

Performing to Grow
Growing to Excel



Financial Services Limited

15TH ANNUAL REPORT
2002-2003

KJMC Financial Services Limited



KJMC Financial Services Limited

Regd. Office : 168, Atlanta, 16th Floor, Nariman Point, Mumbai – 400021.

Dear Member,

Sub. : Depository system for dealing in shares.

We wish to inform you that your Company pursuant to Notification published by SEBI, Equity Shares of your Company has been compulsorily dematerialized w.e.f. 29/01/2001. Your Company has entered into an agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited to enable you to hold and trade your shares in a dematerialized electronic form. While we are sure that most of you are familiar with the system of electronic form of holding and dealing in shares, nevertheless, by way of general information, we briefly explain the salient features of the system.

The present system of purchase and sale of shares involves the physical transfer of shares from one party to other through the Stock Exchange and the Registrar & Transfer Agent (R&T). The process is both time consuming and complex, apart from being costly. The need for a Depository in India was felt for quite some time, especially due to inefficiencies associated with handling large volumes of paper and other problems such as bad deliveries, fake certificates, loss of certificates in transit, mutilation of certificates, interception in transit, fraudulent transfers, delay in transfer, long settlement cycles, etc. to which paper based transactions are prone.

To provide a reliable and efficient solution to the above mentioned problems, dematerialization is a process by which physical Share Certificate of the Company held by an investor are taken back by Registrar & Transfer Agents and converted into equivalent number of shares which are credited to the investor's account in the form of electronic holding, through the Depository Participant (DP). A Depository can be compared to a Bank. A Depository holds securities of investors in electronic form. Besides holding securities, a Depository also provides services related to transactions in securities. Under the Depository System, for shares, your shares can be Dematerialized or Rematerialized.

We make an attempt to explain the various concepts involved in this system :

Constituents of the Depository System :

1. Depository (NSDL) and (CDSL)
2. Depository Participants (DPs)
3. Company / R&T
4. Investors / Members

A Depository interfaces with its investors through its agents called Depository Participants (DPs). If an investor wants to utilize the services offered by a Depository, the investor has to open an account with a DP. This is similar to opening an account with any branch of a Bank in order to utilize the Bank's services. Presently, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) are the depositories which are functioning in the country. The main objective of a NSDL & CDSL is to reduce settlement risk by minimizing the paper work involved in trading, settling and transferring securities.

How to convert your physical shares into electronic holdings (Dematerialization) :

For the purpose of converting your physical shares into electronic holding, kindly follow the procedures as given below :

1. The first step in the system involves the opening of the account with one of the DPs. DPs are the market intermediaries through whom the NSDL or CDSL interacts with the investors. For opening the account with DP, the necessary form is to be filled in and a Participant Client agreement is to be signed whereupon the investor receives an identification number called 'Client ID' which serves as a reference point for all your transactions with the DP.
2. The next step is to fill in the Dematerialization Request Form that can be available at the DPs. The form duly filled in should be sent along with the share certificates by writing on each certificate "Surrendered for dematerialisation" to the DP.
3. Dematerialization Request Form along with the certificates will be sent by DP to the R&T and at the same time an electronic request will be sent to R&T through the NSDL or CDSL network.
4. The R&T / Company will verify the Dematerialization Request Form, the share certificates and the specimen signatures and if found in order, will cancel the share certificates and confirm the dematerialization to NSDL and CDSL, which in turn will confirm the dematerialization to the DP.
5. On receipt of the confirmation, the DP will credit the account of the investor with the shares for which the certificates were dematerialized and thereafter the shares will be held by the investor in the electronic form. This process takes approximately 15 days.
6. The DP will give a statement of holdings and will update your account after each transaction like your bank account.

Every issuer (i.e. the Company) whose shares are eligible for dealings in the Depository has been allotted a code number known as ISIN. The code number allotted to **KJMC FINANCIAL SERVICES LIMITED Equity Shares** is **INE533C01018** for NSDL and CDSL. The code number should be used by you while filling up the instruction for purchase/sale of shares of the Company.

Selection of the DP :

Each DP will charge the investor for the services rendered by it and the charges differ from DP to DP. Therefore, it is advisable for you to get full details of service charges from the DP with whom you wish to open an account. You can select the DP of your choice.

Dividend / Bonus / Rights Shares on Dematerialization Shares :

Once the option of holding the shares in dematerialization form is exercised, the R&T will substitute the name of the NSDL or CDSL as the registered owner of the shares in the books, and the investor's name will be put as the beneficial owner of the shares. However, all the corporate benefits attached to the shares dematerialized such as dividend, bonus shares, rights shares will be issued to the beneficial owners i.e. the shareholder holding the shares in electronic form. Thus the dividend warrants will be sent to you directly as per the current system. In the case of rights and bonus shares, the shares entitlement will be credited to the investor's account at his option.

Dematerialization Form :

In the event the Member wants to reconvert the shares to physical scrip, he may do so by applying for rematerialization through the DP.

Trading in Electronic Shares :

Buying and selling electronic shares is just like buying and selling physical shares, the only difference is that the trading in electronic shares is simpler, faster and safer.

If you wish to sell your electronic shares, you place an order with your broker and instruct your DP by way of a Delivery Instruction (which is a cheque-like instrument) to debit your account with the number of shares sold by you.

