



KJMC
ADVICE MATTERS

KJMC FINANCIAL SERVICES LIMITED

**25th Annual Report
2012 - 2013**

25TH ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS

Mr. I. C. Jain *Chairman*
 Mr. Rajnesh Jain
 Mr. R. R. Kumar
 Mr. Girish Jain
 Mr. S. C. Aythora
 Mr. Nitin Kulkarni

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sanjeev S. Sengar

AUDITOR

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

BANKERS

Union Bank of India Citi Bank
 UCO Bank HDFC Bank Limited

REGISTRAR & TRANSFER AGENT

Bigshare Services Pvt. Ltd.,
 E-2, Ansa Industrial Estate,
 Saki Vihar Road, Saki Naka,
 Andheri (East), Mumbai – 400072.
 Tel.No.022-28470652/53, Fax No. 022-28475207,
 E-mail id: info@bigshareonline.com
 Counter Timings : 10.30 a.m. to 12.30 p.m. ● 1.30 p.m. to 3.30 p.m.

REGISTERED OFFICE

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

GROUP 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 - 302 018.

TWENTY FIFTH ANNUAL GENERAL MEETING

Date : Saturday, 28th September, 2013
Time : 10.45 A.M.
Venue : S. K. Somani Memorial Hall
 Hindi Vidya Bhawan,
 79 - Marine Drive, "F" Road,
 Mumbai - 400 020

INDEX	PAGE NO.
Notice	1
Directors' Report	3
Management Discussion & Analysis	4
Report on Corporate Governance	5
Auditors' Certificate on Corporate Governance	8
Auditors' Report	9
Balance Sheet	10
Profit & Loss Account	11
Cash Flow Statement	12
Notes to Financial Statements	13
Financial Information of the Subsidiary Companies	22
Consolidated Accounts	23

NOTICE

Notice is hereby given that Twenty Fifth Annual General Meeting of the Members of KJMC Financial Services Limited will be held on Saturday, 28th September, 2013 at 10.45 A.M. at S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai, to transact the following businesses :-

ORDINARY BUSINESS:-

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date and the Report of the Board of Directors' and Auditors' thereon.
- To declare Dividend on 12% Non Cumulative Redeemable Preference Shares.
- To appoint a Director in place of Mr. Nitin Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. R. R. Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint M/s. K. S. Aiyar & Co., Chartered Accountants, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

"RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. K. S. Aiyar & Co. (Registration No. 100186W), Chartered Accountants, the retiring auditors of the Company, being eligible, be and are hereby re-appointed as the auditors of the Company to hold office from the conclusion of the 25th Annual General Meeting to the conclusion of the next Annual General Meeting of the Company, at a remuneration to be decided by and between the Board of Directors of the Company and M/s. K. S. Aiyar & Co.."

SPECIAL BUSINESS:-

- To consider and if deemed fit, to pass with or without modification, the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendments thereto or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and/or other applicable rules, regulations etc and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the BSE Ltd., (BSE) where the Company's shares are listed and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting any such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board') consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, upto 3,50,000 (Three Lacs Fifty Thousand) Equity Shares of Rs. 10/- each at a price of Rs. 20/- per equity shares (being the price not less than the price calculated in accordance with the Chapter VII of the SEBI ICDR Regulations) aggregate amounting to Rs. 70,00,000/- (Rupees Seventy Lacs only) on Preferential basis to one or more persons belonging to Promoter/Promoter Group of the Company, in such manner and on such terms and conditions as may be determined by the Board in accordance with the Chapter VII of the SEBI ICDR Regulations, and other applicable provisions of law prevailing at that time and that the Board be and is hereby authorized to finalize all matters incidental thereto as it may in its absolute discretion deem fit, in accordance with all applicable laws, rules and regulations for the time being in force in this regard.

RESOLVED FURTHER THAT

- the 'Relevant Date' under SEBI ICDR Regulations for the purpose of determination of issue price of the equity shares is August 28, 2013, being the date 30 days prior to the date of Annual General Meeting of the Company to be held on September 28, 2013.
- The Equity Shares to be allotted shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- The proposed allottee(s) shall be required to bring in 100% consideration including premium amount before allotment of said Equity Shares.
- the equity shares so issued and allotted shall rank pari passu with the existing Equity Shares of the Company in all respects including that of payment of Dividend, if any.

- Subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the equity shares so issued and allotted will be transferable within the promoters or promoter group or to a new promoter or persons in control of the issuer provided that lock-in period on such shares shall continue to lock-in for the remaining lock-in period with the transferee.
- the Board be and is hereby authorized to take such steps and do all such acts, deeds, matters and things in this connection and incidental thereto as the Board may in its absolute discretion deem fit, desirable and expedient without being required to seek any further consent or approval of the Company and give such directions and instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to the offer, issue, or allotment of the said equity shares and also to seek the Listing of such equity shares on BSE in India where the Company's shares are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board and Company Secretary of the Company be and are hereby severally authorized to finalise sign and execute all applications, agreement(s), document(s) and writing(s), appointment of consultants, legal advisors as may be necessary in this regard and to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authority or under applicable bye-laws, rules, regulations or guidelines.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any or more Directors or any Officer or Officers of the Company."

