')								
Computer Software	80	-	-	-	80	6.00	-	79	1
Total (B)	80	-	-	-	80	6	-	79	1
Total (A+B)	22,985	7,678	-	-	30,663	1,069	-	22,172	1,883

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(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
Note -11 : Other Non Financial Assets		
Other	953	435
Total	953	435
Note - 12 Payables		
(I) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	937	857
Total	937	857

(Rs in '000')

Particulars	Outstanding from due date of Payment				Total
	< 1 Year	1 to 2 years	2 to 3 years	>3 years	
As at 31st March, 2023					
MSME					
Trade Payable	-	-	-	-	-
Other Payable	847	11	55	24	937
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-
Total	847	11	55	24	937
As at 31st March, 2022					
MSME					
Trade Payable	-	-	-	-	-
Other Payable	776	57	24	-	857
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-
Total	776	57	24	-	857

(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
Note -13 : Borrowings		
At amortised Cost (In India)		
Vehicle Loans (Term Value) :	5,685	6,737
(Secured against hypothecation of Vehicle)		
Loan from NBFC (Secured)		
(Loans secured against pledge of shares bearing interest rate @ 9.85%, repayable on demand.)	69,618	33,158
Total	75,303	39,895

(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
Note -14 : Deposits		
At amortised cost		
Security Deposits		
Interest free deposit from related party payable		
from Related Parties :	2,350	7,338
Interest accrued and impact of EIR	540	3,772
Total	2,890	11,110
Note -15 : Other Financial Liabilities		
Employee Dues	551	401
Provision for Expenses	337	336
Total	888	737
Note - 16 : Provision		
Provision for Ex- Gratia	868	789
Provision against Standard Asset & Non performing Assets. as per RBI & ECL norms	4,078	3,753
Total	4,946	4,542
Note - 17 : Other Non Financial Liabilities		
Statutory Dues	778	692
Other	21	61
Total	799	753
Note -18 : Deferred Taxation		
Deferred Tax Assets		
Business Loss	15,890	16,646
Unabsorbed Depreciation	377	1,161
Unabsorbed Long Term Capital Loss	-	470
Fixed Assets (Diff in W.D.V)	398	385
Disallowance u/s 43B of the Income Tax, 1961	219	199
	16,884	18,861
Deferred Tax Liability		
Deferred Tax Liability	61,602	62,592
Deffered tax Liability Net	Total	Total
	44,718	43,731
Note -19 : Share Capital		
Authorised:		
4,71,50,000 (Previous Year: 4,71,50,000) Equity Shares of Rs 10/- each	4,71,500	4,71,500
85,000 (Previous Year: 85,000) Redeemable Preference shares of Rs 100/- each	8,500	8,500
1,15,000 (Previous Year: 1,15,000) 0% Compulsorily Convertible Preference Shares of Rs 100/- each	11,500	11,500
13,00,000 (Previous Year: 13,00,000) Preference Shares of Rs 100/- each	1,30,000	1,30,000
	6,21,500	6,21,500
Issued,Subscribed and Paid up:		
47,85,740 (Previous Year: 47,85,740) Equity Shares of Rs 10/- each fully paid up	47,857	47,857
	47,857	47,857

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Additional Information:

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

(Rs in '000')

Particulars	Nos	Amount
As at 1st April 2021	47,85,740	47,857
Add: Equity Share Capital issued during the year	-	-
As at 31st March 2022	47,85,740	47,857
As at 1st April 2022	47,85,740	47,857
Equity Share Capital issued during the year	-	-
As at 31st March 2023	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 Rs 10 per share. Each shareholder of equity share is entitled to one vote per share.

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

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

Equity Shares of Rs 10 each	As at 31.03.2023		As at 31.03.2022	
	No. of Shares held	%age of Holding	No. of Shares held	%age of Holding
Chand Devi Jain	18,60,576	28.99%	13,87,242	28.99%
KJMC Corporate Advisors (I) Ltd.	-	-	9,50,000	19.85%
KJMC Shares & Securities Ltd.	-	-	2,45,000	5.12%
I. C. Jain HUF	2,67,065	5.58%	2,67,065	5.58%
Rajnish Jain	5,95,668	12.45%	1,97,335	4.12%
Girish Jain	5,95,668	12.45%	1,97,335	4.12%

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

Note -20 : Other Equity

(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
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

(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
General Reserve		
As per last balance sheet	2,786	2,786
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	2,786	2,786
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
Other Comprehensive Income'		
Balance brought forward from last year	5,94,623	4,77,458
Employee Benefit	71	69
Movement in OCI (Net) during the period	(5,383)	1,17,096
	5,89,311	5,94,623
Special Reserve		
As per last balance sheet	10,424	10,424
Add : Addition during the year	-	-
Less : Deduction during the year	-	-
Closing Balance	10,424	10,424
Surplus/(Deficit) in the statement of profit and loss		
Balance brought forward from last year	(16,845)	(12,538)
Add:		
Profit for the Year	(8,936)	(4,307)
Amount available for appropriation	(25,781)	(16,845)
Less : Appropriations		
a) Special Reserve	-	-
b) General Reserve	-	-
Balance carried forward	(25,781)	(16,845)
Total	6,41,050	6,55,298

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(Rs. in '000')

Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Note -21 : Revenue from Operations		
Interest Income	11,287	7,278
Income from Shares & Securities Trading	15,123	25,659
Dividend Income	2,120	2,007
Processing & Documentation Fees	320	860
Total	28,850	35,804
Note -22 : Other Income		
Compensation for Use of Office & Common Facilities	543	808
Miscellaneous Income	252	-
Interest Income_Others	1,229	738
Total	2,024	1,546
Note -23 : Finance Costs		
Interest to other/NBFC	4,943	8,182
Interest to Bank	2,055	131
Bank Charges	94	272
Total	7,092	8,585
Note -24 : Employee Benefit Expenses		
Salaries and wages	10,590	13,868
Contribution / provisions to provident, Gratuity and other provisions.	452	446
Staff welfare expenses	255	451
Total	11,297	14,765
Note -25 : Other Expenses		
Advertisement	53	50
Auditors Remuneration (for break up refer below)	190	139
Business Promotion Expenses	311	149
Electricity Expenses	78	232
Contractual Services	1,114	1,127
Infrastructural Support service Expenses	238	238
Insurance Expenses	56	19
Computer Software Expenses	53	377
Listing Fees	300	300
Penal Charges - DL_NPA Reversal	-	926
Collection Charges_NPA Reversal	-	9
Miscellaneous Expenses	925	961
Motor Car Expenses	727	528
Service Charge	-	44
Office Maintenance & Utility Expenses	240	182

(Rs. in '000')

Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Postage & Telegram	5	5
Printing & Stationery	46	42
Professional & Consul. Fees Exp	8,256	3,457
Rent	2,524	2,765
Repairs & Maintenance (Others)	245	294
Subscription & Membership	75	59
Travelling Expenses	953	1,344
Provision for ECL Provision	325	621
Loan Written off	57	37
Total	16,771	13,905
Statutory Auditor'S Remuneration		
For Audit Fees	92	64
For Taxation matters	24	-
For Limited Review	74	75
	190	139

26. Contingent Liabilities:

Claims against the Company for the Financial Year 2022-23 is NIL (PY 2021-22 is NIL)

27. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. NIL (Previous Year Rs. NIL)
28. Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006. As per requirement of Section 22 of Micro, Small & Medium Enterprises (Development) Act, 2006 following information is disclosed:

(Rs in '000')

Sr. No	Particulars	31.03.2023	31.03.2022
(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. Earnings and Expenditure in Foreign Currency

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

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

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:

(Rs in '000')

Particulars	Year Ended	
	31.03.2023	31.03.2022
Lease rental recognized during the year	NIL	NIL
Lease obligation Payable		
Within one year of the balance sheet date	NIL	NIL
Due in a period between one year and five years	-	-

31. Earnings Per Share

(Rs in '000')

Particulars	For the Year ended	
	31.03.2023	31.03.2022
Net Profit / (Loss) for the year (Rs in '000's)	(8,936)	(4,307)
The weighted average Number of Equity Share (Nos.)- (Basic)	47,85,740	47,85,740
The weighted average Number of Equity Share (Nos.)- (Diluted)	47,85,740	47,85,740
Face Value (Rs)	10	10
Earnings Per Share (Basic)	(1.87)	(0.90)
Earnings Per Share (Diluted)	(1.87)	(0.90)

32. Related party disclosures under Indian Accounting Standard 24

List of related parties

1. Parties where control exists

Wholly owned subsidiary Companies

KJMC Trading & Agency Limited.