- When you buy electronic shares you must inform your broker about you Client ID number so that the electronic shares brought by you are credited into your account and instruct your DP by way Receipt instruction to receive credit in your account.
- Payment for the electronic shares either bought or sold is made in the same way as in case of physical securities.
- The shares you have bought are transferred in your name the very next day of pay out with no fear that the shares may turn out to be bad deliveries or fake. No formalities of filling transfer deeds, affixing share transfer stamps and applying to the Company for registering the shares in your name.

We trust that the information furnished above will afford a clear insight into the Depository System. We believe that because of the obvious advantages cited above, the Depository system will become a preferred way of transactions in shares and securities.

For further clarifications, please feel free to write to our R&T Agent viz. IIT Corporate Services Limited, Regd. Office: Raja Bahadur Mansion, Bombay Samachar Marg, Mumbai – 400001 ; Admn. Office : Protoprma Chambers, 2nd Floor, Suren Road, Andheri (East), Mumbai – 400 093.

Kind attention to those Shareholders who have not sent their old Share Certificates of KJMC Financial Services Limited for exchange purpose as per Scheme of Arrangement in order to obtain new Share Certificates of KJMC Financial Services Limited and KJMC Global Market (India) Limited are hereby requested to send their old Shares of KJMC Financial Services Limited to our R&T Agent as mentioned above, to avail the facility of dematerialization because these old Equity Share Certificates are neither tradable in the market nor valid for dematerialization purpose also.

Registered Office :

168, Atlanta,
Nariman Point,
Mumbai – 400021.

By Order of the Board of Directors
for **KJMC FINANCIAL SERVICES LIMITED**

Sd/-
I. C. JAIN
Chairman

Date : 30th June 2003

Place : Mumbai

KJMC Financial Services Limited



BOARD OF DIRECTORS

: **Mr. I. C. Jain (Chairman)**
 Mr. J. S. Bhatnagar
 Mr. V. N. Dhoot
 Mr. R. R. Kumar
 Vice Admiral Raviprakash Sahwney (Retd.)
 Mr. Sanjay Maloo (Resigned w.e.f 3rd July, 2003)
 Mr. Akshay Jain
 Mr. Rajnesh Jain
 Mr. Girish Jain
 Mr. Manoj Daga
 Mr. Pankaj Jain (Alternate Director to Mr. Sanjay Maloo)

AUDITORS

: **Batliboi and Purohit**
 Chartered Accountants
 National Insurance Building,
 204, D. N. Road, Fort,
 Mumbai - 400 001.

ADVOCATES AND SOLICITORS

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

BANKERS

: Union Bank of India
 Citi Bank
 UTI Bank Limited
 UCO Bank
 Canara Bank
 Standard Chartered Bank

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS AND DEPOSITORY PARTICIPANTS

: **IIT Corporate Services Limited**
 Protoprima Chambers, 2nd Floor, Suren Road,
 Andheri (East), Mumbai - 400 093.
 Tel. : 2830 6790 / 2830 6791 & 2834 9976
 Fax : 2821 5352 • E-mail : iitcl@bom3.vsnl.net.in
 Counter Timings : 10.30 a.m. to 12.30 p.m.
 1.30 p.m. to 3.30 p.m.

BRANCH OFFICE

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

JAIPUR
 41, Jai Jawan Colony II
 Tonk Road, Durgapur,
 Jaipur - 302018.

BANGALORE
 2nd Floor, Premises No. 167,
 36 Cross / 18th Main Road,
 Jai Nagar Building,
 Next to Himalaya Stores,
 Bangalore - 560041.

AHMEDABAD
 58, 'A' Wing,
 Pariseema Complex,
 Opp. IFCI Bhavan
 C. G. Road,
 Ahmedabad - 380009.

INDEX

	Page No.
Notice	2
Directors' Report	3
Auditors' Report	7
Balance Sheet	8
Profit & Loss Account	9
Schedules	10
Notes on Accounts	17
Cash Flow Statement	20
Balance Sheet Abstract	21
Subsidiary Companies	23
Consolidated Accounts	43

15th Annual Report

2002-2003

NOTICE

Notice is hereby given that **Fifteenth Annual General Meeting** of the Members of **KJMC Financial Services Limited** will be held on **Saturday, 27th September 2003 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 :-

- To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2003 and the Balance Sheet as at that date, and the Report of the Auditors thereon and the Directors' Report thereon.
- To confirm interim dividend paid on Cumulative Redeemable Preference Share Capital.
- To appoint a Director in place of Mr. Inder Chand Jain, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Vice Admiral Ravi Prakash Sawhney, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Rajnesh Jain, who retires by rotation and being eligible, offers himself for re-appointment.
- 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 commencement of the meeting.

- B)** Members who hold Shares in dematerialized form are requested to bring their client ID and DP ID number for easy identification of attendance in the meeting.
- C)** The information required to be provided under the listing agreement entered into with various stock exchanges, regarding the directors who are proposed to be appointed / re-appointed has been given below.
- D)** The Register of Members and Share Transfer Books of the Company will be closed from 13th September 2003 to 27th September 2003 (both days inclusive), for the purpose of Annual General Meeting.
- E)** As per the provisions of the Companies Act, 1956, facilities for making nomination is available for shareholders in respect of their shareholdings. Nomination Form can be obtained from the Company's Registrar & Transfer Agents.
- F)** Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the Financial Year 31st March 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrants so far, for the Financial Year ended 31st March 1996 or any subsequent financial years are requested to make their claim to the office of the Registrar and Transfer Agents, viz. IIT Corporate Services Limited, Regd. Office at 61, Bombay Samachar Marg, Mumbai - 400001 and Admn. Office at Protoprima Chambers, 2nd Floor, Suren Road, Andheri (East), Mumbai - 400093. **It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof from the fund or from the Company thereafter.**

Date of Declaration	For the year ended	Due for transfer on
26/09/1996	1995-1996	13/11/2003
25/09/1997	1996-1997	12/11/2004
26/09/1998	1997-1998	13/11/2005
29/09/1999	1998-1999	16/11/2006
29/09/2000	1999-2000	16/11/2007

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company's registered office or the registrar & transfer agent of the company for obtaining payment thereof.