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

(Sanjeev S. Sengar)
Company Secretary

Place: Mumbai
Date: 28th August, 2013

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.** The Instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company at 168, Atlanta, Nariman Point, 16th Floor, Mumbai - 400021, not less than forty eight hours before the commencement of the meeting
- 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.
- The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Bigshare Services Private Limited having their office at E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.
- Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 19th September, 2013 to, Saturday, 28th September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
- As per the provisions of the Companies Act, 1956, facility for making nomination is available for shareholders in respect of their holdings. Nomination Form can be obtained from the Company's Registrar and Transfer Agents.
- Information required to be furnished in pursuance of Listing Agreement for the retiring Directors and proposed to be re-appointed/Directors seeking appointment at the Annual General Meeting are given hereunder:

Information of Mr. Nitin Kulkarni

Name & Designation	Mr. Nitin Kulkarni, Director
Date of Birth	21st January, 1956
Qualifications	B.Com (Hons), F.C.A., A.C.S.
Expertise	He is a Practicing Chartered Accountant having more than 20 years experience in Corporate Accounts, Audit Taxation and Company Law Matters.
Director of the Company since	31st July 2008

25TH ANNUAL REPORT 2012-2013

The other Directorships / Committee Membership of Mr. Nitin Kulkarni are as follows:

Name of the Company	Committee Membership	Board Membership
KJMC Corporate Advisors (India) Limited	Member -Share Transfer and Investors' Grievance Committee Chairman -Remuneration Committee Chairman - Audit Committee	Director

Name & Designation	Mr. R. R. Kumar, Director
Date of Birth	15th November, 1925
Qualifications	B.A., LL. B.
Expertise	Former Chairman of Union Bank of India, having vast experience in Banking Sector
Director of the Company since	5th October, 1994

The other Directorships / Committee Membership of Mr. R. R. Kumar are as follows:

Name of the Company	Committee Membership	Board Membership
Haldyn Corporation Limited	-	Chairman & Director
Rolta India Limited	Chairman- Audit Committee Member- Investors' Grievance Committee Member-Compensation Committee	Director
Golden Tobacco Limited	Chairman- Audit Committee Chairman - Investors' Grievance Committee Member-Remuneration Committee	Director
IVP Limited	Member- Audit Committee	Director
Golden Realty & Infrastructure Limited	-	Director
KJMC Corporate Advisor (India) Limited	Member-Remuneration Committee	Director
KJMC Assets Management Company Limited	-	Director

G) Members are requested to:

- To bring their copy of the Annual Report at the meeting.
 - Quote their Folio No. / Client ID No. in all correspondence with the Company.
 - Notify immediately to the Company or Present R&T Agents viz. Big Share Services Private Limited, 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 member requiring further information on accounts at the meeting is requested to address their queries in writing to the Company at least 10 days in advance from the date of the meeting so that the required information may be made readily available at the meeting.
- I) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 including disclosures required under SEBI ICDR Regulations is annexed hereto

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

Place: Mumbai
Date: 28th August, 2013

(Sanjeev S. Sengar)
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

In order to meet funding requirement of the Company for long term and short term, and for other general corporate purpose, as may be decided by the Board of Directors from time to time, in the interest of the Company enhancing its long term resources, the Board of Directors of your Company is proposing a preferential issue of equity shares in accordance with the applicable Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations") and for this purpose seek your approval to the proposed Special resolution under the provisions of Section 81(1A) of the Companies Act, 1956.

Your Board at its meeting held on August 28, 2013, subject to approval of shareholders and other requisite statutory approvals as may be applicable, proposed preferential issue of 3,50,000 (Three Lacs Fifty thousand) Equity Shares of Rs. 10/- each at a price of Rs. 20/- per equity share aggregating to Rs. 70,00,000/- (Rupees Seventy Lacs Only), being the price determined in accordance with the Chapter VII of SEBI (ICDR) Regulation to one or more persons belonging to Promoter/Promoter Group of the Company.

In accordance with Chapter VII of SEBI (ICDR) Regulations any issue of shares on a preferential basis can be made only at a price, which is not less than the higher of the following:

- The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during twenty six weeks preceding the "relevant date"; or
- The average of the weekly high and low of the closing prices of the related shares quoted on a recognized stock exchange during two weeks preceding the "relevant date".

As the Equity shares of the Company are infrequently traded on the BSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011. Under the situation, value of equity shares of the Company has also been arrived to Rs. 16.43 (Rupees Sixteen and Paise Forty Three only) in accordance with the Regulation 8(2) of SEBI (SAST) Regulations, 2011 and the same has been certified by the M/s Sanjay Raja Jain & Co., Chartered Accountants, G-02, Hanuman Bhavan, 306, J. S. S. Road, Thakurdwar, Charni Road, Mumbai - 400002 vide their certificate dated 24th August, 2013.

Therefore, the offer and allotment price of the equity shares of the company is Rs. 20/- per equity shares being price higher than the prices determined in accordance with the Regulation 76 of SEBI (ICDR) Regulations and Regulation 8(2) of SEBI (SAST) Regulations, 2011.