2. Other parties

a) Key Management Personnel and Directors

Inderchand Jain	-	Director
Rajnish Jain	-	Whole Time Director
Girish Jain	-	Director
Sajjan Bawri	-	Chief Financial Officer.
Behla Tambawala	-	Company Secretary (from 28/02/2023)
Mahipal Chouhan	-	Company Secretary (till 27/02/2023)
Nitin Kulkarni	-	Independent Director
Anil Sampat	-	Independent Director
Vijay Joshi	-	Independent Director
S C Aythora	-	Independent Director

b) Relatives of Whole Time Director.

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

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

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

d) Associates

KJMC Platinum Builders Private Limited

(Rs in 000')

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	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Interest Income								
	Prathmesh Enterprises Pvt Ltd	-	-	-	-	-	-	69	-
	KJMC Trading & Agency Ltd	2	38	-	-	-	-	-	-
	Rajnesh Jain	-	-	-	-	1372	1,372	-	-
	Puja Trades & Investments Private Limited	-	-	-	-	-	-	12	-
	KJMC Capital Market Services Limited	-	-	-	-	-	-	5	-
2	Interest Paid								
	KJMC Platinum Builders Pvt Ltd	-	-	-	37	-	-	-	-
	KJMC Realty Pvt Ltd	-	-	-	-	-	-	-	24
	Prathmesh Enterprises Private Limited	-	-	-	-	-	-	55	-
	Puja Trades & Investments Pvt Ltd	-	-	-	-	-	-	61	-
3	Board Meeting Fees								
	Inderchand Jain	-	-	-	-	20	20	-	-
	Shraddha Jain	-	-	-	-	16	16	-	-
	Girish Jain	-	-	-	-	17	18	-	-
4	Salary and Perquisites								
	Rajnesh Jain	-	-	-	-	8130	11,621	-	-
5	Rent Paid								
	Rajnesh Jain	-	-	-	-	1296	1,296	-	-
	Shraddha Jain	-	-	-	-	460	460	-	-
	Chanddevi Jain	-	-	-	-	46	46	-	-
6	Professional Fees Paid								
	Aayushi Jain	-	-	-	-	-	250	-	-
	Khandelwal Jain & Co	-	-	-	-	-	-	350	163
7	Loan given to Borrower								
	KJMC Trading & Agency Limited	70	15,500	-	-	-	-	-	-
	KJMC Capital Market Services Limited	-	-	-	-	-	-	5,000	-
	Prathmesh Enterprises Private Limited	-	-	-	-	-	-	1,200	-
	Puja Trades & Investments Pvt Ltd	-	-	-	-	-	-	3,300	-

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(Rs in 000')

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	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
8	Security Deposit Received Back								
	Puja Trades & Investments Pvt Ltd	-	-	-	-	-	-	19,000	-
9	Asset Purchased								
	Khandelwal Jain & Co	-	-	-	-	-	-	585	-
10	Repayment of Loan by Borrower								
	KJMC Trading & Agency Limited	70	15,500	-	-	-	-	-	-
	Prathmesh Enterprises Private Limited	-	-	-	-	-	-	1,200	-
	Puja Trades & Investments Pvt Ltd	-	-	-	-	-	-	3,300	-
	KJMC Capital Market Services Limited	-	-	-	-	-	-	5,000	-
11	Loan Taken								
	KJMC Platinum Builders Pvt Ltd	-	-	-	6600	-	-	-	-
	KJMC Realty Pvt Ltd	-	-	-	-	-	-	-	3800
	Prathmesh Enterprises Private Limited	-	-	-	-	-	-	8,500	-
	Puja Trades & Investments Pvt Ltd	-	-	-	-	-	-	12,219	-
12	Security Deposit Paid								
	Mr. Rajnesh Jain	-	-	-	-	144	-	-	-
	Mrs. Shraddha Jain	-	-	-	-	51	-	-	-
	Mrs.Chanddevi Jain	-	-	-	-	5	-	-	-
13	Security Deposit Repaid								
	KJMC Capital market Services Limited	-	-	-	-	-	-	8,500	-
14	Loan Repaid								
	KJMC Platinum Builders Pvt Ltd	-	-	-	6600	-	-	-	-
	KJMC Realty Pvt Ltd	-	-	-	-	-	-	-	3800
	Prathmesh Enterprises Private Limited	-	-	-	-	-	-	8,500	-
	Puja Trades & Investments Pvt Ltd	-	-	-	-	-	-	12,219	-
15	Rent Income								
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	-	30	30

(Rs in 000')

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	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
16	Infrastructural Support Services								
	KJMC Capital Market Services Ltd	-	-	-	-	-	-	238	238
17	Brokerage Charges								
	KJMC Capital Market Services Ltd	-	-	-	-	-	-	38	162
18	Depository Charges								
	KJMC Capital Market Services Ltd	-	-	-	-	-	-	29	73
19	Purchase of Shares								
	KJMC Corporate Advisors (India) Limited	-	-	-	-	-	-	1,001	-
20	Sale of Shares								
	KJMC Corporate Advisors (I) Ltd	-	-	-	-	-	-	-	5,000
	KJMC Platinum Builders Pvt Ltd	-	-	-	162	-	-	-	-
	KJMC Capital Market Services Limited	-	-	-	-	-	-	1,125	-
21	Service Received								
	KJMC Trading & Agency Ltd	1,114	1,128	-	-	-	-	-	-
22	Reimbursement of Expenses Paid								
	KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	-	12	12
23	Net Receivables								
	Rajnish Jain	-	-	-	-	9,917	10,138	-	-
	Puja Trades & Investments Pvt Ltd (Security Deposit)	-	-	-	-	-	-	-	19,000
24	Net Payables								
	KJMC Capital Market Services Ltd (Security Deposit)	-	-	-	-	-	-	1,500	10,000
	KJMC Corporate Advisors (India) Ltd (Security Deposit)	-	-	-	-	-	-	1,500	1,500
25	Balances in Investment in Associates								
	KJMC Platinum Builders Private Limited	-	-	12,635	12,635	-	-	-	-

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(Rs in '000')

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	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
26	Security and Corporate Guarantee given to Union Bank of India on behalf of KJMC Financial Services Limited by								
	Puja Trades & Investments Pvt Ltd.	-	-	-	-	-	-	-	36,600

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]

(Rs in '000')

Particulars		As on 31.03.2023	
Liabilities side :		Amount outstanding	Amount overdue
1	Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	-	-
	Unsecured	-	-
	(other than falling within the meaning of public deposits)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	5,685	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)	-	-
	Secured Loans against office premises	-	-
	Secured Loans against FD of Wholly owned Subsidiary	-	-
	Secured Loans against Shares	69,618	-

Asset Side :

	Amount outstanding (Rs in '000')
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :
(a) Secured	14,902
(b) Unsecured	61,765

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 :	NIL
	(a) Financial lease	
	(b) Operating lease	
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	
	(b) Repossessed Assets	
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been Repossessed	
	(b) Loans other than (a) above	

4. Break-up of Investments:

(Rs in '000')

Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity		39,760
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		7,604
(v) Others (please specify)		-
2. Un Quoted :		
(i) Shares : (a) Equity		-
(b) Preference		551
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
Long Term Investments :		
1. Quoted :		
(i) Shares : (a) Equity		6,67,434
(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		2,857
(ii) Debentures and Bonds		1,350
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-

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5. Borrower group-wise classification of assets financed as in (2) and (3) above :

(Rs in '000')

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
1. Related Parties	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	9,917	9,917
2. Other than related parties	14,902	51,848	66,750

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	1,000	1,000
(b) Companies in the same group	38,304	12,635
(c) Other related parties	-	-
2. Other than related parties	7,05,921	7,05,921
Total	7,45,225	7,19,556

Other information

Particulars	Amount
Gross Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	3,908
Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	9
Assets acquired in satisfaction of debt	-

34. Financial risk management objective and policies

The Company's principal financial liabilities consist of loans and borrowings, as well as trade and other payables. These financial liabilities primarily serve the purpose of financing the Company's operations. The Company's principal financial assets encompass investments, loans, trade receivables, and other receivables, and cash and cash equivalents. These assets directly derive from the Company's operations.