- G) Members are requested to :-**

- To bring their copy of Annual Report at the meeting.
- Quote their Folio No. in all correspondence with the Company.
- 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.
- Handover the enclosed attendance slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting hall.

- H)** Any members requiring further information on accounts at the meeting are requested to send queries in writing before 11th September 2003, so that information required may be made readily available at the meeting.

- I)** Information required to be furnished under the listing agreement : As required under the listing agreement, the particulars of directors who are proposed to be appointed / re-appointed are given below :-

- 1. Name & Designation:** Mr. I. C. Jain, Chairman

Date of Birth : 7th November, 1939

Qualifications : Chartered Accountant

Expertise : Experience of over 35 years in Company Audits & Income Tax Counselling. He was a Central Council Member of the Institute of Chartered Accountants of India from 1979 to 1991 and a Member on the Western Area Local Board of Reserve Bank of India (RBI) from 1994 to 2001. He is also a Senior Partner in M/s. Khandelwal Jain & Co., Chartered Accountants.

Director of the Company since : Since incorporation i.e. 29th June 1988

Other Directorships :

Name of the Company	Committee	Status
KJMC Global Market (India) Limited	(i) Audit (ii) Share Transfer and Compliance	(i) Member (ii) Chairman
KJMC Investment Trust Company Ltd.	—	—
KJMC Shares and Securities Limited	—	—
KJMC Technologies and Systems Ltd.	—	—
Dr. Modi's Karjat Health Resort Limited	—	—
Energy Development Company Ltd.	(i) Audit	(i) Member
Euro Asia Investment Corporation Ltd.	—	—
Global Management Services (Mauritius) Ltd.	—	—

- 2. Name & Designation** : Vice Admiral Ravi Prakash Sawhney - Director

Date of Birth : 11th September 1932

Qualifications : Consultant

Expertise : Former Chairman of Jawaharlal Nehru Port Trust

Director of the Company since : 21st March 1998

Other Directorships :

Name of the Company	Committee	Status
Zinnia Properties Private Ltd.	—	Director

- 3. Name & Designation** : Mr. Rajnesh Jain - Director

Date of Birth : 31st January 1967

Qualifications : Chartered Accountant

Expertise : Vast experience in the area of Capital Market, Company Law, Taxation and Accountancy.

Director of the Company since : Since incorporation i.e. 29th June 1988

Other Directorships :

Name of the Company	Committee	Status
KJMC Technologies & Systems Ltd.	—	Director
KJMC Property Developers Ltd.	—	Chairman
KJMC Shares & Securities Ltd.	—	Director
KJMG Consultancy Pvt. Ltd.	—	Director
KJMC Capital Market services Ltd.	—	Director

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

INDER CHAND JAIN
CHAIRMAN

Place : MUMBAI
DATE : 30th JUNE 2003

Regd. Office :
168, Atlanta Bldg.,
Nariman Point,
Mumbai - 400 021.

KJMC Financial Services Limited



DIRECTORS' REPORT

The Members,

Your Directors present herewith the 15th Annual Report of the Company and the Audited Statements of Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS :

	Year ended 31.03.2003 (Rs. in lakhs)	Year ended 31.03.2002 (Rs. in lakhs)
Total Income	175.44	447.69
Total Expenditure	93.71	228.19
Profit Before Depreciation and Tax	81.73	219.50
Less : Depreciation	67.49	205.64
Provision for Tax (current & deferred)	(0.87)	7.93
Profit / (Loss) After Tax	15.11	5.93
Add : Prior period item (net)	0.35	(0.31)
Add : Transfer from General Reserve	—	15.00
Add : Transfer from Special Reserve	20.00	—
Add : Balance in Profit and Loss Account brought forward from the previous year	4.08	17.27
DISPOSABLE PROFITS	39.54	37.89
Appropriations towards		
Interim Dividend on Cumulative	36.40	30.40
Redeemable Preference Shares.		
Tax on Interim Dividend	—	3.41
Transfer to Special Reserve under RBI Act	—	—
Transfer to General Reserve	—	—
Balance carried to Balance Sheet	3.14	4.08
	39.54	37.89

PERFORMANCE REVIEW :-

During the year under review, revenue account shows a profit of Rs. 15.11 lakhs, which is more than 250% of the profit of previous year. The increase in profit is mainly because of decrease in total expenditure by Rs. 1.34 crores and compensation of Rs. 42 lakhs received towards using of infrastructure of the Company by other Companies. This is a transitory and cleansing phase after a prolonged recessionary economic cycle affecting the quality of assets. All these adversities being now behind, KJMC looks forward with optimism for better working results.