The Relevant date as per SEBI (ICDR) Regulations for determining the issue price of the Equity Shares is fixed as August 28, 2013 which is thirty days prior to the date of Annual General Meeting (AGM) to be held on September 28, 2013, to consider inter alia the proposed preferential issue of shares under Section 81(1A) of the Companies Act, 1956.

The Equity shares to be issued and allotted shall be subject to the Memorandum and Articles of Association of the Company, the terms of the issue and shall rank pari passu in all respects with, and carry the same rights including dividend, if any, as the existing equity shares.

Your Board believes that the proposed subscription of equity shares by the Promoters reflects their commitment and confidence in the Company's business and will be in the best interest of the Company and its members.

Disclosure under Regulation 73 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) for Preferential Issues:

a) Objects of the Issue:

In order to meet funding requirement of the Company for long term and short term, and for other general corporate purpose, as may be decided by the Board of Directors from time to time, in the interest of the Company.

b) Proposal of Promoters to Subscribe to the Offer:

The preferential issue is being made to Mr. I. C. Jain, Mrs. Chand Devi Jain, Mr. Rajnesh Jain, Mr. Girish Jain, Mr. Pankaj Jain, I. C. Jain (HUF), being persons forming part of the Promoter/Promoter Group of the Company and intends to be subscribed to the offer. As such this resolution is being sought to approve subscription to the new issue of Equity shares by the Promoters and/or Promoter Group that are being offered through this resolution.

c) Shareholding Pattern before and after the Proposed Issue

Sr.	Category of Shareholder	Pre-issue Shareholding		Post-issue Shareholding(*)	
		No of Shares	% of Capital	No of Shares	% of Capital
A	Promoter/Promoter Group	1656977	52.84%	2006977	57.58%
B	Public Shareholding	1478763	47.16%	1478763	42.42%
	Total	3135740	100%	3485740	100%

(*) The above post-issue shareholding assumes subscription of all the proposed shares in the resolution of the Company.

d) The identity of the proposed allottees and the percentage of Post Preferential Issue capital that may be held by allottees:

Sr.	Identity of the proposed Allottee(s)	3,50,000 Equity Shares to be allotted	% of Shareholding post issue(*)
1	Mr. I. C. Jain	213000	35.04%
2	I. C. Jain (HUF)	46565	7.66%
3	Mrs. Chand Devi Jain	26430	4.35%
4	Mr. Rajnesh Jain	21335	3.51%
5	Mr. Girish Jain	21335	3.51%
6	Mr. Pankaj Jain	21335	3.51%
	Total	350000	57.58%

(*) The above post-issue shareholding assumes subscription of all the proposed shares by the respective allottees in the Company.

No change in control of the management of the Company shall be taken place on account of issue and allotment of such shares.

e) Proposed time within which allotment will be completed:

As required under the SEBI ICDR Regulations, the Company shall complete the allotment(s) of Equity Shares as aforesaid on or before the expiry of 15 days from the date of passing of this resolution by the Shareholders of the Company.

f) Terms of Issue:

3,50,000 (Three Lac Fifty Thousand) Equity Shares of Rs. 10/- each are proposed to be issued at a price of Rs. 20/- (Rupees Twenty only) per Equity Share including premium of Rs. 10/- (Rupees Ten Only) per share aggregating to Rs. 70,00,000/- (Rupees Seventy Lacs Only).

The proposed allottees of the Equity Share shall bring in full consideration on or before the date of allotment of such shares and the equity shares so issued and allotted shall rank pari passu with the existing Equity Shares of the Company in all respects including that of payment of Dividend, if any.

Subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the equity shares so issued and allotted will be transferable within the promoters or promoter group or to a new promoter or persons in control of the issuer provided that lock-in on such shares shall continue to be locked-in for the remaining period with the transferee

g) Undertaking of the Company:

The Company hereby undertakes that:

- It shall re-compute the price of the security(ies) specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009, where it is required to do so.
- If the amount payable on account of any such re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations the above specified security(ies) shall continue to be lock in till the time such amount is paid by allottee(s).

h) Lock-in

As per SEBI ICDR Regulations, the Equity Shares proposed to be issued and allotted on preferential basis to the promoters and promoter group shall be subject to lock-in period of three years from the date of trading approval granted for said equity shares.

In addition, the entire pre-preferential shareholding of the allottees shall also be lock-in from the relevant date upto a period of six months from the date of trading approval.

Certificate from the Statutory Auditors of the Company certifying that, the proposed preferential issue is being made in accordance with the requirements of Chapter VII of SEBI ICDR Regulations, shall be placed before the shareholders at the Annual General Meeting.

The proposed allotment on preferential basis, if made, would not result in any change in management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereof.

Section 81 of the Companies Act, 1956 provides, inter alia that whenever it is proposed to issue further shares or securities convertible into shares, same shall be offered to the existing shareholders of the Company in the manner laid down in the said section, unless shareholders decide otherwise in the general meeting by way of a Special Resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 governing Preferential Issue and in terms of the provisions of the Listing Agreement to issue and allotment of equity shares as stated in the Special Resolution.