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

a) Market risk:

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

1) Interest rate risk:

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

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

(Rs. in '000')

	As at 31st March'23	As at 31st March'22
Variable rate borrowings*	69,618	33,158

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

(Rs. in '000')

	Increase/ decrease in basis points	Effect on Profit before tax
As on 31 March 2023	+ 50 / - 50	348.09
As on 31 March 2022	+ 50 / - 50	165.79

2) Foreign currency risk:

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

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

3) Credit Risk:

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

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

(Rs. in'000')

	As at 31st March'23	As at 31st March'22
Movement in allowance for credit loss during the year was as follows :		
Opening Balance	3,753	3,132
Add :- Provided during the year	325	621
Less :- Reversal during the year	-	-
Balance as at 31 March	4,078	3,753
Loans	76,667	50,831

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

b) Liquidity Risk:

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

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

(Rs. in '000')

	Carrying Amount / fair value	31-Mar-23			
		Less than 1 year	1-5 years	More than 5 years	Total
Financial Liabilities					
Other payables	937	847	90	-	937
Borrowings	75,303	841	74462	-	75,303
Other financial liabilities	888	888	-	-	888
Deposits	2,890	-	2890	-	2,890
	80,018	2,576	77,442	-	80,018

(Rs. in '000')

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

ii) Capital Management

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

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

(Rs in '000')

	As at 31-Mar-23	As at 31-Mar-22
Gross debt (inclusive of long term and short term borrowing)	75,303	39,895
Less: Cash and cash equivalents	4,134	3,718
Net debt	71,169	36,177
Total equity	6,88,907	7,03,155
Total capital	7,60,076	7,39,332
Gearing ratio	9.36%	4.89%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022

iii) Categories of financial instruments and fair value thereof

(Rs in '000')

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
A) Financial assets (other than investment in subsidiaries & Associates)						
Cash and cash equivalents	-	-	3,734	-	-	3,318
Bank Balance other than (a) above	-	-	400	-	-	400
Loans	-	-	76,667	-	-	50831
Investments	6,58,006	47,915	13,635	6,75,444	24,932	13,635
Other financial assets	-	-	6,133	-	-	22,955
total financial assets	6,58,006	47,915	1,00,569	6,75,444	24,932	91,139

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
B) Financial liabilities						
Other payables	-	-	937	-	-	857
Borrowings	-	-	75,303	-	-	39,895
Debt Securities	-	-	-	-	-	-
Other financial liabilities	-	-	888	-	-	737
Deposits	-	2,890	-	-	11,110	-
total financial liabilities	-	2,890	77,128	-	11,110	41,489

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

iv Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2023 & 31 March 2022

(Rs in '000')

Financial assets	As at 31 March 2023				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at FVTOCI					
Investments	6,58,006	6,58,006	6,53,799	-	4,207
Financial assets measured at FVTPL					
Investments	47,915	47,915	47,364	-	551
Financial assets measured at amortised cost					
Investments	13,635	13,635	-	13,635	-
Total	7,19,556	7,19,556	7,01,163	13,635	4,758

(Rs in '000')

Financial assets	As at 31 March 2022				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at FVTOCI					
Investments	6,75,444	6,75,444	6,71,487	-	3,957
Financial assets measured at FVTPL					
Investments	24,932	24,932	24,932	-	-
Financial assets measured at amortised cost					
Investments	13,635	13,635	-	13,635	-
Total	7,14,011	7,14,011	6,96,419	13,635	3,957

Fair Value Hierarchy :

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

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

Note 35. Employee Benefits plans

Defined Benefit plans

A. Gratuity

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

Movement in defined benefits obligations

(Rs in '000')

Particulars	As at 31st March 2023	As at 31st March 2022
Present Value of Benefit Obligation at the Beginning of the Period	789	713
Interest Cost	54	46
Current Service Cost	96	99
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(1)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(32)	(33)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(39)	(35)
Present Value of Benefit Obligation at the End of the Period	868	789

Reconciliation of net liability / asset

(Rs in '000')

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Net Liability	789	713
Expenses Recognized in Statement of Profit or Loss	150	145
Expenses Recognized in OCI	(71)	(69)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	868	789

Expenses charged to the statement of Profit and Loss

(Rs in '000')

Particulars	As at 31st March 2023	As at 31st March 2022
Current Service Cost	95	99
Net Interest Cost	55	46
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	150	145

Measurement (gains)/ Losses in other comprehensive income.

(Rs in '000')

Particulars	As at 31st March 2023	As at 31st March 2022
Actuarial (Gains)/Losses on Obligation For the Period	(71)	(69)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(71)	(69)

Amount recognized in Balance Sheet.

(Rs in '000')

Particulars	As at 31st March 2023	As at 31st March 2022
(Present Value of Benefit Obligation at the end of the Period)	(868)	(789)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(868)	(789)
Net (Liability)/Asset Recognized in the Balance Sheet	(868)	(789)

Change in the Fair Value of Plan Assets

Particulars	As at 31st March 2023	As at 31st March 2022
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-

B. Defined Contribution Scheme

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

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

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

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

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

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

b) Valuation of PP&E and Intangible Assets :

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

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

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	NIL	NIL
Directors (Rs in '000')	9,917	12.94%
KMPs	NIL	NIL
Related Parties	NIL	NIL

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

(i) CWIP ageing Schedule

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

e) Details of benami property held :

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

f) Borrowing secured against current assets :

No borrowing has been secured against current assets.

g) Wilful defaulter :

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

h) Relationship with struck off Companies

There is no relationship or transaction with any struck off companies under Section 248 of the Companies Act, 2013, or Section 560 of the Companies Act, 1956.

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

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

j) Compliance with number of layers of Companies :

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

k) Financial ratios

Ratios	Numerator	Denominator	Current	Previous	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	17.86	1.33	1,238.20	Current Liabilities has been reduced
Debt-equity ratio	Total Debt	Shareholder's Equity	10.90%	5.7%	92.70%	Loan has been increased during the year
Debt service coverage ratio	Earnings available debt service	Debt Service	0%	11%	-98.10%	Loss has been increased during the year
Return on equity ratio	Net Profits after taxes	Shareholder's Equity	-1.30%	-0.61%	111.80%	Loss has been increased during the year
Net Capital turnover ratio	Net Sales	Average working Capital	49%	253%	-80.50%	Revenue Decreased & Average Working Capital increased
Net profit ratio	Net Profit after tax	Net Sales	-30.97%	-12.03%	157.50%	Loss has been increased during the year
Return on Capital employed	Earnings before interest and taxes	Capital Employed	0.11%	1.08%	-89.40%	Loss has been increased during the year
Return on investment	Earnings before interest and tax	Average total assets	0.10%	1.02%	-90.50%	Return on Investment Decreased

Notes :

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

l) Compliance with approved schemes (s) arrangements :

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

m) Utilisation of borrowed funds and share premium:

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

n) Undisclosed income:

There has been no undisclosed income surrendered or disclosed during the current or previous year in the tax assessments under the Income Tax Act.

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

The Company has not engaged in any trading or investment activities related to crypto currency during the current or previous year.

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

As per our report of even date attached

For Batliboi & Purohit

Chartered Accountants

Registration No: 101048W

Gaurav Dhebar

Partner

Membership No. 153493

Place : Mumbai

Date : 15th May 2023

For and on behalf of the Board of Directors

KJMC FINANCIAL SERVICES LIMITED

Rajnish Jain

Whole time Director

DIN: 00151988

Sajjan Bawri

Chief Financial Officer

Place : Mumbai

Date : 15th May 2023

Girish Jain

Director

DIN: 00151673

Behla Tambawala

Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of KJMC Financial Services Limited

Report on the Audit of the Consolidated Financial Statements
Opinion

We have audited the Consolidated Financial Statements of KJMC Financial Services Limited. Ltd, ("the parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31 2023, and the Consolidated Statement of Profit and Loss, (Including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the group as at March 31, 2023, and its Consolidated Profit and Other Comprehensive Income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

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

No.	Key Audit Matters	Auditors' Response
1	<p>Impairment of Investments (As per Standalone financial statement of the Parent company)</p> <p>Where impairment indicators have been identified, the quantification of impairment in the carrying value of investments is considered to be a risk area due to the judgmental nature of key assumptions. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The most</p> <p>significant judgements are:</p> <ul style="list-style-type: none"> Timely identification of diminution in the value of investments. Proper estimation of fair market value in respect of listed and unlisted investments 	<p>Auditor's Response</p> <p>Tested the design and effectiveness of internal controls implemented by the management for following:</p> <ul style="list-style-type: none"> Identification of any diminution in the value of investments. Collection of relevant data to estimate the fair market value of investments at the balance sheet date. To ascertain the sufficiency of amount of provision in case of diminution in value of investments Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision. Completeness and accuracy of the data inputs used. We critically assessed and tested the key underlying assumptions and significant judgements used by management. For investments identified by management as potentially impaired, examined the same and checked the calculation of the impairment <p>Examined the investments which had not been identified by management as potentially impaired and formed our own judgement as to whether that was appropriate through examining available information</p>
2	<p>Impairment of financial assets as at balance sheet date (expected credit losses) (As per Standalone financial statement of the Parent company)</p> <p>Ind AS 109 requires the Group to provide for impairment of its financial assets designated at amortised cost and fair value through other comprehensive income (including loan receivables and investments) using the expected credit loss (ECL) approach.</p>	<p>Our process includes:</p> <ul style="list-style-type: none"> Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109. Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.