DIVIDEND:-

As the Company has not made adequate profit to declare dividend, the Board has not recommended any dividend on equity shares for the year under review.

The Directors also propose confirmation by the Members the interim payment of dividend Rs. 36.40 lakhs to the holders of Redeemable Cumulative Preference Shares as final.

RBI PRUDENTIAL NORMS :-

Since the Company does not accept and hold any public deposits, Non-Banking Financial Companies Prudential Norms (Reserve Bank of India) Directions 1998 are not applicable to the Company in regard to capital adequacy or in any other aspects.

ECONOMIC SCENARIO:-

The Year 2002-03 continued to witness sluggish growth in the global economy, largely due to geo-political unrest and difficult economic conditions in the developed countries. The global economy is growing at 3% this year.

The annual rate of inflation was 3.3% as compared to 3.6% of previous year. The macro economic conditions in India remained favourable despite such uncertainties in the Global economy. Despite the adverse global environment, the Indian economy registered a growth of 4.4%, as compared to 5.4% achieved in the previous year. There was a decline in the output at the agricultural front due to

drought conditions, though the industrial and services sectors registered healthy growth rates of 6.5% and 7.1% respectively. The balance of payments situation was comfortable, with robust Dollar inflows and a current account surplus. The continuing weakness of the US Dollar has resulted in a strong appreciation of the Rupee.

Liberalization and deregulation have heightened competition among NBFC that will only intensify with financial liberalization under the WTO regime. NBFC in India will have to benchmark themselves against world class NBFCs. In this context, the way to boost profitability and stay ahead is by developing sophisticated and customized products, optimizing volumes, monitoring risks and reaching out to customers in diversified and distant markets by leveraging technology.

BUSINESS PROSPECTS :-

Your company strives to continuously understand the implication to its business of the various changes, as also the impact of altered economic policies on international developments.

With a view to diversify its activities, KJMC Credit Marketing Limited, a wholly owned subsidiary of the Company has tied up with ICICI for marketing of various products of ICICI, such as personal loans and credit cards to cover the professionals and CEO's of various Corporates and marketing of Life Insurance Policies of ICICI Prudential.

As also stated in our last Annual Report, the Research Department with required infrastructure has been developed for the purpose of preparing reports on the following aspects on behalf of the Merchant Bankers Institutions and other interested parties :-

- (i) Investment Banking
- (ii) Project Advisory Services
- (iii) Corporate Advisory Services
- (iv) Corporate Finance
- (v) Project Financing
- (vi) Working Capital Management
- (vii) Placement of Equity
- (viii) Placement of Bonds
- (ix) Mergers and Acquisition Advisory Services
- (x) Valuation of Shares for divestment
- (xi) Valuation of Brand Equity
- (xii) Securitisation of future receivable
- (xiii) Restructuring of Debts on the basis of one time settlement or CDSR Route
- (xiv) Replacement of high cost debt by enhancing rating
- (xv) Takeover Bids - As per SEBI Regulations
- (xvi) Buy-back arrangements for corporates as per SEBI Regulations.
- (xvii) Project Financing of Entertainment Industries
- (xviii) Project Financing of Media Industries
- (xix) To assist the Bankers in preparing reports as per the requirements of (NPA - ordinance)
- (xx) To underwrite IPOs as per SEBI Norms.
- (xxi) To prepare reports for settlement before DRT

Your company is also interested in giving services of preparation of project reports for various infrastructure projects. The present thrust of economy on infrastructure activities which is an opening up area, will be an advantage to the company.

CORPORATE GOVERNANCE :-

The Company has complied with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange. A separate section on Corporate Governance, along with a certificate from the Auditors for the compliance is annexed and forms part of this report.

A report on the management discussion and analysis for the financial year under review is annexed and forms part of this report.

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:-

There was no earning in Foreign Exchange nor was there any outflow.

15th Annual Report**2002-2003****SUBSIDIARY COMPANIES :-**

The accounts of the subsidiary Companies for the year ended 31st March 2003 are attached to the accounts of the Company along with a statement in terms of section 212 of the Companies Act, 1956.

FIXED DEPOSITS :-

The Company has neither accepted nor renewed any fixed deposit from the public during the period and there was no outstanding deposit payable during the financial year.

DIRECTORS :-

Mr. I C Jain, Vice Admiral Ravi Prakash Sawhney and Mr. Rajnesh Jain retire by rotation and being eligible offer themselves for reappointment.

LISTING OF SHARES :-

The Equity Shares of the Company are listed on the Mumbai, Ahmedabad, Bhubaneswar, Delhi, Kolkata and Jaipur Stock Exchanges. At the 13th Annual General Meeting of the Company, a Special Resolution was passed for Delisting of Securities from Ahmedabad, Bhubaneswar, Kolkata, Delhi and Jaipur Stock Exchanges. In furtherance of the said matter the Company is taking adequate steps.

AUDITORS :-

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

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial Year 2002-2003 and of the profit of the Company for that period
3. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
4. We have prepared the annual accounts on a going concern basis.

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.

Your Directors also appreciate with gratitude the continuous support of clients, bankers, institutions, the shareholders and well wishers.

For and on behalf of the Board of Directors

Place : Mumbai

Dated : 30th June 2003.