None of the Directors of the Company except the Promoter Directors viz. Mr. I. C. Jain, Mr. Rajesh Jain and Mr. Girsh Jain, are in any way, concerned or interested in the Resolution. The Board recommends the Resolution for your approval by passing Special Resolution as proposed in the Notice.

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

(Sanjeev S. Sengar)
Company Secretary

Place: Mumbai
Date: August 28, 2013

DIRECTORS' REPORT

To,
The Members of
KJMC Financial Services Limited

Your Directors have pleasure in presenting the 25th Annual Report, together with the audited statement of accounts of the Company for the year financial ended 31st March, 2013.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2013 is summarized below:

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2013	Year ended 31st March, 2012
Total Income	4716	6478	5026	6854
Total Expenses	3892	3522	4635	4137
Profit before Tax	824	2956	391	2717
Less: Provision for Tax				
-Current Tax	112	550	125	550
- Deferred Tax	(214)	79	(214)	79
- MAT Credit	(111)	(550)	(124)	(550)
- Prior period taxes	(409)	176	(409)	176
Profit / (Loss) After Tax	1446	2701	1013	2462
Add : Surplus as per last account	18016	17310	16720	16248
Disposable Profits	19462	20011	17733	18710
Appropriations towards :				
Special Reserve	289	540	289	537
General Reserve	36	270	36	268
Dividend on 12% Non Cumulative				
Redeemable Preference Shares	1020	1020	1020	1020
Tax on Preference Dividend	165	165	165	165
Balance carried forward	17952	18016	16223	16720

PERFORMANCE REVIEW

During the year under review, your Company earned the gross income of Rs. 47.16 Lakhs as against Rs. 64.78 Lakhs in the previous year. The total expenditure during the year under review was Rs. 35.14 Lakhs as against Rs. 30.69 Lakhs in the previous year. The Net Profit after tax was Rs. 14.46 Lakhs as against Rs. 27.01 Lakhs in the previous year.

PREFERENTIAL ISSUE OF SHARES

Your Company has proposed to offer, issue and allot on Preferential basis 3,50,000 (Three Lacs Fifty Thousand) Equity Shares of Rs. 10/- each at a price of Rs. 20/- per share aggregate amounting to Rs. 70,00,000/- (Rupees Seventy Lacs only) (being the price higher than the prices determined in accordance with the Regulation 76 of the SEBI ICDR Regulations and Regulation 8(2) of SEBI (SAST) Regulations, 2011), to one or more persons belonging to Promoter/Promoter Group of the Company.

The paid up capital of the company after the allotment will be increased to Rs. 3,48,57,400 (Rupees Three Crore Forty Eight Lacs Fifty Seven Thousand and Four Hundred Only) and fund will utilized to meet the short term and long term need for the business of the company.

The issue of securities on preferential basis requires the approval of members in the general meeting. The proposal, therefore, in the form of Special Resolution is made part of notice convening the Annual General Meeting of the members of the Company to be held on 28th September, 2013 and Board recommends the passing of the special resolution in the interest of the Company.

DIVIDEND

In view of the inadequate profits, your Directors do not recommend any dividend on Equity Shares of the Company for the year under review. However, your Directors recommend Dividend of Rs. 12/- per share on 12% Non Cumulative Redeemable Preference Shares of Rs.100/- each.

RBI PRUDENTIAL NORMS

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Nitin Kulkarni and Mr. R. R. Kumar, the Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Board recommends their re-appointment to the members at the ensuing Annual General Meeting.

FIXED DEPOSITS

The Company has neither invited, nor accepted, nor renewed any fixed deposit from the public during the year and there was no outstanding deposit payable during the financial year ended 31st March, 2013.

AUDITORS

M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from the Auditors to the effect that their appointment, if made, shall be in accordance with section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of section 226 of the Companies Act, 1956.

SUBSIDIARY COMPANIES

KJMC Asset Management Company Limited and KJMC Investment Trust Company Limited are wholly owned subsidiaries of the Company.

In accordance with the general circular No. 2/2011 issued by the Ministry of Corporate Affairs, Government of India, the balance-sheet, Profit and Loss Account and other documents of the Subsidiary Companies are not attached to the Balance Sheet of the Company. However the financial information of the Subsidiary companies are disclosed in the Annual Report under the Consolidated Financial Statement in compliance with the said circular. The Company will make available the Annual Accounts of the Subsidiary companies and the related details information to any member of the company and that of the subsidiary companies who may be interested in obtaining the same. The annual accounts of the Company shall also be kept open for inspection at the Registered Office of the Company and that of respective subsidiary companies on any working day, except Saturdays, between 11.00 a.m. and 3.00 p.m. However, as required under the aforesaid circular and pursuant to Clause 32 of the Listing Agreement, the Consolidated Financial Statements of the Company include the financial results of the subsidiary companies.

