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11th Annual Report
1998-99

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KJMC

FINANCIAL SERVICES LIMITED

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KJMC FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

Mr. I.C. Jain (Chairman)
Mr. J.S. Bhatnagar
Mr. V.N. Dhoot
Mr. Sunil Gandhi
Mr. Akshay Jain
Mr. Girish Jain
Mr. R.R. Kumar
Mr. Sanjay Maloo
Mr. Rajendra Somani
Mr. S.J. Taparia
Vice Admiral Raviprakash Sahwney (Retd.)
Mr. Rajnesh Jain (Alternate Director to Mr. Sunil Gandhi)
Mr. Pankaj Jain (Alternate Director to Mr. Sanjay Maloo)

AUDITORS

Batliboi and Purohit
Chartered Accountants
National Insurance Building
204, D.N. Road, Fort,
Mumbai 400001.

ADVOCATES AND SOLICITORS

Malvi Ranchoddas & Co.
Yusuf Building, 3rd Floor,
Mahatma Gandhi Road
Mumbai 400 023.

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BANKERS

UTI Bank Ltd.
Union Bank of India
Canara Bank
Standard Chartered Bank
State Bank of India
United Commercial Bank

REGISTERED OFFICE

168, Atlanta, 16th Floor,
Nariman Point,
Mumbai 400 021.

BRANCH OFFICES

NEW DELHI
221, Hans Bhavan,
Bahadur Shah Zafar Marg,
New Delhi 110 002.

CALCUTTA
16, Netaji Subash Road,
4th Floor, Calcutta 700 001.

JAIPUR
213, Laxmi Complex,
M.I. Road, Jaipur 302003.

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NOTICE

Notice is hereby given that Eleventh Annual General Meeting of the Members of KJMC Financial Services Limited will be held on Wednesday, 29th September 1999 at 4.00 P.M. at S. K. Somani Memorial Hall, Hindi Vidya Bhawan, 79-Marine Drive, F Road, Mumbai - 400 020 to transact the following business:-

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 1999 and the Balance Sheet as at that date, and the Report of the Auditors thereon and the Directors' Report.
2. To declare Dividend (including confirmation of interim) on Preference Capital.
3. To declare Dividend on Equity Capital.
4. To appoint a Director in place of Mr. Inder Chand Jain, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Akshay Jain, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Girish Jain, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Mr. Shiv Ratan J. Taparia, who retires by rotation and being eligible, offers himself for re-appointment.
8. To appoint Auditors and fix their remuneration.

NOTES :

A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The Instrument of Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

B) The Register of Members and Share Transfer Books of the Company will be closed from 17th September 1999 to 29th September 1999 both days inclusive, for the purpose of payment of Dividend.

C) The dividend on shares as recommended by the Directors for the year ended 31st March 1999, if declared at the meeting, will be payable on or before 9th November 1999 to the eligible members.

D) With a view to provide protection against fraudulent encashment of Dividend Warrants, Members are requested to immediately inform the Company of their Bank Account No., Name and Address of the Bank, for incorporating the same in the Dividend Warrant. Members will appreciate that the Company and the Bankers will not be responsible for any loss in any way, arising out of fraudulent encashment of Dividend Warrants or Warrants falling into improper hands or theft etc.

E) In accordance with the amended provisions of section 205 A(5) of the Companies Act, 1956, the unclaimed dividend pertaining to 1994-95 and onward years would remain with the Company for a period of 7 years, upon expiry of which they will be transferred to a fund established by The Central Government called "The Investor Education and Protection Fund."

F) Members are requested to :

i) Quote their Folio No. in all correspondence with the Company.

ii) Notify immediately to the Company any change in their address and their mandates, if any. Pin Code Nos. at the end of address should positively be mentioned in order to ensure that postal authorities deliver the envelopes easily and on time.

iii) Any members requiring further information on accounts at the meeting are requested to send queries in writing before 12th September 1999, so that information required may be made readily available at the meeting.

iv) Handover the enclosed attendance slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting hall.

By Order of the Board of Directors
for **KJMC FINANCIAL SERVICES LTD.**

MUMBAI
31st May, 1999

GIRISH JAIN
DIRECTOR

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DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Eleventh Annual Report of the Company and the Audited Statements of Accounts for the year ended 31st March, 1999.