INDER CHAND JAIN
CHAIRMAN

MANAGEMENT DISCUSSION & ANALYSIS**1. ECONOMIC ENVIRONMENT :-**

According to the latest estimates of the International Monetary Fund (IMF), the world economy is expected to have a growth of 3.2% during 2003 against 3% in 2002. The uncertainty regarding the economic outlook, however, remains high due to geopolitical tensions, which could cause a dampening effect on economic activity throughout the world, particularly the emerging markets such as India. Major advanced economies like the USA, the European Union and Japan despite being projected to achieve a positive growth in 2003 are yet to recover well enough to engineer a larger global turnaround. This sluggishness in the global economy has adversely impacted the growth of India's Software Industry, which has been thriving on exports particularly to advanced economies. The escalation of tension in the Persian Gulf with developments in Iraq and the scare caused by a pneumonia like viral disease known as Severe Acute Respiratory Syndrome (SARS) which has claimed many lives throughout the world so far, have virtually held the tourism and aviation industries to ransom and adversely impacted the growing economies of the Far East particularly China, Singapore and Hong Kong.

2. BUSINESS AND MANAGEMENT :-**Industry Overview :-**

During the year, the real GDP of the Indian economy grew by 4.4% as against 5.6% last year as per the advance estimates released by the Central Statistical Organisation (CSO). The fall in growth in real GDP during the year 2002-03 was mainly due to decline in output from agriculture and allied activities by as

much as 3.1%. There has, however, been an across the board improvement in industry which grew by 5.8% (3.2% previous year). Likewise, growth in services improved to 7.1% (6.8% previous year). The Financial Sector has seen the turbulent time for last 6 years and to regulate the same the Reserve Bank of India introduced the concept of registrations of NBFC in the year 1997. To strengthen these regulations, RBI further introduced the measures by introducing wide ranging changes on deposit mobilisations, prudential norms, on sight and off sight monitoring mechanism. This is gradually showing effects in the NBFC Segment.

Business Background :-

Interest rates during the fiscal year have shown a continuously declining trend, though there have been volatile movements, during May/June of 2002 during the threat of an Indo-Pak war, and then during February 2003, during the start of the Iraq war. Inflation rates, however, while showing a declining trend during the first half of 2002, have been continuously rising during the first quarter and reached a high during the Iraq war.

Liquidity in the economy continues to be high, and with increasing foreign exchange reserves, an appreciating Rupee and low forward cover costs, dollar flows continue to be constant and high.

The lack of adequate corporate credit demand has forced several Financial Institutes to refocus their attention on retail lending and this segment has witnessed intense competition amongst the various participants in the finance industry.

3. BUSINESS OPERATIONS :-

Your Company along with its Subsidiaries offering diverse finance solutions such as Corporate Finance, Investment Banking, Stock Broking, Mutual Funds, Credit Marketing and Life Insurance.

Your Company along with its Subsidiaries has adopted cost efficiencies, product differentiations, customer services and distribution networks, as their marketing strategies, which help them to occupy enough space in the market of the Financial Sectors.

Your Company through its Subsidiaries i.e. :-

- (i) KJMC Capital Market Services Limited ;
- (ii) KJMC Asset Management Company Limited ;
- (iii) KJMC Credit Marketing Limited ; and

along with other Subsidiaries has enlarged its sphere of activities in finance sector :-

(I) KJMC CAPITAL MARKET SERVICES LIMITED :-

This Company is a Subsidiary Company, having the OTC, OBSE and NSE Cards, has made its presence in the market. Further, to tune with the present market scenario, it has also undertaken the activities rigorously in debt market segment.

(ii) KJMC CREDIT MARKETING LIMITED :-

This Company which was formerly known as KJMC Credit Rating Services Limited had changed its name to KJMC Credit Marketing Limited in order to take-up new activities such as credit marketing activities. This company has tied-up with ICICI Ltd. one of the leading and Premier Financial Institutions and engaged in the activities of credit marketing such as activities of Credit Cards, arranging Personal Loans, and also Life Insurance, etc.

(iii) KJMC ASSET MANAGEMENT COMPANY LIMITED :-

This subsidiary company is entering into Mutual Fund Segment.

4. MANAGEMENT OUTLOOK :-

To cope with the present and future market competitive threats and to live up to the expectations of the customers, your company has a sound management structure. Your Company has operating policies and procedures and well-laid authority limits to ensure that the operational controls are maintained on the business. The policies and procedures are continuously reviewed through an interactive mechanism between the business heads and other support functional heads. Your Company also has an adequate internal control system to ensure feedback on adherence to the defined policies and procedures.

Your Company realized the importance of the use of the technologies in improving operational controls, analysis of informations to enable better credit decisions apart from enhancing the Company's ability to offer better services to its customers. Your Company proposes to implement state of the art technology for its operations in the ensuing year.

Your company is actively manages legal, statutory, regulatory, reputational risks, if any.

CORPORATE GOVERNANCE FOR THE F.Y. 2002-2003

Pursuant to Clause 49-of the Listing agreement, your company has complied fully with all the mandatory requirements of the Corporate Governance in all material aspects. As required by the Listing Agreement, a report on Corporate Governance is given below:

1 Company's Philosophy on code of Governance :-

Your company is committed to bring about the good corporate governance practice. It strongly believes in attaining transparency, accountability and equity, in all its operations, and in its interactions with stakeholders including shareholders, employees, the government and the lenders.