No.	Key Audit Matters	Auditors' Response
2	<p>ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's financial assets.</p> <p>In the process, a significant degree of judgment has been applied by the Management for:</p> <ul style="list-style-type: none"> • staging of the financial assets (i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories); • determining macro-economic factors impacting credit quality of receivables; • estimation of losses for financial assets which are secured. • Identifying the loan wise details for risk categorization. • Security value to be considered while calculating the ECL for loans which are secured. <p>Considering the materiality of the amounts and management estimates involved, these matters have been identified as a key audit matters for the current year audit.</p>	<ul style="list-style-type: none"> • Assessed the criteria for staging of financial assets based on their past-due status to check compliance with requirement of Ind AS 109. • Assessed the additional considerations applied by the Management for staging of loans or default categories. • Tested the ECL model, including assumptions and underlying computation. • Assessed the assumption for non-provisioning applied by the Group for financial assets with no dues. • Tested assumptions used by the Management for determining fair value of investments and the cash flow projections of the investee with reference to past experience.

Information other than the Financial Statements and Auditors' Report thereon

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

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

We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This respective board of directors of parent and its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and

prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the parent company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
4. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

1. The Consolidated annual Financial Statement includes the Holding Company's share of net Loss (Including other comprehensive income) in associate of Rs 1.76 Lakhs for the year ended March 2023 as considered in the Statement, whose audited financial results have not been audited by us. These financial result and

information have been furnished to us by the Management, and our conclusion on the statement in so far as it related to the amounts and disclosures included in respect of this associate company is based solely on such financial results and audit report issued by other auditor

Our opinion is not modified in respect of this matters.

Report on Other Legal and Regulatory Requirements

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

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

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the parent and its subsidiaries so far as it appears from our examination of those books and on the basis of other auditors' report.
3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including other comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of the written representations received from the parent company directors as on 31st March, 2023 taken on record by the parent company Board of Directors and on the basis of audit report of subsidiaries, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
7. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, is not applicable to parent. On the basis of audit report of one of the subsidiaries to whom the requirement of section 197(16) applies, the said subsidiary have complied with the requirement.
8. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note on contingent liabilities to the consolidated financial statements

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- The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.
- The respective board of directors have represented that, to the best of their knowledge and belief, as disclosed in the consolidated notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the parent and its subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent and its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The respective board of directors have represented, that, to the best of their knowledge and belief, as disclosed in the consolidated notes to accounts, no funds have been received by the parent and its subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the parent or its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice and on the basis of other auditor report that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
- The Company has not declared any dividend during the current financial year ended March 31, 2023.
- Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**Place: Mumbai
Date: May 15 2023**

**Gaurav Dhebar
Partner
Membership No. 153493
UDIN: 23153493BGQHWV5891**

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of KJMC Financial Services Limited. ("the parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group") as of 31 March 2023 in conjunction with our audit of the consolidated financial statements of the parent company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and on the basis of audit report of other auditors are sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information & according to the explanations give to us and based on the consideration of other auditor as referred in "Other Matter" para below, the group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

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

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

Place: Mumbai
Date: May 15, 2023

Gaurav Dhebar
Partner
Membership No. 153493
UDIN: 23153493BGQHWV5891

35TH ANNUAL REPORT 2022 - 2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023 CIN NO : L65100MH1988PLC047873

(Rs in '000')

PARTICULARS	NOTE NO.	As At 31.03.2023	As At 31.03.2022
ASSETS			
Financial Assets			
(a) Cash and cash equivalents	4	4,142	3,588
(b) Bank Balance other than (a)	5	400	400
(c) Loans	6	76,667	50,831
(d) Investments	7	8,71,369	8,65,039
(e) Other Financial Assets.	8	6,133	22,955
Non-Financial Assets			
(a) Current Tax Assets	9	2,859	4,442
(b) (i) Property, Plant & Equipment	10	9,192	8,490
(ii) Intangible assets		-	1
(c) Other Non Financial Assets.	11	955	435
Total assets		9,71,717	9,56,181
Financial Liabilities			
(a) Payables			
(l) Other Payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	12	937	622
(b) Borrowings(other than Debt Securities)	13	81,258	45,395
(c) Deposits	14	2,890	11,110
(d) Other Financial Liabilities	15	968	842
Non-Financial Liabilities			
(a) Provision	16	4,946	4,542
(b) Other Non Financial Liabilities	17	803	766
(c) Deferred Tax Liability (Net)	18	44,719	43,731
Equity			
(a) Equity Share Capital	19	47,857	47,857
(b) Other Equity	20	7,87,339	8,01,316
Total liabilities and equity		9,71,717	9,56,181

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 Batliboi & Purohit

Chartered Accountants

Registration No: 101048W

For and on behalf of the Board of Directors

KJMC FINANCIAL SERVICES LIMITED

Rajnish Jain
Whole time Director
DIN: 00151988

Girish Jain
Director
DIN: 00151673

Gaurav Dhebar

Partner

Membership No. 153493

Sajjan Bawri
Chief Financial Officer

Behla Tambawala
Company Secretary

Place : Mumbai

Date : 15th May 2023

Place : Mumbai

Date : 15th May 2023

CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023
CIN NO : L65100MH1988PLC047873

(Rs in '000')

PARTICULARS	NOTE NO.	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Interest Income		11,287	7,278
Income from Shares & Securities Trading		15,123	25,811
Dividend Income		2,120	2,007
Processing , Documentation & other Charges		320	860
Revenue from Operations	21	28,850	35,956
Other Income	22	2,341	1,935
Total Revenue		31,191	37,891
Expenses:			
Finance Costs	23	7,599	9,766
Employee Benefits Expenses	24	12,225	15,723
Depreciation and Amortization Expenses	11	2,016	1,069
Other Expenses	25	15,903	13,059
Total Expenses		37,743	39,617
Profit Before Tax		(6,552)	(1,726)
Tax Expense:			
(1) Current tax		-	-
(2) Deferred tax		2,634	(775)
(3) Earlier year Provision Written off		-	(2,085)
(4) Mat Credit Written off		-	6,192
		2,634	3,332
Profit for the Year		(9,186)	(5,058)
Add : Profit / (Loss) in Share of Associates		(30)	(9)
		(9,216)	(5,067)
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Profit / (Loss) on Sale of Investments (Equity) - Realised		8,797	2,556
Remeasurement gains/(losses) on defined benefit plans		71	69
Net Gain / (Loss) on Fair Value Changes - Unrealised		(15,826)	98,297
Share in Partnership Firm		696	22,208
Deferred Tax		1,646	16,241
Other comprehensive income for the year (net of tax)		(4,616)	1,39,371
Add : Profit / (Loss) in Share of Associates		(146)	166
Total		(13,978)	1,34,470
Earnings per Equity Share: (Rs)			
(1) Basic		(1.93)	(1.06)
(2) Diluted		(1.93)	(1.06)

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 Batliboi & Purohit

Chartered Accountants

Registration No: 101048W

For and on behalf of the Board of Directors

KJMC FINANCIAL SERVICES LIMITED

Rajnish Jain

Whole time Director

DIN: 00151988

Girish Jain

Director

DIN: 00151673

Gaurav Dhebar

Partner

Membership No. 153493

Sajjan Bawri

Chief Financial Officer

Behla Tambawala

Company Secretary

Place : Mumbai

Date : 15th May 2023

Place : Mumbai

Date : 15th May 2023

35TH ANNUAL REPORT 2022 - 2023

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2023 CIN NO : L65100MH1988PLC047873

(Rs in '000')

PARTICULARS	For the Year Ended 31.03.2023 (Audited)	For the Year Ended 31.03.2022 (Audited)
Cash Flow from Operating Activities		
Net Profit Before Tax	(6,553)	(1,570)
Adjustment for:		
Depreciation & amortisation	2,016	1,069
Grauity Provision through OCI	71	69
Addition/(Reversal) of Provision of Standard Assets	325	621
Interest and Financial Charges	7,599	9,766
Operating Profit Before Working Capital Changes	3,458	9,955
Changes in Working Capital		
(Increase)/Decrease in Loans	(25,836)	(650)
(Increase)/Decrease in other financial assets	16,822	(206)
(Increase)/Decrease in other non financial assets	(519)	(231)
Stock in Trade (Securities held for trading)	(22,982)	(20,039)
Increase/(Decrease) in other payables	315	(65)
Increase/(Decrease) in other financial liabilities	127	(6)
Increase / (Decrease) in Deposit (Liability)	(8,220)	(62)
Increase / (Decrease) in provisions	79	76
Increase/(Decrease) in other non financial Liabilities	37	(849)
(Increase)/ Decrease in Net Current Assets	(40,176)	(22,032)
Cash generated from Operations	(36,717)	(12,077)
Direct taxes paid (Net of refund)	1,583	(345)
Cash Flow Before Extraordinary Items	(35,134)	(12,422)
Extraordinary Items	-	-
Net Cash flow from Operating Activities	(35,134)	(12,422)
Cash Flow from Investment Activities		
Purchase & Sale of Shares/ units (Net)	16,651	(98,248)
Net (gain)/loss on Equity instruments at fair value through OCI (Unrealised)	(15,305)	1,20,507
Net (gain)/loss on Equity instruments through OCI (Realised)	8,797	2,556
Purchase of Property Plant & Equipment	(2,717)	(7,677)
Net Cash Flow from Investing Activities	7,425	17,138
Cash Flow From Financing Activities		
Borrowings other than debt securities issued (net)	35,862	6,215
Interest and Financial Charges	(7,599)	(9,766)
Net Cash Flow from Financing Activities	28,263	(3,551)
Net Increase in Cash and Cash Equivalents	554	1,165