SEGREGATION OF NON-FUND BUSINESS AND FUND BASED BUSINESS

In pursuance of the SEBI guidelines to Merchant Bankers for segregation of fund-based activities and non-fund based activities, the Company has, with the approval and sanction of the High Court of Bombay, implemented a Scheme of Arrangement with KJMC Global Market (India) Limited (KJMC Global) under sections 391/394 of the Companies Act, 1956, to transfer non-fund based business activities to KJMC Global. The salient features of the Scheme are -

i) transfer of non-fund based business activities with all its assets and liabilities to KJMC Global;

ii) the Company's capital to reduce by issue only of 1 equity share of Rs. 10/- for and in lieu of existing 2 equity shares.

iii) KJMC Global to issue its equity share capital to the equity holders of the Company on reduced capital on 1:1 basis;

Effect has been given to the Scheme in the Accounts as per the High Court Order, as from 1st April 1998. Accordingly, the Accounts for the year under report are post-segregation Accounts and they relate to the retained business, i.e. fund-based business of the Company as against the previous year's composite position.

FINANCIAL RESULTS

		Year ended 31.03.1999 (Rs. in lakhs)	Year ended 31.03.1998 (Rs. in lakhs)
Total Income		1232.17	1954.85
Total Expenditure		591.20	779.24
Profit Before Depreciation & Tax		640.97	1175.61
Less : Depreciation		529.20	561.15
Provision for Tax		20.06	125.00
Profit After Tax		91.71	489.46
Add: Prior period item (net)		(15.98)	26.05
Add: Balance in Profit and Loss Account brought forward from the previous year	903.39		
Less: Transferred to KJMC Global	449.50	453.89	718.15
DISPOSABLE PROFITS		529.62	1233.66
Appropriations towards Interim Dividend on Cumulative Redeemable Preference Shares		57.51	49.00
That the Directors recommend for appropriation as under :			
Proposed Dividend on			
- Equity Shares		43.73	116.61
- 2% Redeemable Non-Cumulative			
- Preference Shares		1.00	1.00
Tax on Proposed Dividend		10.23	16.66
Transfer to Sp. Reserve under RBI Act		18.35	98.00
Transfer to General Reserve		6.90	49.00
Balance carried to Balance Sheet		391.90	903.39
		529.62	1233.66

DIVIDEND

The Directors recommend the payment of Dividend of Rs. 1.50 per equity share and at the coupon rate on 2% Redeemable Non-Cumulative Preference Shares. The dividend, if approved by the Members, will be paid to those Members whose names appear on the Register of Members as on 29th September 1999. The equity dividend will be payable on 29,15,240 Shares of Rs. 10/- each fully paid-up, consolidated as per the Scheme of Arrangement.

The Directors also propose confirmation by the Members the interim payments of dividend aggregating to Rs. 57.51 lakhs to the holders of Redeemable Cumulative Preference Shares as final.

CAPITAL ADEQUACY

The Directors are pleased to report that as on 31st March, 1999, the capital adequacy stood at 12.28 % and meets well with the RBI criteria of 12%.

PERFORMANCE AND PROSPECTS

In the wake of economic recession, capital expenditure schemes in industrial sector were slowed down or shelved, causing deceleration in demand for equipment credit. Yet another recessionary fallout was imbalances in finances, causing mismatch between cash inflows and commitments of the business firms ; this led to repayment delays or defaults in many cases ; the situation called for a cautious and selective approach in structuring fresh deals. All these factors affected the Company's business growth.

It is, however, gratifying that, inspite of such a turmoil in financial markets, the Company has steered clear, repaid the fixed deposits in entirety and has fully and regularly honoured all its commitments and obligations. This speaks for itself the quality and capacity of the Management to address to pressing situations with triumph.

There is a strong belief that the economic downturn has bottomed out. Industrial production, products demand and government revenues, during the first two months of the current fiscal, are all in a rising curve. These are signals of revival ; but it is still a matter of assessment as to how strong and sustaining they are. Besides, there is a shadow of Kargil on the economy. It is hoped that the clouds of confusion will disperse for a clear sunshine, spurring the business and business opportunities and imparting depth and strength to the financial markets - a sector in which your Company is operating.