2 Board of Directors:

During the Financial year 2002-2003, four Meetings of the Board were held

KJMC Financial Services Limited



on 29th June, 2002, 31st July, 2002, 31st October, 2002 & 30th January, 2003.
The particulars of Directors as on 31st March, 2003 are as follows:

SN	Director	Category of Directorship	No. of BM Attended	Last AGM attended	No. of Other Directorship Held	Committee Membership(s)
						Member Chairman
1	Mr. I. C. Jain	Chairman-Promoter/Non-Executive	4	Yes	8	5 1
2	Mr. J. S. Bhatnagar	Non-Executive & Independent	4	Yes	1	3 2
3	Mr. V. N. Dhoot	Non-Executive & Independent	Nil	No	12	4 1
4	Mr. Akshay Jain	Non-Executive	1	Yes	2	1 Nil
5	Mr. Girish Jain	Non-Executive	4	Yes	7	3 1
6	Mr. R. R. Kumar	Non-Executive & Independent	3	Yes	8	5 5
7	Mr. Sanjay Maloo	Non-Executive & Independent	**	No	5	Nil Nil
8	Vice Admiral Raviprakash Sawhney (Retd.)	Non-Executive & Independent	3	No	1	Nil Nil
9	Mr. Rajnesh Jain	Non-Executive	1	Yes	4	2 1
10	Mr. Pankaj Jain	Non-Executive	1	No	4	1 Nil
11	Mr. Manoj Daga	Non-Executive & Independent	2	Yes	Nil	1 Nil

** Mr. Pankaj Jain has been appointed as an alternate Director to Mr. Sanjay Maloo. None of the Directors hold directorship in more than 15 companies, membership in committees of Board in more than 10 companies and chairmanship of committee of Board of more than 5 committees.

(BM = Board Meeting, AGM = Annual General Meeting)

3. Audit Committee:

(a) Terms of References:

The terms of reference and powers of the Audit Committee are as per Clause 49 of the Listing Agreement and also as per new Section 292A of the Companies Act, 1956. The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchange/s. These include review of accounting and financial policies and procedures, review of financial reporting system, internal control procedures and risk management policies. The Committee met four times during the year i.e. on 29th June, 2002, 31st October, 2002, 30th January 2003 & 31st March, 2003.

(b) Composition:

The Audit Committee was formed on 25th January 2001. As on 31st March 2003, the audit committee consists of the following Directors:

Name of Director	Executive/Non-Executive/Independent	No. of Meetings attended
MR. I. C. JAIN	NON EXECUTIVE	4
MR. J. S. BHATNAGAR	CHAIRMAN & INDEPENDENT	4
MR. MANOJ DAGA	INDEPENDENT	4

4. Remuneration Committee:

The Company does not have a formal Remuneration Committee. As the Company does not have any employee Director, the Board of Directors will take the necessary steps, whenever and wherever it will be required to carry out the functions/ activities of the Remuneration Committee.

5. Share Transfer / Investor Grievance Committee:

(a) Terms of References:

The role and functions of the Share Transfer / Investor's Grievances Committee are the effective redresses of the Complaints of the Shareholders regarding dematerialization, transfer, non-receipt of balance sheet/ dividend/ interest etc. The Committee overview the steps to be taken for further value addition in the quality of service to the investors.

(b) Composition:

Pursuant to Clause 49 of the Listing Agreement, the Company is required to have Share Transfer / Investor Grievance Committee. Accordingly, the Board of Directors formed a Share Transfer / Investor Grievance Committee, consisting of following Directors:

Mr. Girish Jain	- Chairman
Mr. Inderchand Jain	- Member
Mr. Rajnesh Jain	- Member
Mr. Pankaj Jain	- Member

During the year, the Company received 75 complaints and all were resolved within a stipulated time to the satisfaction of the Shareholders / investors. As on 31st March, 2003, not any transfer was pending.

The Board has delegated the powers to approve transfer of securities allotted by the Company to this Committee. The Committee held 21 meetings during the year and approved the transfer of shares lodged with the Company and attended the investor's queries & complaints.

6. General Body Meetings:

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

Year	AGM	Location	Date	Time
2000	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai - 400 002.	29/09/2000	4.00 P.M.
2001	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai - 400 002.	29/09/2001	4.00 P.M.
2002	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai - 400 002.	28/09/2002	4.00 P.M.

No Special Resolution was put through Postal Ballot last year nor proposed in the ensuing Annual General Meeting.

7. Disclosures:

Regarding, related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their subsidiaries or relatives, not conflicting with Company's interest, the details of which have been shown in Schedule - 19 Notes to Accounts to the Annual Accounts for the year ended 31st March, 2003.

No penalties, strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority, on any matter related to capital market, during the last three years.

8. Means of Communication:

The Company publishes its quarterly, half yearly, financial results in national and regional newspapers. The Company also sends the financial results to the Stock Exchanges immediately after its approval by the Board. The Company is displaying the financial Results on Website. The Company has not sent half yearly report to the shareholders. No presentations were made to the Institutional Investor's or analysts during the year under review.

The management Discussions and Analysis (MD&A) Report is annexed and forms part of this Report.

GENERAL SHAREHOLDER'S INFORMATION :

1. Annual General Meeting scheduled to be held :

Date	Saturday, 27 th September, 2003
Time	4.00 P.M.
Venue	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai - 400 020.

2. Book Closure :

Saturday, 13th September 2003 to Saturday, 27th September 2003.

3. Financial Calendar :

The financial calendar year of the Company was from 1st April, 2002 to 31st March 2003.