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

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. The Directors 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 31st March, 2013 and of the profit of the Company for that period;
3. The Directors 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. The Directors have prepared the annual accounts on a going concern basis.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

LISTING OF SHARES

Equity Shares of the Company are listed with BSE Limited. The Annual listing fee for the financial year 2013-14 has been paid to the Bombay Stock Exchange Limited (BSE). The equity shares of the Company have been delisted from Jaipur Stock Exchange Limited, Ahmedabad Stock Exchange, and Delhi Stock Exchange Association Limited, in pursuance of voluntary delisting applications made to them under SEBI (Delisting of Equity Shares) Regulation, 2009, and approval of Bhubaneswar Stock Exchanges and Calcutta Stock Exchange for the same is awaited.

PARTICULARS OF EMPLOYEES

Since there are no employees falling within the purview of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employee) Rules, 1975 as amended, 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 were no earnings and outgo in foreign exchange during the year under review.

INSURANCE

The Company's fixed assets as well as current assets have been adequately insured.

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 the Statutory and Regulatory Bodies, Bankers, Clients and the Company's Shareholders, etc..

For and on behalf of the Board of Directors

(I. C. Jain)
Chairman

Place: Mumbai

Date: 28th August, 2013

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI), the Accounting Standards prescribed by the Institute of Chartered Accountants of India and the Generally Accepted Accounting Principles in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner and reasonably present our state of affairs, profits and cash flows for the year.

FUTURE PROSPECTS OF NBFC SECTOR:

NBFCs have been playing a very important role both from the macro economic perspective and the structure of the Indian financial system. NBFCs are the preferred or even better alternatives to the conventional Banks for meeting various financial requirements of a business enterprise. They offer quick and efficient services without making one to go through the complex rigmarole of conventional banking formalities.

However to survive and to constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. They will have to be very dynamic and constantly endeavor to search for new products and services in order to survive in this ever competitive financial market.

NBFCs continued to contribute to the growth of the financial system in India during this period. NBFCs, especially those engaged in the retail finance segment, have grown stronger and played a crucial role in the development of sectors like consumer and lifestyle goods, transportation, housing & real estate, small and medium business segments. The significant growth in the Micro, Small and Medium Enterprises (MSME) sector, which is largely underserved in India, has opened up a vast opportunity for financing. Also, this growing consumption trend will continue to provide a significant business opportunity to the NBFC Companies.

1. BUSINESS AND INDUSTRY REVIEW:-

Your Company has been involved in providing fund based financial services and funding solutions to the Indian Corporate, Institutions, SME's etc. Your Company, along with its associates forms an integrated financial services group providing wide range of financial services to its clients such as loan syndication, working capital arranger services, CDR advisory, Venture capital funding, project financing advisory, ECB Advisory, loan securitization and so on. The organization structure is designed to be flexible and customer focused to ensure effective control, supervision and consistency in standards across the organization.

2. FINANCIAL REVIEW

During the year under review, your Company earned the gross income of Rs. 47.16 Lakhs as against Rs. 64.78 Lakhs in the previous year. The total expenditure during the year under review was Rs. 35.14 Lakhs as against 30.69 Lakhs in the previous year. The Net Profit after tax was Rs. 14.46 Lakhs as against Rs. 27.01 Lakhs in the previous year. Your Directors expects better performance of the Company in the coming years.

3. BUSINESS OUTLOOK

Your Company will increase its product base as far as raising resources and deploying them in safe and profitable manner particularly in shares/securities of real estate companies where there is a vast development scope of profitable business. The Company will develop the following activities to improve its bottom line and absolute care as much as possible will be taken to mitigate all the risk factor.

1. Loan to renowned Real Estate Developers: Loans to reputed Real

Estate Developers at project level for construction of commercial and residential properties mainly for partially (50% and above) completed projects.

II. Retail Lending: The products will include

- Housing Finance for properties located in Metros, Tier I and Tier II cities
- Loan Against Property in Metros, Tier I and Tier II cities
- Loan Against Securities in Metro cities
- Loan against real estate projects including acquisition of land

III. Corporate Lending: The products will include

- Secured Term loans for capital expenditure, working capital and brown field expansions
- Acquisition and takeover financing
- Leveraged Buy Outs (LBOs)
- Bridge Financing
- Promoter and Margin Funding
- Structured customised debt financing solutions for corporate borrowers.
- Channel Sales financing to dealers for payment to suppliers towards branded items

IV. Investment in Tax free Government securities with higher rate of interest

V. Money market – dealing in Commercial Papers

As far as Subsidiary Companies are concerned, your Company is working on plans to activate / expand them including looking for tie-ups / associations / joint ventures for implementing the business plans.

4. RISKS AND CONCERNS

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

- Impact of markets on our revenues and investments, sustainability of the business across cycles
- Sharp movement in prevailing interest rates in the market.
- Risk that a client will fail to deliver as per the terms of a contract with us or another party at the time of settlement.
- Risk due to uncertainty of a counterparty's ability to meet its financial obligations to us.
- Inability to conduct business and service clients in the event of a contingency such as a natural calamity breakdown of infrastructure, etc.

5. OPPORTUNITIES AND THREATS

Opportunities:

- * Margin Funding to traders and manufacturing units
- * Investing in Private Equity of growing concerns
- * Channel Sales Financing
- * Promoter Funding
- * Tremendous brand strength

Threats:

- * Competition from established companies and new entrants
- * Execution risk
- * Regulatory changes
- * Attraction and retention of human capital
- * Volatile Economic Environment

6. 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.