KJMC FINANCIAL SERVICES LIMITED

PARTICULARS	For the Year Ended 31.03.2023 (Audited)	For the Year Ended 31.03.2022 (Audited)
Cash and Cash Equivalents at the beginning of the Year *	3,988	2,823
Cash and Cash Equivalents at the close of the Year *	4,542	3,988
* Cash and Cash Equivalents comprise of :		
Cash in hand	464	255
Balance in current account	3,678	3,333
In Deposit Accounts with Less than 12 months'	400	400
Total	4,542	3,988

Note:-

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

As per our report of even date attached
For Batliboi & Purohit
Chartered Accountants
Registration No: 101048W

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

Rajnish Jain
Whole time Director
DIN: 00151988

Girish Jain
Director
DIN: 00151673

Gaurav Dhebar
Partner
Membership No. 153493

Sajjan Bawri
Chief Financial Officer

Behla Tambawala
Company Secretary

Place : Mumbai
Date : 15th May 2023

Place : Mumbai
Date : 15th May 2023

35TH ANNUAL REPORT 2022 - 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2023 CIN NO : L65100MH1988PLC047873

Statement of Changes in Equity

(Rs in '000')

Particulars	For the year ended	
	31st March 2023	31st March 2022
Balance of the Beginning of the year	47,857	47,857
Changes in equity	-	-
	47,857	47,857

Other Equity for the year ended 31st March 2023

(Rs in '000')

Particulars	Note No	Reserves and Surplus						Total
		General Reserve	Securities Premium	Capital Redemption Reserve	Other Comprehensive Income'	Special Reserve	Profit & Loss A/c	
Balance as on 31.03.2022	20	2,786	14,410	49,900	7,43,718	10,424	(19,922)	8,01,316
Profit after tax				-		-	(9,216)	(9,216)
Other Comprehensive Income (Net of tax)					(4,761)	-	-	(4,761)
		2,786	14,410	49,900	7,38,957	10,424	(29,138)	7,87,339
Transfer to Reserve		-		-	-		-	-
Balance as on 31.03.2023		2,786	14,410	49,900	7,38,957	10,424	(29,138)	7,87,339

Other Equity for the year ended 31st March 2022

(Rs in '000')

Particulars	Note No	Reserves and Surplus						Total
		General Reserve	Securities Premium	Capital Redemption Reserve	Other Comprehensive Income'	Special Reserve	Profit & Loss A/c	
Balance as on 31.03.2021	20	2,786	14,410	49,900	6,04,179	10,424	(14,855)	6,66,844
Addition								
Profit after tax		-	-	-	-	-	(5,067)	(5,067)
Other Comprehensive Income (Net of tax)		-	-	-	1,39,539	-	-	1,39,539
		2,786	14,410	49,900	7,43,718	10,424	(19,922)	8,01,316
Transfer to Reserve		-	-	-	-	-	-	-
Balance as on 31.03.2022		2,786	14,410	49,900	7,43,718	10,424	(19,922)	8,01,316

As per our report of even date attached

For Batliboi & Purohit

Chartered Accountants

Registration No: 101048W

For and on behalf of the Board of Directors

KJMC FINANCIAL SERVICES LIMITED

Rajnish Jain

Whole time Director

DIN: 00151988

Girish Jain

Director

DIN: 00151673

Gaurav Dhebar

Partner

Membership No. 153493

Sajjan Bawri

Chief Financial Officer

Behla Tambawala

Company Secretary

Place : Mumbai

Date : 15th May 2023

Place : Mumbai

Date : 15th May 2023

Notes to Consolidated financial statements for the year ended 31 March 2023
1. Corporate information

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

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

The audited consolidated financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 15th May 2023, Board of Directors of the Company approved and recommended the audited consolidated financial statements for consideration and adoption by the shareholders in its annual general meeting.

2. Basis of preparation

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

2.1 Presentation of financial statements
The Group presents its Balance Sheet in order of liquidity.

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

Critical accounting estimates and judgments

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

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

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

2.2 Principles of consolidation

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

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

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

Sr. No.	Name of Subsidiary	Country of Incorporation	Ownership Interest	
			31.03.2023	31.03.2022
1.	KJMC Trading & Agency Ltd	India	100%	100%

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

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

(Rs in '000')

	Net Assets , i.e. , total assets minus total liabilities		Share in profit or loss		Share in other comprehensive Income		Share in total comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5	6	7	8	9
Parent : KJMC Financial Services Ltd	82.48%	6,88,907	96.96%	(8,936)	111.55%	(5,312)	101.93%	-14,248
Subsidiaries -								
Indian								
KJMC Trading & Agency Ltd	17.59%	1,46,902	2.71%	(250)	(14.61%)	696	-3.19%	444
Minority interest in all subsidiaries	-	-	-	-	-	-	-	-
Associates (Investment as per the equity method) –								
Indian								
KJMC Platinum Builders Pvt Ltd	-	-	0.33%	(30)	3.07%	(146)	1.26%	(176)
Joint Ventures	-	-	-	-	-	-	-	-

3 Summary of significant accounting policies

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

3.1 Income

(i) Interest income

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

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

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

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

(ii) Dividend income

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

(iii) Other revenue from operations

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

(a) Fees and commission

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

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

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

(b) Net gain on fair value changes

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

realised gains/losses on subsequent sale of investments are recognized through FVOCI or FVTPL as applicable.

(c) Recoveries of financial assets written off

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

(iv) Taxes.

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

3.2 Expenditures

(i) Finance costs

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

(ii) Fees and commission expenses

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

(iii) Taxes.

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

3.3 Cash and cash equivalents

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

3.4 Financial instruments

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

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

(i) Financial Assets

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

Initial measurement.

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

Subsequent measurement

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

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

(a) Debt instruments at FVOCI

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

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

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

(b) Debt and Equity instruments at FVTPL

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

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

(c) Equity investments designated under FVOCI

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

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

Impairment of financial assets

ECL are recognised for financial assets held under loan portfolio

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

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

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

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

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

(a) Credit impaired (stage 3)

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

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

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

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

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of

default of the loan exposure. However, unless identified at an earlier stage, 120 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

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

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

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

(ii) Financial liabilities

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

Initial measurement

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

Subsequent measurement

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

Derecognition

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

(iii) Offsetting of financial instruments

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

(IV) Investment in subsidiaries

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

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

3.5 Taxes

(a) Current tax

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

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

(b) Deferred tax

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

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

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

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

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

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

3.6 Property, plant and equipment

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

Depreciation on property, plant and equipment

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

3.7 Intangible assets and amortisation thereof

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

3.8 Impairment of non-financial assets

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

3.9 Provisions and contingent liabilities

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably

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

3.10 Foreign currency translation

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

Initial recognition

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

Conversion

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

Exchange differences

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

3.11 Retirement and other employee benefits

(a) Gratuity

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

(b) Provident fund

Provident Fund Contributions are made to Recognized Provident Fund.

3.11 Leases

Measurement of Lease Liability

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

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

Measurement of Right-of-use assets

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

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

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

3.12 Fair value measurement

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

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

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

Fair value measurement has been done for investments and Deposits (Both Given and Taken). Listed investments have been valued at the market price at which the respective investments were quoting as on 31.03.2023. Unlisted investments have been valued on the basis of the valuation certificates issued by an approved valuer. Both deposits given and taken have been valued at the Net present value applying the EIR method as explained in 3.1

(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
Note -4 : Cash and cash equivalents		
Cash in Hand	464	255
Balance with Banks		
- In Current Accounts	3,678	3,333
Total	4,142	3,588
Note -5 : Bank Balance		
Other Bank Balances		
- On Deposit Accounts		
With Less than 12 month's maturity	400	400
Total	400	400
Note -6 : Loans (Good unless otherwise stated)		
Secured		
Against hypothecation of automobiles.	4,902	9,091
Less - Impairment Loss allowance	-	-
Total A	4,902	9,091
Unsecured		
Others		
Loans to Others (Unsecured, Considered good)	51,848	31,602
Loans to Others (Secured by Pledge of Securities)	10,000	-
Related Parties :		
- Unsecured, Considered good		
Loans to Related Party	9,917	10,138
Less - Impairment Loss allowance	-	-
Total B	71,765	41,740
Total A+ B	76,667	50,831
Note - Unsecured Loan given to related party @ 14 p.a		
Note - 7: Investments		
(A) At Cost		
Investment in Associates	13,022	13,198
Total	13,022	13,198