Financial reporting for the year ending 31st, March, 2004:

Unaudited Financial Results for the quarter ending 30/06/2003	July, 2003
Unaudited Financial Results for the half year ending 30/09/2003	October, 2003
Unaudited Financial Results for the quarter ending 31/12/2003	January, 2004
Audited Financial Results for the Year ending 31/03/2004	June, 2004

4. Listing of Equity Shares on Stock Exchanges:

- Equity Shares of the Company are listed on the Stock Exchange at Mumbai (BSE), Ahmedabad, Bhubaneshwar, Kolkata, Delhi and Jaipur.
- The Company has made applications to all the Stock Exchanges, other than The Stock Exchange, Mumbai (BSE) for delisting of its Equity Share.
- The listing fees for the year 2003-04 has been paid with the The Stock Exchange, Mumbai (BSE) and in respect of all other Stock Exchanges, it will be paid as applicable.

5. Stock Code :

- The Stock Exchange, Mumbai (BSE) : 81 - 530235
- ISIN - INE533C01018

6. Stock Price Data:

The high and low prices of the Company's shares at The Stock Exchange, Mumbai (BSE) and performance in relation to BSE:

15th Annual Report

2002-2003

Sensex from April, 2002 to March, 2003:

Month	The Stock Exchange, Mumbai	
	High (Rs.)	Low (Rs.)
April 2002	5.9	4.05
May 2002	6.8	4.05
June 2002	6.45	5.0
July 2002	6.8	4.15
August 2002	4.75	4.75
September 2002	5.0	2.65
October 2002	6.9	2.15
November 2002	7.95	6.4
December 2002	5.15	2.45
January 2003	3.7	2.5
February 2003	4.4	3.0
March 2003	2.45	1.9

7. Compliance Officer:

Mr. Vinod Kailash Gattani - Asst. Company Secretary
168, Atlanta, 16th Floor, Nariman Point, Mumbai - 400 021.

8. Address for correspondence:

Shareholders can correspond to :

Secretarial Department:

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

IIT Corporate Services Limited, R&T Agents,

Read Office : Rajabhadur Mansion, Bombay Samachar Marg,
Mumbai - 400001 and

Admn. Office : Protoprma Chambers, 2nd Floor, Suran Road
Andheri (East), Mumbai - 400093.
Tel. Nos. 68306790 / 68306791 & 68349976
Fax No. 91-22-68215352
E-mail address : iitcs@bom3.vsnl.net.in

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participants.

9. Share Transfer System

Shares sent for transfer in physical form to IIT Corporate Services Limited (R&T Agents), are registered and returned within a period of 30 days from the date of receipt, if the documents are in order. The Share Transfer Committee meets generally on a fortnightly basis to consider the transfer proposals. All requests for dematerialisation of shares are processed by IIT Corporate Services Limited within 15 days.

10. Dematerialisation of Shares

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 29th January 2001 as per notification issued by the Securities & Exchange Board of India (SEBI). As on 31st March 2003, out of total Equity Capital 17,30,881 shares are held in dematerialized form with NSDL and CDSL.

Transfer cum demat facility is available to all shareholders of the Company, who request for such facility.

11. Distribution of shareholding as on 31st March 2003

Number of shares held/shareholders	Number of shares held	No. of Shareholding	%
1 to 500	5601	439690	15.08
501 to 1000	51	39235	1.35
1001 to 2000	25	36180	1.24
2001 to 3000	7	17650	.61
3001 to 4000	1	4000	.14
4001 to 5000	6	29150	1.00
5001 to 10000	9	67145	2.3
10001 to 30000	4	65200	2.24
30001 to 50000	6	252500	8.66
50001 to 100000	6	429940	14.75
100001 and above	5	1534550	52.64
	5,721	2915240	100%

12. SHAREHOLDING PATTERN AS ON 31st MARCH, 2003

Category No. of	Percentage of shares held	shareholding
A. Promoter's holding		
1 Promoters		
- Indian Promoters	1298250	44.54
- Foreign Promoters	—	—
2 Persons acting in concert	—	—
Sub - Total....	1298250	44.54

B. Non-Promoters holding		
3 Institutional Investors		
a. Mutual Funds and UTI	125950	4.32
b. Banks, Financial Institutions, Insurance Companies (Central / state Government Institutions/ non-government Institutions)	65400	2.24
c. FIs	—	—
Sub - Total....	191350	6.56
4. Others		
a. Private Corporate Bodies	815251	27.97
b. Indian Public	609649	20.91
c. NRI / OCBs	700	0.02
d. Any other (please specify) Clearing Member	0	—
Sub - Total....	1425640	48.90
Grand Total...	2915240	100%

Note: The total foreign shareholding for the quarter ended 31st March 2003, is 700 Shares which in percentage terms is 0.02% of the issued and subscribed capital.

The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under Clause 49 of the Listing Agreement:

- The Company for use by its Non-executive Chairman is maintaining a chairman's office with requisite facilities.
- As the financial performance of the Company is well publicized and also displayed on the Company's Website, individual communication of half yearly results is not sent to the shareholders.

Brief particulars of retiring Directors are as under:

S. N.	Name of Director	Status	Effective Date
1.	Mr. Inder Chand Jain	Retire by rotation and eligible for reappointment	AGM
2.	Vice Admiral Ravi Prakash Sawhney	Retire by rotation and eligible for reappointment	AGM
3.	Mr. Rajnesh Jain	Retire by rotation and eligible for reappointment	AGM

Mr. Inder Chand Jain is a Chartered Accountant and Chairman of the KJMC Group. Vice Admiral Ravi Prakash Sawhney, is a well Known Consultant and having very long association with the KJMC group.