7. 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.

REPORT ON CORPORATE GOVERNANCE FOR THE F.Y. 2012-2013

In accordance with Clause 49 of the listing agreement with BSE Ltd., the report containing the details of Corporate Governance systems and processes is as under:

PHILOSOPHY OF CORPORATE GOVERNANCE

Your Company is committed to upholding the highest standards of Corporate Governance in its operations. The policies and practices are not only in line with the statutory requirement, but also reflect your Company's commitment to operate in the best interest of its stake holders. The responsibility for maintaining high standards of governance lies with your Company's Board of Directors and various Committees of the Board, which are empowered to monitor implementation of the best Corporate Governance practices including making necessary disclosures within the framework of legal and regulatory provisions and Company conventions besides its employees.

In this direction, your Company is committed to ensure that the Company's Board of Directors continued to be constituted as per the prescribed norms, meets regularly as per the prescribed frequency, provides effective leadership, exercises control over the management, monitors executive performance and makes appropriate disclosures. In addition, establishment of a framework of strategic control and continuous reviewing of its efficacy and establishment of clearly documented and transparent management processes for policy development, implementation and review, decision making, monitoring control and reporting are the other policy directives. Your Company provides free access to the Board of all relevant information, advices and resources to enable it to carry out its role effectively. In addition the Company has appointed Compliance / Nodal officer for matters relating to RBI & Companies Act, etc.

Pursuant to Clause 49 of the Listing Agreement, your Company has complied 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. The Company has laid emphasis on cardinal values of fairness, transparency, accountability and equity, in all its operations, and in its interactions with stakeholders including shareholders, employees, the government and the lenders, thereby enhancing the shareholders' value and protecting the interest of shareholders. Your Company will constantly endeavor to improve on these aspects on an ongoing basis.

2. BOARD OF DIRECTORS

The Company has a Non – Executive Chairman and the number of Independent Directors is one half of the total number of Directors. The Directors have been contributing their diversified knowledge, experience and expertise in respective areas of their specialization for the growth of the Company. During the Financial Year 2012-2013, Five (5) Meetings of the Board of Directors were held on 24th May, 2012, 2nd August, 2012, 20th September, 2012, 06th November, 2012 and 8th February, 2013.

The particulars of Directors as on 31st March, 2013 are as follows:

Sr. No.	Director	Category of Directorship	No. of BM Attended	Last AGM Attended	No. of Other Directorship held	Committee Membership(s)	
						Chairman	Member
1.	Mr. I. C. Jain	Chairman-Non- Executive Director	5	Yes	8	1	3
2.	Mr. R. R. Kumar	Non-Executive & Independent Director	4	Yes	7	2	3
3.	Mr. Girish Jain	Non-Executive Director	5	Yes	8	1	3
4.	Mr. Rajnesh Jain	Non-Executive Director	5	Yes	9	1	2
5.	Mr. S.C. Aythora	Non-Executive & Independent Director	5	Yes	17	2	3
6.	Mr. Nitin Kulkarni	Non-Executive & Independent Director	5	Yes	1	1	3

* None of the Directors hold directorship in more than 15 public limited companies, membership in committees of Board in more than 10 companies and chairmanship of committee of Board of more than 5 committees. The other Directorship includes directorship held in Private Ltd. Companies also.

Board Procedures

The Agenda 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. In addition to the information required under Annexure IA to clause 49 of the Listing Agreement, 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.

3. AUDIT COMMITTEE

(a) Terms of Reference:

Pursuant to the provision of Section 292A of the Companies Act, 1956 and clause 49 of the Listing agreement, the Company has Qualified Audit Committee. The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, fixing the audit fees and also approving the payment for any other services, reviewing the annual financial statements before submission to the Board, reviewing adequacy of internal control systems, structure and staffing of the internal audit function, reviewing findings of the internal investigations, etc.

The terms of reference and powers of the Audit Committee are as per Clause 49 of the Listing Agreement and also as per Section 292A of the Companies Act, 1956. The Committee met four times during the year on 24th May, 2012, 02nd August, 2012, 06th November, 2012 and 08th February, 2013.

(b) Composition:

The Audit Committee consists of the following Directors:

Name of Director	Executive/Non-Executive/Independent	No. of meetings attended
Mr. S. C. Aythora	Chairman -Independent Director	4
Mr. I. C. Jain	Non Executive Director	4
Mr. Nitin Kulkarni	Independent Director	4

4. SUBSIDIARY COMPANIES

The Company has the following wholly owned subsidiary companies as on March 31, 2013:

- KJMC Asset Management Company Limited
- KJMC Investment Trust Company Limited

5. REMUNERATION COMMITTEE:

(a) Terms of Reference:

The Remuneration Committee was formed by the Board of Directors at their meeting held on 7th July, 2007. The terms of the reference of the Committee are to review and recommend compensation payable to the Executive Directors and also to formulate and administer Employees Stock Option Scheme, including the review and grant of options to eligible employees under the scheme. The Committee also ensures the Compensation Policy of the Company and Performance Oriented Scheme for Senior Managers. The overall functions of the Committee are as under:

- * Assist the Board of Directors in ensuring that affordable, fair and effective compensation policies are implemented.
- * Approve and make recommendations to the Board in respect of Directors' fees, Salary Structure and actual compensation (inclusive of Performance based incentives and benefits) of the Executive Director(s).
- * Review and approve the overall budgetary increment proposals for annual increase of compensation and benefits for the employees.
- * Review and approve the criteria for selection and appointment of Non-Executive Directors.