MUTUAL FUND

To expand and strengthen its business base, the Company is embarking on new vistas. It has decided to set up and operate mutual fund schemes and, for this purpose, has laid down necessary infrastructure.

KJMC has created a trust, promoted a trustee company and an asset management company under the names of : (1) KJMC Mutual Fund (2) KJMC Investment Trust Company Limited and (3) KJMC Asset Management Company Limited. SEBI has granted a Certificate of Registration to KJMC Mutual Fund and accorded approval to KJMC Asset Management Company Limited to act as Asset Manager for the said Mutual Fund.

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CONTRIBUTIONS/DONATIONS

During the year under review a sum of Rs. 1,53,500/- was paid as donations.

PARTICULARS OF EMPLOYEES

Since, there are no employees falling within the purview of the provisions of Section 217 (2A) of the Companies Act, 1956, no such details, are required to be given.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Since the Company is a Financial Services Company, the details required under Section 217(1)(e) of the Companies Act, 1956 are not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company made remittance for investment of US $10,000 (equivalent to Indian Rs.4,26,400/-) in *Global Management Services (Mauritius) Ltd.* Except this there was no exchange outflow nor was there any earnings in foreign exchange.

DIRECTORS

Mr. I. C. Jain, Mr. Akshay Jain, Mr. Girish Jain and Mr. Shivratan J. Taparia retire by rotation and being eligible offer themselves for reappointment. Mr. Girish Jain has resigned from the office of Executive Director of the Company as from 1st April, 1999, however he continues as a Director of the Company. Mr. Babasaheb D. Dabhade ceased to be the Director of the Company.

AUDITORS

M/s. Batliboi & Purohit, Chartered Accountants, the Auditors of the Company are due to retire and being eligible offer themselves for re-appointment.

SUBSIDIARY COMPANIES

During the financial year, KJMC Investment Trust Co. Ltd. , KJMC Asset Management Co. Ltd. and Global Management Services (Mauritius) Ltd. became the subsidiaries of the Company. Accounts of these subsidiaries will be available only after close of their first financial year on 31-3-2000. The Accounts of all other subsidiaries for the year ended 30th June 1998 / 30th September 1998 are attached to the Accounts of the Company in terms of section 212 of the Companies Act, 1956.

YEAR 2000 PREPAREDNESS

Your Directors are pleased to inform you that the Company has already taken effective measures to address this issue and your Company is geared to achieve 100 % compliances well before the new millennium. The expected cost likely to be incurred is insignificant.

ACKNOWLEDGMENTS

The Directors wish to place on record their appreciation of the contribution made by the Executives and Employees at all levels for their dedication and commitment to the Company throughout the year.

Your Directors also appreciate with gratitude the continuous support of all clients, bankers and whole hearted support from the Company's shareholders.

On behalf of the Board of Directors

Mumbai
Dated : 31st May, 1999

I. C. JAIN
Chairman

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AUDITORS' REPORT

The Shareholders,

KJMC FINANCIAL SERVICES LIMITED

We have audited the attached Balance Sheet of KJMC FINANCIAL SERVICES LIMITED as at 31st March 1999 and also the Profit and Loss Account for the year ended on that date annexed thereto.

We report as follows :

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order on the basis of the information and explanations received by us.
2. Further to our comments in the annexure referred to in Paragraphs 1 above,
   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of these books.
   c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
   d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
      i) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March 1999 and
      ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For **BATLIBOI & PUROHIT**
Chartered Accountants