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(Rs in '000')		
Particulars	As at 31.03.2023	As at 31.03.2022
(B) At fair value through Other Comprehensive Income		
i) In equity instruments	70,822	72,168
Add: Fair value gains/(losses)	7,35,403	7,50,784
ii) In CCDs (Unquoted)	1,000	4,000
Add: Fair value gains/(losses)	350	(43)
iii) In CCPS (Unquoted)	3,000	-
Add: Fair value gains/(losses)	(143)	-
	8,10,432	8,26,909
(C) Stock in trade measured at Fair Value through Profit and Loss Account		
i) In CCPS (Unquoted)	501	-
Add: Fair value gains/(losses)	50	-
ii) In Government Securities	7,604	-
iii) In Equity Shares (Quoted)	31,446	22,071
Add: Fair value gains/(losses)	2,583	2,861
iv) In Equity Shares (Unquoted)	5,759	-
Add: Fair value gains/(losses)	(28)	-
	47,915	24,932
Grand Total (A+B+C)	8,71,369	8,65,039
Out of the above		
In India	8,71,369	8,65,039
Outside India	-	-
	8,71,369	8,65,039
Note -8 : Other Financial Assets		
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	5,604	4,132
Security Deposits		
Unsecured, considered good	529	11,092
Interest accrued and impact of EIR	-	7,731
Total	6,133	22,955
Note -9 : Current Tax Assets		
Advance Income Tax	5,992	7,649
Less: Provision for Taxation	(3,133)	(3,207)
Total	2,859	4,442

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

Description	Gross Block				Depreciation			Net Block		
	As on 1.04.2022	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2023	As on 1.04.2022	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2023	As on 31.03.2022
Building	10,849	-	-	-	10,849	10,032	149	-	10,181	817
Computers	698	133	-	-	831	658	94	-	752	40
Furniture & Fixtures	6,646	1,771	-	-	8,417	6,575	188	-	6,763	71
Office Equipments	2,426	228	-	-	2,654	2,322	119	-	2,441	104
Vehicles	9,964	585	-	-	10,549	2,506	1,465	-	3,971	7,458
Total (A)	30,583	2,717	-	-	33,300	22,093	2,015	-	24,108	8,490

Fixed Assets - Intangible

Description	Gross Block				Depreciation			Net Block		
	As on 1.04.2022	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2023	As on 1.04.2022	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2023	As on 31.03.2022
Computer Software	80	-	-	-	80	79	1	-	80	1
Right of Use	-	-	-	-	-	-	-	-	-	-
Total (B)	80	-	-	-	80	79	1	-	80	1
Total (A+B)	30,663	2,717	-	-	33,380	22,172	2,016	-	24,188	8,491

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Description	Gross Block				Depreciation			Net Block		
	As on 01.04.2021	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2022	As on 01.04.2021	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2022	As on 31.03.2021
Building	10,849	-	-	-	10,849	9,852	181	-	10,033	998
Computers	673	-	-	-	673	618	40	-	658	55
Furniture & Fixtures	6,646	25	-	-	6,671	6,572	2	-	6,574	74
Office Equipments	2,340	86	-	-	2,426	2,210	112	-	2,322	130
Vehicles	2,397	7,567	-	-	9,964	1,778	728	-	2,506	619
Total (A)	22,905	7,678	-	-	30,583	21,030	1,063	-	22,093	1,876

Fixed Assets - Intangible

Description	Gross Block				Depreciation			Net Block		
	As on 01.04.2021	Additions/ Adjustments during the year	Sale/ Adjustments during the year	Impairment/ Reversal during the year	As on 31.03.2022	As on 01.04.2021	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2022	As on 31.03.2021
Computer Software	80	-	-	-	80	73	6	-	79	7
Total (B)	80	-	-	-	80	73	6	-	79	7
Total (A+B)	22,985	7,678	-	-	30,663	21,103	1,069	-	22,172	1,883

(Rs in '000')

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Particulars	As at 31.03.2023	As at 31.03.2022
Note -11 : Other Non Financial Assets		
Other	955	435
Total	955	435
Note - 12 Payables		
(I) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	937	622
Total	937	622

Particulars	Outstanding from due date of Payment				
	< 1 Year	1 to 2 years	2 to 3 years	>3 years	Total
As at 31st March, 2023					
MSME					
Trade Payable	-	-	-	-	-
Other Payable	847	11	55	24	937
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-
Total	847	11	55	24	937
As at 31st March, 2022					
MSME					
Trade Payable	-	-	-	-	-
Other Payable	541	57	24	-	622
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	-
Total	541	57	24	-	622

(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
Note -13 : Borrowings		
(A) In India		
At amortised Cost		
Vehicle Loans (Term Value) : (Secured against hypothecation of Vehicle)	5,685	6,738
Loan from NBFC (Secured)		

(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
(Loans secured against pledge of shares bearing interest rate @ 9.85%, repayable on demand.)	69,618	33,157
Loan from Group Company (Unsecured) bearing interest rate @ 12.00%	5,955	5,500
Total A	81,258	45,395
(B) Outside India		
Total B	-	-
Total A+B	81,258	45,395
Out of Above		
Secured(Against hypothecation of Fixed Deposit and Vehicles, Equitable mortgage of properties, Pledge of Shares)	75,303	39,895
Unsecured	-	-
	75,303	39,895
Note -14 : Deposits		
At amortised cost		
Security Deposits		
Interest free deposit from related party payable from Related Parties :	2,350	7,339
Interest accrued and impact of EIR	540	3,771
Total	2,890	11,110
Note -15 : Other Financial Liabilities		
Employee Dues	609	484
Provision for Expenses	337	336
Other	22	22
Total	968	842
Note - 16 : Provision		
Provision for Ex- Gratia	868	789
Provision against Standard Asset & Non Performing Assets as per RBI & ECL norms	4,078	3,753
Total	4,946	4,542
Note - 17 : Other Non Financial Liabilities		
Statutory Dues	782	705
Other	21	61
Total	803	766
Note -18 : Deferred Taxation		
Deferred Tax Assets		
Business Loss	15,889	16,647
Unabsorbed Depreciation	377	1,161
Unabsorbed Long Term Capital Loss	-	470
Fixed Assets (Diff in W.D.V)	398	385
Disallowance u/s 43B of the Income Tax, 1961	219	199
	16,883	18,862
Deferred Tax Liability		
Deferred Tax Liability	61,602	62,593
Deffered tax Liability Net	44,719	43,731

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(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
Note -19 : Share Capital		
Authorised:		
4,71,50,000 (Previous Year: 4,71,50,000) Equity Shares of Rs 10/- each	4,71,500	4,71,500
85,000 (Previous Year: 85,000) Redeemable Preference shares of Rs 100/- each	8,500	8,500
1,15,000 (Previous Year: 1,15,000) 0% Compulsorily Convertible Preference Shares of Rs 100/- each	11,500	11,500
13,00,000 (Previous Year: 13,00,000) Preference Shares of Rs 100/- each	1,30,000	1,30,000
	6,21,500	6,21,500
Issued,Subscribed and Paid up:		
47,85,740 (Previous Year: 47,85,740) Equity Shares of Rs 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

(Rs in '000')

Particulars	Nos	Amount
As at 1st April 2021	47,85,740	47,857
Add: Equity Share Capital issued during the year	-	-
As at 31st March 2022	47,85,740	47,857
As at 1st April 2022	47,85,740	47,857
Add: Equity Share Capital issued during the year	-	-
As at 31st March 2023	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 Rs 10 per share. Each shareholder of equity share is entitled to one vote per share.

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

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

Equity Shares of Rs.10 each	As at 31.03.2023		As at 31.03.2022	
	No. of Shares held	%age of Holding	No. of Shares held	%age of Holding
Chand Devi Jain	18,60,576	38.88%	13,87,242	28.99%
KJMC Corporate Advisors (I) Ltd.	-	-	9,50,000	19.85%
KJMC Shares & Securities Ltd.	-	-	2,45,000	5.12%
I. C. Jain HUF	2,67,065	5.58%	2,67,065	5.58%
Rajnesh Jain	5,95,668	12.45%	1,97,335	4.12%
Girish Jain	5,95,668	12.45%	1,97,335	4.12%

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

(Rs in '000')

Particulars	As at 31.03.2023	As at 31.03.2022
Note -20 : Other Equity		
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	2,786	2,786
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	2,786	2,786
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
Other Comprehensive Income¹		
Balance brought forward from last year	7,43,718	6,04,179
Employee Benefit	71	69
Movement in OCI (Net) during the period	(4,832)	1,39,470
	7,38,957	7,43,718
Special Reserve		
As per last balance sheet	10,424	10,424
Add : Addition during the year	-	-
Less : Deduction during the year	-	-
Closing Balance	10,424	10,424
Surplus/(Deficit) in the statement of profit and loss		
Balance brought forward from last year	(19,922)	(14,855)
Add:		
Profit for the Year	(9,216)	(5,067)
Amount available for appropriation	(29,138)	(19,922)
Less : Appropriations		
a) Special Reserve *	-	-
b) General Reserve	-	-
Balance carried forward	(29,138)	(19,922)
Total	7,87,339	8,01,316