(b) Composition:

The Remuneration Committee consists of the following Directors:

Name of Director	Executive/Non-Executive/Independent
Mr. S. C. Aythora	Chairman -Independent Director
Mr. R. R. Kumar	Independent Director
Mr. Girish Jain	Non-Executive Director

No Remuneration Committee Meeting was held during the year.

6. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

(a) Terms of Reference:

The role and functions of the Share Transfer and Investor's Grievances Committee are the effective redressal of the Complaints of the Shareholders regarding dematerialization, re-materialisation, transfer, non-receipt of balance sheet/ dividend/interest etc. The Committee overviews 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 and Investor Grievance Committee. Accordingly, the Board of Directors formed a Share Transfer and Investor Grievance Committee, consisting of following Directors:

Name of Director	Executive/Non- Executive/Independent
Mr. Girish Jain	Chairman-Non Executive Director
Mr. Rajnesh Jain	Non Executive Director
Mr. Inder Chand Jain	Non Executive Director
Mr. Nitin Kulkarni	Independent Director

During the year, the Company received one complaint and all were resolved within the stipulated time to satisfaction of the shareholders. As on 31st March, 2013, no transfer was pending. The Board has delegated the powers to approve transfer of securities allotted by the Company to this Committee. There were 8 meetings of the Committee held during the year to approve the transfer of shares lodged with the Company and attend the investor's queries & complaints.

7. SITTING FEES:

The remuneration by way of sitting fees for attending Board and Audit Committee Meetings paid to Independent Directors are as follows:

Name of Director	Board Meeting	Audit Committee
Mr. R. R. Kumar	8,000/-	-
Mr. S. C. Aythora	10,000/-	4,000/-
Mr. Nitin Kulkarni	10,000/-	4,000/-

8. GENERAL BODY MEETINGS:

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

Year	AGM	Location	Date	Time	Special Resolutions
2011-12	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	20/09/2012	2.00 P.M.	-
2010-11	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	24/09/2011	3.30 P.M.	-
2009-10	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	25/09/2010	3.30 P.M.	-

No Special Resolution was put through Postal Ballot last year nor proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

9. CODE OF CONDUCT

The code of conduct for the Directors and the Employees of the Company has been laid down by the Board and it is internally circulated and necessary declaration has been obtained.

10. DISCLOSURES

- * None of the transactions with any of the related party are in conflict with the interest of the Company. Transactions with related parties are disclosed in the Note no 29 of Notes to the financial statements.
- * The Company has complied with 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 Exchanges, SEBI or other Statutory Authorities.
- * The Company has complied with all the mandatory requirements of the Corporate Governance.
- * The Company do not have any Whistle Blower Policy. However, any employee would not be denied access to the Audit Committee.
- * The company has no executive Director, all the Directors are non-executive and no remuneration has been paid to any of the Non Executive Directors during the year except the sitting fees paid to Non Executive Independent Directors.

11. CEO/CFO Certification

In terms of the requirements of Clause 49(V) of the Listing Agreement, a CEO/CFO Certificate on the financial statements of the Company is placed before the Board.

12. MEANS OF COMMUNICATION

The Company has promptly reported all material information including quarterly results to BSE Limited, where the Company's securities are listed. The 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 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 : 28th September, 2013
Time : 10.45 A.M.
Venue : S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai – 400 020.

2. Book Closure :

Thursday, 19th September, 2013 to, Saturday, 28th September, 2013 (both days inclusive)

3. Dividend Payment Date

No dividend was recommended on the Equity Shares of the Company. However, dividend on preference shares is recommended subject to approval of members and Preference dividend will be paid within 25 days from the date of Annual General Meeting

4. Financial Calendar (tentative):

Financial Reporting for the Financial Year 2013-14	Tentative month of reporting
Un-audited Financial Results for the quarter ending 30th June, 2013	On or before 14th August, 2013
Un-audited Financial Results for the half year ending 30th September, 2013	On or before 15th November, 2013
Un-audited Financial Results for the quarter ending 31st December, 2013	On or before 15th February, 2014
Audited Financial Results for the year ending 31st March, 2014	On or before 30th May, 2014

5. Listing of Equity Shares on Stock Exchanges:

- Equity Shares of the Company are listed on BSE Limited, Mumbai (BSE). Annual listing fee for the year 2013-2014 has been paid to the BSE Limited, Mumbai.
- The Company has complied with the delisting formalities with the Bhubaneswar Stock exchanges Association Limited and Calcutta Stock exchanges Association Limited. Delisting approval from these stock exchanges are awaited.