Place : Mumbai
Dated : 31st May, 1999

R.D. Hangekar
Partner

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of the report of even date of the Auditors' Report to the shareholders of KJMC FINANCIAL SERVICES LIMITED of the accounts for the year ended 31st March, 1999)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. The fixed assets of the Company have been physically verified by the Management periodically at reasonable intervals and no material discrepancies have been noticed on such verification.In respect of Leased assets, confirmations are being obtained by the company for the physical existence of assets from the respective Lessees.
2. None of the fixed assets were revalued.
3. The stock-in-trade of shares has been physically verified by the Management as at the end of the financial year.
4. According to the information and explanations given to us, in our opinion the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No discrepancies have been noticed on physical verification of stocks as compared to book records.
6. In our opinion, and on the basis of our examination of stock records, the valuation of stock is fair and proper in accordance with normally accepted accounting principles.
7. The Company has not taken Secured and Unsecured Loans from Companies, Firms or other parties as listed in the register maintained u/s 301 of the Companies Act, 1956, and from the Companies under the same Management as defined under Sub-section (1B) of Section 370 of the Companies Act, 1956, where the rate of interest and other terms and conditions are prima-facie prejudicial to the interest of the Company.
8. The Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained Under Section 301 of the Companies Act, 1956 and/or to the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
9. The parties, including employees, to whom loans or advances in the nature of loans have been given are repaying the principal amounts as stipulated and also are regular in payment of interest wherever applicable.
10. In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control procedures which are commensurate with the size of the company and the nature of its business with regard to purchase of plant & machinery, equipments and other assets and also for sale of shares.
11. In our opinion and according to the information and explanations given to us, there are transactions of purchase and sale of shares made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000 or more in respect of each party and have been made at prices which are reasonable having regard to prevailing market prices of such shares. There are no such transactions of purchase of goods and sale of goods and materials.
12. The Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the provisions of the Non-Banking Financial Companies (Reserve Bank) Directions 1977 as amended.
13. In our opinion the Company has an internal audit system which is commensurate with the size of the Company and nature of its business.
14. According to the records of the Company, Provident Fund dues and Employee's State Insurance dues have been regularly deposited with appropriate authorities.
15. The Company does not have any undisputed amounts outstanding in respect of Income Tax, Wealth Tax, Sales Tax and Lease Tax for a period more than six months from the date they became payable except for Sales Tax of Rs. 5,180/-
16. No personal expenses have been charged to the Revenue Account other than those payable under contractual obligations or in accordance with generally accepted business practices.
17. According to the information and explanations given to us, the Company has maintained adequate records and documents in cases where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and any other similar securities.
18. We have been informed that the provision of any special statute applicable to Chit Funds, Nidhi or Mutual Benefit Society do not apply to the Company.
19. In our opinion and according to the explanations given to us, the Company has maintained proper records of transactions and contracts as to dealing in shares, debentures and other investments and timely entries have been made therein. The same have been held by the Company in its own name, except to the extent of exemption, if any, granted u/s 49 of the Companies Act, 1956 and in case of short delivery of shares and in view of the objections raised in the course of transfer of shares.
20. In view of the nature of the Company's business, the other clauses of para 4(A), 4(B) & 4(C) of the aforesaid order are not applicable.

FOR AND ON BEHALF OF
BATLIBOI & PUROHIT
Chartered Accountants

Place : Mumbai
Dated : 31st May, 1999

R.D. Hangekar
Partner

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BALANCE SHEET AS AT 31st MARCH 1999

		Schedules	As at 31.03.99 (Rs.)	As at 31.03.98 (Rs.)
SOURCES OF FUNDS :				
Shareholders' Funds				
a) Share Capital - Equity	2,91,52,400			
Preference	4,30,00,000	1	7,21,52,400	11,13,04,800
b) Reserves and Surplus		2	20,89,30,790	41,08,69,824
Loan Funds				
a) Secured Loans		3	14,08,59,015	11,58,95,577
b) Unsecured Loans		4	18,33,36,433	16,74,00,107
Deferred Payment Liabilities		5	1,40,00,000	4,90,00,000
T O T A L			61,92,78,638	85,44,70,308
APPLICATION OF FUNDS:				
Fixed Assets:		6		
a) Gross Block			40,18,82,850	51,48,60,000
b) Less: Depreciation			12,32,33,015	9,50,31,306
c) Net Block			27,86,49,835	41,98,28,694
Add : Accumulated Lease Adjustment			4,45,07,472	(1,27,65,202)
			32,31,57,307	40,70,63,497
Work in Progress			21,14,943	—
Investments		7	24,18,55,740	18,57,05,559
Current Assets, Loans & Advances				
a) Current Assets		8	4,70,64,530	12,26,83,222
b) Loans & Advances		9	13,42,17,786	20,85,08,066
			18,12,82,316	33,11,91,288
Less : Current Liabilities & Provisions				
a) Current Liabilities		10	13,27,02,086	6,18,95,909
b) Provisions		11	3,60,01,395	4,19,99,741
			16,87,03,481	10,38,95,650
Net Current Assets			1,25,78,836	22,72,95,638
Miscellaneous Expenditure (To the extent not written off or adjusted)		12	3,95,71,813	3,44,05,619
T O T A L			61,92,78,638	85,44,70,308