Mr. Rajnesh Jain is a Chartered Accountant and he is a founder member of the KJMC group.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the members of KJMC Financial Services Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to the compliance of conditions of Corporate Governance by KJMC Financial Services Limited for the year ended on March 31, 2003 as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was conducted in the manner described in the Guidance on certification of corporate guidance issued by the Institute of Chartered Accountant of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended 31st March, 2003, no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **BATLIBOI & PUROHIT**
Chartered Accountants

Place : Mumbai
Date : 30th June 2003

R. D. Hangekar
Partner
(Membership No.30615)

KJMC Financial Services Limited



AUDITOR'S REPORT

To the Members of

KJMC Financial Services Limited

We have audited the attached Balance Sheet of **KJMC Financial Services Limited** as at 31st March 2003, the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. Which we have signed under reference to this report. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2 Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 those 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, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors, we report that none of the directors is disqualified as on March 31, 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) **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 in conformity with the accounting principles generally accepted in India:**
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2003;
 - ii) in the case of Profit and Loss Account, of the loss for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

For **BATLIBOI & PUROHIT**
Chartered Accountants

Place: Mumbai

Date: 30th June, 2003

R.D.Hangekar
Partner

ANNEXURE TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 of the report of even date of the Auditor's Report to shareholders of **KJMC Financial Services Limited** of the Accounts for the year ended 31st March, 2003.]

1. The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets. A major portion of the fixed assets have been physically verified by the Management during the year at reasonable intervals and no material discrepancies have been noticed on such verification between the book records and the assets physically verified.
2. None of the fixed assets were revalued during the year.
3. The stock-in-trade has been physically verified by the management as at the end of the financial year.

4. In our opinion and according to the information and explanations given to us, the procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
5. No discrepancies have been noticed on the physical verification of stocks as compared to book records.
6. In our opinion, and on the basis of our examination of stock record the valuation of stock is fair and proper in accordance with normally accepted accounting principle and is on the same basis as in the preceding year
7. The company has not taken Secured and Unsecured Loans from Companies, Firms or other parties as listed in the register maintained 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 prime-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 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 to whom loans or advances in the nature of loans have been given are repaying the principal amounts as stipulated, also are regular in payment of interest wherever applicable.
10. In our opinion and according to the information and explanations provided to us, it appear that the Company has 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, equipment's and other assets.
11. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or agreements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year Rs. 50,000 or more in respect of each party.
12. The Company has not accepted deposit from the public within the meaning of provisions of section 58A of the Companies Act, 1956.
13. The Company has internal audit system to 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 the appropriate authorities.
15. The company does not have any undisputed amounts outstanding in respect of Income Tax, Wealth Tax, Sales Tax for a period more than six months from the date they become payable except for VAT Tax of Rs.51019/-.
16. On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those incurred in terms of contractual obligations or in accordance with generally accepted business practice.
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 explanation 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 paras 4(A), 4(B) & 4(C) of the aforesaid order are not applicable.

For **BATLIBOI & PUROHIT**
Chartered Accountants

Place: Mumbai

Date: 30th June, 2003

R.D.Hangekar
Partner

15th Annual Report**2002-2003****BALANCE SHEET AS AT 31 ST MARCH 2003**

	Schedules	As at 31.03.2003 (Rs.)	As at 31.03.2002 (Rs.)
SOURCES OF FUNDS :			
Shareholders' Funds			
i) Share Capital	1	56,152,400	56,152,400
ii) Reserves and Surplus	2	74,211,421	76,302,732
Loan Funds			
i) Secured Loans	3	9,370,301	9,669,852
ii) Unsecured Loans	4	207,740,625	224,484,503
Deferred Tax Liabilities (Net)		82,835,697	83,029,069
TOTAL		430,310,444	449,638,556
APPLICATION OF FUNDS:			
Fixed Assets			
a) Gross Block	5	342,284,298	342,276,899
b) Less: Depreciation		180,809,524	174,060,976
c) Net Block		161,474,774	168,215,923
Add : Accumulated Lease Adjustment		71,650,228	65,308,245
		233,125,002	233,524,168
Investments	6	236,822,707	190,233,296
Current Assets , Loans & Advances			
a) Current Assets	7	34,820,202	35,478,073
b) Loans & Advances	8	43,831,993	52,616,584
		78,652,194	88,094,656
Less : Current Liabilities & Provisions			
a) Current Liabilities	9	140,366,954	88,150,724
b) Provisions	10	213,859	520,178
		140,580,814	88,670,902
Net Current Assets		(61,928,619)	(576,247)
Miscellaneous Expenditure	11	22,291,354	26,457,337
(To the extent not written off or adjusted)			
TOTAL		430,310,444	449,638,556
SIGNIFICANT ACCOUNTING POLICIES	18		
NOTES FORMING PART OF THE ACCOUNTS	19		

As per our report of even date attached
For BATLIBOI & PUROHIT
Chartered Accountants

For and on behalf of the Board of Directors

R. D. Hangekar
Partner

Girish Jain
Director

Rajnesh Jain
Director

Place : Mumbai
Date : 30th June 2003

Place : Mumbai
Date : 30th June 2003