6. Stock Code:

- BSE Limited, Mumbai (BSE): B – 530235
- ISIN - INE533C01018

7. Stock Price Data:

Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2012 to March, 2013.

Month	Bombay Stock Exchange Limited (BSE)	
	High (₹)	Low (₹)
April 2012	16	13.95
May 2012	16	15.5
June 2012	17.2	16.1
July 2012	17.45	16.3
August 2012	18	17.15
September 2012	19	18
October 2012	17.5	17.2
November 2012	19.5	18
December 2012	26.75	19.4
January 2013	30.5	25.85
February 2013	24.6	20.5
March 2013	20.5	19

8. Compliance Officer:

Mr. Sanjeev Singh Sengar, Company Secretary & Compliance Officer
168, Atlanta, 16th Floor, Nariman Point, Mumbai – 400 021
Ph: 022- 22885201, email: cosec@kjmc.com

9. Address For Correspondence:

Shareholders can correspond to:

Secretarial Department: 168, Atlanta, 16th Floor, Nariman Point, Mumbai – 400 021.

Or

Registrar & Transfer Agent:- Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400072, Tel.No.022-28470652/53, Fax No. 022-28475207, email id: info@bigshareonline.com.

Shareholders holding shares in electronic mode should address their Correspondence to their respective Depository Participants. The company also has designated email id: investor.finance@kjmc.com where shareholders can correspond with the Company.

10. Share Transfer System

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

11. De-materialisation 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 2013, out of total Equity Capital 31,35,740 Equity Shares, 28,23,209 Equity Shares representing 90.03 % of the total Equity Shares are held in dematerialised form with NSDL and CDSL. Transfer cum demat facility is available to all Shareholders of the Company, who request for such facility.

12. Distribution of Shareholding as on 31st March, 2013

Range in rupees	Number of Shareholders	% of Total Holders
Upto 5000	3646	96.84
5001 to 10000	39	1.04
10001 to 20000	23	0.61
20001 to 30000	5	0.13
30001 to 40000	7	0.19
40001 to 50000	9	0.24
50001 to 100000	10	0.26
100001 and above	26	0.69
TOTAL	3765	100%

13. Shareholding Pattern as on 31st March, 2013

Cat. Code	Category of Shareholder	Total No. of Shares held	% Share holding
A	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals / Hindu Undivided Family	1655106	52.78
(b)	Central Govt. / State Govts.	0	0
(c)	Bodies Corporate	0	0
(d)	Financial Institutions / Banks	0	0
(e)	Any other	0	0
	Sub Total – A(1)	1655106	52.78
2	Foreign	0	0
(a)	Non Resident Individuals / Foreign Individuals	0	0
(b)	Bodies Corporate	0	0
(c)	Institutions	0	0
(d)	Any other	0	0
	Sub Total A(2)	0	0
	Total Shareholding of Promoter Group	1655106	52.78

Cat. Code	Category of Shareholder	Total No. of Shares held	% Share holding
(B) 1	Public Shareholding Institutions		
(a)	Mutual Funds / UTI	0	0
(b)	Financial Institutions / Banks	65400	2.09
(c)	Central Govt. / State Govt.	7050	0.22
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	0	0
(g)	Foreign Venture Capital Investors	0	0
(h)	Any other	0	0
(h1)	NRI Banks	0	0
	Sub Total B(1)	72450	2.31
2	Non-Institutions		
(a)	Bodies Corporate / Trust	613622	19.57
(b)(i)	Individuals-shareholders holding normal Share Capital up to Rs. 1 Lac	461094	14.70
(b)(ii)	Individuals-shareholders holding normal Share Capital in excess of Rs. 1 Lac	332900	10.62
(c)	Qualified Foreign Investors		
(d)	Any other	0	0
	-Trust	0	0
	-Clearing Members	50	0.002
	-Directors/Relatives	0	0
	-Employees	0	0
	-NRIs	518	0.017
	-OCB's	0	0
	Sub Total B(2)	1408184	44.91
	Total Public Shareholding B=B(1) + B(2)	1480634	47.22
	Total (A) + (B)	3135740	100.00
C	Shares held by Custodians and against which Depository receipts have been issued	0	0
	Grand Total	3135740	100.00

Note: The total foreign shareholding as on 31st March, 2013, is 518 Equity shares, which is 0.0165% of the issued, subscribed and paid up capital of the Company.

OTHER INFORMATION

Code of conduct for Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Officers and other Employees. The code is based on the principle that Directors, Officers and Employees of KJMC Financial Services Limited owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the Company to enable them to take informed investment decision with regard to the Company's Securities.

Declaration regarding affirmation and Compliance of Code of Conduct

As required by Clause 49(I)(D) of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2013.

FOR KJMC FINANCIAL SERVICES LIMITED

(I. C. JAIN)
CHAIRMAN

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of KJMC Financial Services Limited,

We have examined the compliance of conditions of Corporate Governance by KJMC Financial Services Limited for the financial year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For K. S. AIYAR & CO.
Chartered Accountants
Registration No.100186W

Satish K. Kelkar
Partner
(Membership No. 38934)

Place: Mumbai
Date: 28th August, 2013