As per our report attached

BATLIBOI & PUROHIT
Chartered Accountants

R.D.Hangekar
Partner

Place : Mumbai
Dated : 31st May, 1999

For and on behalf of the Board of Directors

Girish Jain *Director*

Rajnesh Jain *Director*

Akshay Jain *Director*

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 1999

	Schedules		For the year ended 31.03.99 (Rs.)	For the year ended 31.03.98 (Rs.)
INCOME:				
Lease & Hire Purchase Income	13		**9,51,90,433**	8,28,84,662
Professional Fees & Other Income	14		**2,67,33,493**	11,17,66,087
Sale of Shares			**13,10,48,016**	84,44,435
Stock in Trade			**41,65,155**	22,16,134
			25,71,37,097	20,53,11,318
EXPENDITURE :				
Opening Stock (Stock In Trade)			**22,16,134**	22,16,450
Purchase of Shares			**13,17,04,226**	76,11,415
Subscription & Fees	15		**15,15,232**	43,40,047
Salaries & Allowances	16		**25,10,239**	69,40,154
Financial charges	17		**2,34,38,929**	3,64,29,486
Rent Rates & Taxes	18		**1,500**	2,99,146
Operating & Other Administration Expenses	19		**1,19,24,711**	1,58,20,652
Depreciation			**5,29,20,299**	5,61,15,380
Provison for Non Performing Assets			—	2,00,000
Debts written off			**1,83,23,277**	1,25,17,399
Preliminary & Share Issue Expenses written off			**14,06,170**	13,74,673
			24,59,60,717	14,38,64,802
PROFIT BEFORE TAXATION			**1,11,76,380**	614,46,517
Less : Provision for Taxation (Includes Rs.5925/- (30000.00) for Provision for Wealth Tax.			**20,05,925**	125,00,000
Profit After Taxes			**91,70,455**	489,46,517
Add : Prior Period Item (net)			**(15,97,501)**	26,05,383
Add : Surplus as per last account		**9,03,38,824**		
Less : Transferred to KJMC Global Market (I) Ltd.		**4,49,50,000**	**4,53,88,824**	718,14,326
			5,29,61,778	12,33,66,226
Appropriations :				
Interim Dividend on Cumulative Reedemable Preference shares			**57,51,220**	49,00,315
Proposed Dividend :				
On 2% Reeembale Non-Cumulative Preference Shares			**1,00,000**	1,00,000
On Equity Shares			**43,72,860**	1,16,60,960
Tax on Dividend			**10,22,408**	16,66,127
Special Reserve (In accordance with R.B.I (Amendement) Act, 1997)			**18,35,000**	98,00,000
General Reserve			**6,90,000**	49,00,000
Balance Carried to Balance Sheet			**3,91,90,290**	9,03,38,824
SIGNIFICANT ACCOUNTING POLICIES	20			
NOTES FORMING PART OF THE ACCOUNTS	21			

As per our report attached

BATLIBOI & PUROHIT
Chartered Accountants

R.D.Hangekar
Partner

Place : Mumbai
Dated : 31st May, 1999

For and on behalf of the Board of Directors

Girish Jain *Director*

Rajnesh Jain *Director*

Akshay Jain *Director*

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SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999