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(Rs in '000')

Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Note -21 : Revenue from Operations		
Interest Income	11,287	7,278
Income from Shares & Securities Trading	15,122	25,811
Dividend Income	2,120	2,007
Processing & Documentation Fees	320	860
Total	28,849	35,956
Note -22 : Other Income		
Compensation for Use of Office & Common Facilities	543	808
Miscellaneous Income	252	-
Interest Income_Others	1,230	978
Share in Partnership Firm	316	149
Total	2,341	1,935
Note -23 : Finance Costs		
Interest to other/NBFC	5,450	9,363
Interest to Bank	2,055	131
Bank Charges	94	272
Total	7,599	9,766
Note -24 : Employee Benefit Expenses		
Salaries and wages	11,512	14,816
Contribution / provisions to provident, Gratuity and other provisions.	451	446
Staff welfare expenses	261	461
Total	12,224	15,723
Note -25 : Other Expenses		
Advertisement	53	50
Auditors Remuneration (for break up refer below)	203	151
Business Promotion Expenses	311	149
Electricity Expenses	78	232
Infrastructural Support service Expenses	238	238
Insurance Expenses	56	19
Computer Software Expenses	53	377
Listing Fees	300	300
Penal Charges - DL_NPA Reversal	-	926
Collection Charges_NPA Reversal	-	9
Miscellaneous Expenses	931	983
Motor Car Expenses	727	528
Service Charge	-	44
Office Maintenance & Utility Expenses	240	182
Postage & Telegram	5	5
Printing & Stationery	46	42
Professional & Consul. Fees Exp	8,275	3,466

Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
Rent	2,524	2,765
Repairs & Maintenance (Others)	245	294
Subscription & Membership	75	59
Travelling Expenses	1,161	1,582
Provision for ECL Provision	325	621
Loan Written off	57	37
Total	15,903	13,059
As Statutory Auditor		
As Audit Fees	105	76
For Taxation matters	24	-
For Limited Review	74	75.00
	203	151

26. Contingent Liabilities

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

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

28. Earnings per Share:

(Rs. in '000')

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Net Profit / (Loss) for the year (Rs. in '000)	(13,978)	1,34,470
Less : Other Comprehensive Income	(4762)	1,39,537
Net Profit/(Loss) for calculation of EPS (Rs. in '000)	(9,216)	(5,067)
The weighted average Number of Equity Share (Nos.)- (Basic)	47,85,740	47,85,740
The weighted average Number of Equity Share (Nos.)- (Diluted)	47,85,740	47,85,740
Face value (Rs.)	10	10
Earnings per Share (Basic)	(1.93)	(1.06)
Earnings per Share (Diluted)	(1.93)	(1.06)

29. Earnings and Expenditure in Foreign Currency

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

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

30. Related party disclosures under Indian Accounting Standard - 24:
List of related parties:
a) Key Management Personnel

Inderchand Jain	-	Director
Rajnesh Jain	-	Whole Time Director
Girish Jain	-	Director
Sajjan Bawri	-	Chief Financial Officer
Behla Tambawala	-	Company Secretary (from 28/02/2023)
Mahipal Chouhan	-	Company Secretary (till 27/02/2023)

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Nitin Kulkarni	-	Independent Director
S C Aythora	-	Independent Director
Vijay Joshi	-	Independent Director
Anil Sampat	-	Independent Director

b) Relatives of Whole Time Director.

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

c) Enterprises over which key management personnel is able to exercise significant influence:

KJMC Corporate Advisors (India) Limited	KJMC Capital Market Services Limited
KJMC Shares and Securities Limited	KJMC Credit Marketing Limited
Puja Trades & Investments Private Limited	AKIP Venture Private Limited
Prathmesh Enterprises Private Limited	KJMC Investments Co
Khandelwal Jain & Co	

d) Associates

KJMC Platinum Builders Private Limited

Transactions during the year with related parties:

(Rs. in '000')

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
1	Interest Income						
	Prathmesh Enterprises Private Limited	-	-	-	-	69	-
	Rajnesh Jain	-	-	1,372	1,372	-	-
	Puja Trades & Investments Private Limited	-	-	-	-	12	-
	KJMC Capital Market Services Limited	-	-	-	-	5	-
2	Interest Paid	-	-	-	-		
	KJMC Platinum Builders Private Limited	-	37	-	-	-	-
	KJMC Realty Private Limited	-	-	-	-	455	1,205
	Prathmesh Enterprises Private Limited	-	-	-	-	55	-
	Puja Trades & Investments Private Limited	-	-	-	-	61	-
3	Board Meeting Fees	-	-	-	-	-	-
	Inderchand Jain	-	-	20	20	-	-
	Shraddha Jain	-	-	16	16	-	-
	Girish Jain	-	-	17	18	-	-
4	Salary and Perquisites	-	-	-	-	-	-
	Rajnesh Jain	-	-	8,130	11,621	-	-
5	Rent Paid	-	-	-	-	-	-
	Rajnesh Jain	-	-	1,296	1,296	-	-
	Shraddha Jain	-	-	460	460	-	-
	Chanddevi Jain	-	-	46	46	-	-
6	Professional Fees Paid						
	Aayushi Jain	-	-	-	250	-	-
	Khandelwal Jain & Co	-	-	-	-	350	163

(Rs. in '000')

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
7	Loan Taken	-	-	-	-	-	-
	KJMC Platinum Builders Private Limited	-	6,600	-	-	-	-
	KJMC Realty Private Limited	-	-	-	-	-	3,800
	Prathmesh Enterprises Private Limited	-	-	-	-	8,500	-
	Puja Trades & Investments Private Limited	-	-	-	-	12,219	-
8	Loan given to Borrower					-	
	KJMC Capital Market Services Limited	-	-	-	-	5,000	-
	Prathmesh Enterprises Private Limited	-	-	-	-	1,200	-
	Puja Trades & Investments Private Limited	-	-	-	-	3,300	-
9	Security Deposit Received Back	-	-	-	-	-	-
	Puja Trades & Investments Private Limited	-	-	-	-	19,000	-
10	Asset Purchased	-	-	-	-	-	-
	Khandelwal Jain & Co	-	-	-	-	585	-
11	Repayment of Loan by Borrower	-	-	-	-	-	-
	Prathmesh Enterprises Private Limited	-	-	-	-	1,200	-
	Puja Trades & Investments Private Limited	-	-	-	-	3,300	-
	KJMC Capital Market Services Limited	-	-	-	-	5,000	-
12	Security Deposit Paid						
	Mr. Rajnesh Jain	-	-	-	144	-	-
	Mrs. Shraddha Jain	-	-	-	51	-	-
	Mrs.Chanddevi Jain	-	-	-	5	-	-
13	Security Deposit Repaid						
	KJMC Capital market Services Limited	-	-	-	-	8,500	-
14	Loan Repaid	-	-	-	-	-	-
	KJMC Platinum Builders Private Limited	-	6,600	-	-	-	-
	KJMC Realty Private Limited	-	-	-	-	-	10,190
	Inderchand Jain	-	-	-	-	-	1,000
	Prathmesh Enterprises Private Limited	-	-	-	-	8,500	-
	Puja Trades & Investments Private Limited	-	-	-	-	12,219	-
15	Rent Income						
	KJMC Corporate Advisors (India) Limited	-	-	-	-	30	30
16	Infrastructural Support Services						
	KJMC Capital Market Services Limited	-	-	-	-	238	238
17	Brokerage Charges						
	KJMC Capital Market Services Limited	-	-	-	-	38	162
18	Depository Charges						
	KJMC Capital Market Services Limited	-	-	-	-	29	73
19	Purchase of Shares						
	KJMC Corporate Advisors (India) Limited	-	-	-	-	1,001	-

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(Rs. in '000')

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
20	Sale of Shares						
	KJMC Corporate Advisors (I) Limited	-	-	-	-	-	5,000
	KJMC Platinum Builders Private Limited	-	162	-	-	-	-
	KJMC Capital Market Services Limited	-	-	-	-	1,125	-
21	Service Received						
	KJMC Investments Co	-	-	-	-	-	240
22	Reimbursement of Expenses Paid						
	KJMC Corporate Advisors (India) Limited	-	-	-	-	17	14
23	Net Receivables						
	Rajnish Jain	-	-	9,917	10,138	-	-
	Puja Trades & Investments Private Limited (Security Deposit)	-	-	-	-	-	19,000
24	Net Payables						
	KJMC Capital Market Services Limited (Security Deposit)	-	-	-	-	1,500	10,000
	KJMC Realty Private Limited (Loan)	-	-	-	-	5,955	5,500
	KJMC Corporate Advisors (India) Limited (Security Deposit)	-	-	-	-	1,500	1,500
25	Balances in Investment in Associates						
	KJMC Platinum Builders Limited	12,635	12,635	-	-	-	-
26	Security and Corporate Guarantee given to Union Bank of India on behalf of KJMC Financial Services Limited by						
	Puja Trades & Investments Private Limited.	-	-	-	-	-	36,600