			As at 31.03.99 (Rs.)	As at 31.03.98 (Rs.)
SCHEDULE - 1				
SHARE CAPITAL				
AUTHORISED				
4,00,00,000	Equity Shares of Rs. 10/- each		**40,00,00,000**	40,00,00,000
10,00,000	Redeemable Preference shares of Rs.100/- each		**10,00,00,000**	10,00,00,000
			50,00,00,000	50,00,00,000
ISSUED, SUBSCRIBED AND PAID UP:				
5830480	Equity Shares of Rs.10/-each fully paid up (2347760 Equity Shares were issued as Bonus shares by capitalisation of General Reserve & Share Premium)	**5,83,04,800**		—
	Less: Transfered to KJMC Global Market(I)Ltd. 2915240 Equity Shares (Shares were transfered in consideration other than cash as per the scheme of arrangement)	**2,91,52,400**	**2,91,52,400**	5,83,04,800
50000	2% Non-cumulative 10 year Redeemable Preference Shares of Rs.100/- each fully paid up		**50,00,000**	50,00,000
Nil	1,70,000 15% Cumulative Reedeemable Preference shares of Rs.100/- each fully paid up (The above shares are for a tenure of 7 months)		—	1,70,00,000
170000	13.50% Cumulative Reedeemable Preference shares of Rs.100/- each fully paid up (The above shares are for a tenure of 18 months)		**1,70,00,000**	—
100000	13.50% Cumulative Reedeemable Preference shares of Rs.100/- each fully paid up (The above shares are for a tenure of 18 months)		**1,00,00,000**	1,00,00,000
Nil	10,000 13.50% Cumulative Reedeemable Preference shares of Rs.100/- each fully paid up (The above shares are for a tenure of 36 months)		—	1,00,00,000
100000	13% Cumulative Reedeemable Preference shares of Rs.100/- each fully paid up (The above shares are for a tenure of 36 months)		**1,00,00,000**	1,00,00,000
10000	13.50% Cumulative Reedeemable Preference shares of Rs.100/- each fully paid up (The above shares are for a tenure of 36 months)		**10,00,000**	1000,000
			7,21,52,400	11,13,04,800

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		As at 31.03.99 (Rs.)	As at 31.03.98 (Rs.)
SCHEDULE - 2			
RESERVES & SURPLUS			
General Reserve			
As per last Balance Sheet	12,75,00,000		
Add : Transferred from Profit & Loss Account	6,90,000		
Less : Transferred & Capital Redemption Reserve	1,00,00,000		
Less : Transferred to KJMC Global Market (I) Ltd.	6,37,50,000		
		5,44,40,000	12,75,00,000
Special Reserve			
As per last Balance Sheet	2,26,00,000		
Add : Transfered From Profit & Loss A/c	18,35,000		
(In accordance with R.B.I (Amendement) Act, 1997)			
Less : Transferred to KJMC Global Market (I) Ltd.	1,13,00,000		
		1,31,35,000	2,26,00,000
Share Premium Account			
As per last Balance Sheet	15,65,31,000		
Less : Transfered to KJMC Global Market (I) Ltd.	7,82,65,500		
		7,82,65,500	15,65,31,000
Capital Redemption Reserve :			
As per last Balance Sheet	1,39,00,000		1,39,00,000
Add : Transferred from General Reserve	1,00,00,000		—
		2,39,00,000	1,39,00,000
Balance in Profit & Loss Account		3,91,90,290	9,03,38,824
		20,89,30,790	41,08,69,824
SCHEDULE - 3			
SECURED LOANS			
From Banks			
(i) Cash Credit(including Working Capital Demand Loan) (Secured by way of hypothecation of leased assets, lease rentals, stock on hire and hire purchase instalments and also against personal guarantee of Directors)		8,58,50,860	9,50,06,983
From LIC (against Pledge of Key Man Insurance Policy)		1,52,64,860	1,06,08,748
From ICICI PFS		3,97,43,295	—
Inter Corporate Deposits :			
(Secured by pledge of investments and due within one year) (Includes Rs. Nil (Rs.Nil-) against personal guarantee of Directors)		—	1,02,79,846
		14,08,59,015	11,58,95,577
SCHEDULE - 4			
UNSECURED LOANS			
Inter Corporate Deposits (Due within one year)		4,73,23,155	35,96,703
Fixed Deposits (Due within One year Rs. 0)		—	1,27,90,126
Security Deposits against Leased Assets [Due within one year Rs.Nil (Rs.1500000/-)]		13,60,13,278	15,10,13,278
		18,33,36,433	16,74,00,107
SCHEDULE - 5			
DEFERRED PAYMENT LIABILITIES			
Suppliers Credit for purchase of Leased Assets [Due within one year Rs. Nil (Rs.0)]		1,40,00,000	4,90,00,000
		1,40,00,000	4,90,00,000

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