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

31 Obligations on long-term, non-cancellable operating leases

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

(Rs. in '000')

Particulars	Year Ended	
	31.03.2023	31.03.2022
Lease rental recognized during the year	NIL	NIL
Lease obligation Payable		
Within one year of the balance sheet date	NIL	NIL
Due in a period between one year and five years	NIL	NIL

32. Financial risk management objective and policies

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

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

a) Market risk:

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

1) Interest rate risk:

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

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

(Rs. in '000')

	As at 31st March'23	As at 31st March'22
Variable rate borrowings*	69,618	33,158

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

(Rs. in '000')

	Increase/ decrease in basis points	Effect on Profit before tax
As on 31 March 2023	+ 50 / - 50	348.09
As on 31 March 2022	+ 50 / - 50	165.79

2) Foreign currency risk:

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

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

3) Credit Risk:

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

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

(Rs. in'000')

	As at 31st March'23	As at 31st March'22
Movement in allowance for credit loss during the year was as follows :		
Opening Balance	3,753	3132
Add :- Provided during the year	325	621
Less :- Reversal during the year	-	-
Balance as at 31 March 2023	4,078	3753
Loans	76,667	50,831

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

b) **Liquidity Risk:**

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

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

(Rs. in '000')

	Carrying Amount / fair value	31-Mar-23			
		Less than 1 year	2-5 years	More than 5 years	Total
Financial Liabilities					
Other payables	937	847	90	-	937
Borrowings	81,258	6,796	74,462	-	81,258
Other financial liabilities	968	968	-	-	968
Deposits	2,890	-	2,890	-	2,890
	86,053	8,611	77,442		86,053

(Rs. in '000')

	Carrying Amount / fair value	31-Mar-22			
		Less than 1 year	2-5 years	More than 5 years	Total
Financial Liabilities					
Other payables	622	541	81	-	622
Borrowings	45,395	39710	5685	-	45,395
Other financial liabilities	842	842	-	-	842
Deposits	11,110	-	-	11,110	11,110
	57,969	41,093	5766	11,110	57,969

ii) **Capital Management**

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

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

(Rs in '000')

	As at 31-Mar-23	As at 31-Mar-22
Gross debt (inclusive of long term and short term borrowing)	81,258	45,395
Less: Cash and cash equivalents	4,542	3,988
Net debt	76,716	41,407
Total equity	8,35,196	8,49,173
Total capital	9,11,912	8,90,580
Gearing ratio	8.41%	4.65%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022

iii) Categories of financial instruments and fair value thereof

(Rs in '000')

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost
A) Financial assets (other than investment in subsidiaries & Associates)						
Cash and cash equivalents	-	-	4,142	-	-	3,588
Bank Balance other than (a) above	-	-	400	-	-	400
Loans	-	-	76,667	-	-	50,831
Investments	8,10,433	47,914	13,022	8,26,909	24,932	13,198
Other financial assets	-	-	6,133	-	-	22,955
total financial assets	8,10,433	47,914	1,00,364	8,26,909	24,932	90,972
B) Financial liabilities						
Other payables	-	-	937	-	-	622
Borrowings	-	-	81,258	-	-	45,395
Other financial liabilities	-	-	968	-	-	842
Deposits	-	2,890	-	-	11,110	-
total financial liabilities	-	2,890	83,163	-	11,110	46,859

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

iv Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2023 & 31 March 2022.

(Rs in '000')

Financial assets	As at 31 March 2023				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at FVTOCI					
Investments	8,10,433	8,10,433	8,06,226	-	4,207
Financial assets measured at FVTPL					
Investments	47,914	47,914	47,914	-	-
Financial assets measured at amortised cost					
Investments	13,022	13,022	-	13,022	-
Total	8,71,369	8,71,369	8,54,140	13,022	4,207

(Rs in '000')

Financial assets	As at 31 March 2022				
	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets measured at FVTOCI					
Investments	8,26,909	8,26,909	8,22,952	-	3,957
Financial assets measured at FVTPL					
Investments	24,932	24,932	24,932	-	-
Financial assets measured at amortized cost					
Investments	13,198	13,198	-	13,198	-
Total	8,65,039	8,65,039	8,47,884	13,198	3,957

Fair Value Hierarchy:

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

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

33. Employee Benefit Plans

Defined Benefit plans

A. Gratuity

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

Movement in defined benefits obligations

(Rs in '000')

Particulars	As at 31st March 2023	As at 31st March 2022
Present Value of Benefit Obligation at the Beginning of the Period	789	713
Interest Cost	54	46
Current Service Cost	96	99
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(1)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(32)	(33)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(39)	(35)
Present Value of Benefit Obligation at the End of the Period	868	789

Reconciliation of net liability / asset

(Rs in '000')

Particulars	As at 31st March 2023	As at 31st March 2022
Opening Net Liability	789	713
Expenses Recognized in Statement of Profit or Loss	150	145
Expenses Recognized in OCI	(71)	(69)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	868	789

Expenses charged to the statement of Profit and Loss

(Rs in '000')

Particulars	As at 31st March 2023	As at 31st March 2022
Current Service Cost	95	99
Net Interest Cost	55	46
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	150	145

Measurement (gains)/ Losses in other comprehensive income.

(Rs in '000')

Particulars	As at 31st March 2023	As at 31st March 2022
Actuarial (Gains)/Losses on Obligation For the Period	(71)	(69)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(71)	(69)

Amount recognized in Balance Sheet.

(Rs in '000')

Particulars	As at 31st March 2023	As at 31st March 2022
(Present Value of Benefit Obligation at the end of the Period)	(868)	(789)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(868)	(789)
Net (Liability)/Asset Recognized in the Balance Sheet	(868)	(789)

Change in the Fair Value of Plan Assets

Particulars	As at 31st March 2023	As at 31st March 2022
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-

B. Defined Contribution Scheme

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

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

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

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

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

b) Valuation of PP&E and Intangible Assets :

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

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

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	NIL	NIL
Directors (Rs in '000')	9,917	12.94%
KMPs	NIL	NIL
Related Parties	NIL	NIL

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

(i) CWIP ageing Schedule

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

e) Details of benami property held :

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

f) Borrowing secured against current assets :

No borrowing has been secured against current assets.

g) Wilful defaulter :

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

h) Relationship with struck

There is no relationship or transaction with any struck off companies under Section 248 of the Companies Act, 2013, or Section 560 of the Companies Act, 1956.

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

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

j) Compliance with number of layers of Companies :

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

k) Financial ratios

Ratios	Numerator	Denominator	Current	Previous	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	17.58	1.19	1375.6	Current Liabilities has been reduced
Debt-equity ratio	Total Debt	Shareholder's Equity	9.7%	5.3%	82.0%	Loan has been increased during the year
Debt service coverage ratio	Earnings available debt service	Debt Service	0%	10%	-95.7%	Loss has been increased during the year
Return on equity ratio	Net Profits after taxes	Shareholder's Equity	-1.10%	-0.60%	84.9%	Loss has been increased during the year
Net Capital turnover ratio	Net Sales	Average working Capital	49%	394%	-87.60%	Revenue Decreased Average Working Capital increased
Net profit ratio	Net Profit after tax	Net Sales	-31.95%	-14.09%	126.7%	Loss has been increased during the year
Return on Capital employed	Earnings before interest and taxes	Capital Employed	0.13%	0.95%	-86.8%	Loss has been increased during the year
Return on investment	Earnings before interest and tax	Average total assets	0.11%	0.90%	-88.0%	Return on Investment Decreased

Notes :

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

l) Compliance with approved schemes (s) arrangements :

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

m) Utilisation of borrowed funds and share premium:

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

n) Undisclosed income:

There has been no undisclosed income surrendered or disclosed during the current or previous year in the tax assessments under the Income Tax Act.

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

The Company has not engaged in any trading or investment activities related to crypto currency during the current or previous year.

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 Batliboi & Purohit
Chartered Accountants
Registration No: 101048W

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

Rajnish Jain
Whole time Director
DIN: 00151988

Girish Jain
Director
DIN: 00151673

Gaurav Dhebar
Partner
Membership No. 153493

Sajjan Bawri
Chief Financial Officer

Behla Tambawala
Company Secretary

Place : Mumbai
Date : 15th May 2023

Place : Mumbai
Date : 15th May 2023



To,



If Undelivered Please Return To:

KJMC FINANCIAL SERVICES LIMITED

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

Tel No.: 022-4094 5500

Email : investor.financial@kjmc.com CIN : 165100MH1988PLC047873