



**KJMC**  
ADVICE MATTERS

# **KJMC FINANCIAL SERVICES LIMITED**

**27th**  
**Annual Report**  
**2014 - 2015**

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Mr. Kartik Konar

**COMPANY SECRETARY**

Ms. Sankari Muthuraj

**AUDITOR**

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

**BANKERS**

HDFC Bank Limited  
Union Bank of India

**REGISTRAR & TRANSFER AGENT**

Bigshare Services Pvt. Ltd.,  
E-2 & 3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai - 400072.  
Tel.No.022-4043 0200, Fax No. 022-28475207,  
E-mail id: investor@bigshareonline.com  
Counter Timings : 10.00 a.m. to 12.30 p.m. & 1.30 p.m. to 3.30 p.m.

**REGISTERED OFFICE**

162, 16th Floor, Atlanta,  
Nariman Point, Mumbai – 400 021  
Tel.No.: 022-4094 5500  
Email : investor.finance@kjmc.com  
CIN : L99999MH1988PLC047873

**GROUP BRANCH OFFICE**

<b>New Delhi</b>	<b>Jaipur</b>
221, Hans Bhavan, Bahadur Shah Zafar Marg, New Delhi - 110 002.	41, Jai Jawan Colony II, Tonk Road, Durgapur, Jaipur - 302 018.

<b>27TH ANNUAL GENERAL MEETING</b>		
<b>Date</b>	:	<b>Saturday, 19th September, 2015</b>
<b>Time</b>	:	<b>12.15 p.m.</b>
<b>Venue</b>	:	<b>S. K. Somani Memorial Hall</b> Hindi Vidya Bhawan, 79 - Marine Drive, "F" Road, Mumbai - 400 020

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**NOTICE**

Notice is hereby given that 27th Annual General Meeting of the Members of KJMC Financial Services Limited will be held on Saturday, 19th September, 2015 at 12.15 P.M. at S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 79-Marine Drive, 'F' Road, Mumbai, to transact the following businesses :-

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2015, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2015, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Girish Jain (DIN : 00151673), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, as Auditors of the Company and to fix their remuneration.

**"RESOLVED** that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. K. S. Aiyar & Co., Chartered Accountants (Registration No. 100186W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company to be held in the year 2016 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:-****4. Appointment of Mrs. Aditi Jain (DIN : 00152373) as a Director of the Company**

To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Aditi Jain (DIN: 00152373), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25th March, 2015 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director liable to retire by rotation of the Company, whose term shall be subject to retirement by rotation.

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

(Sankari Muthuraj)  
Company Secretary

Place: Mumbai

Date: 11th August, 2015

**NOTES:**

- 1) The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution/authority as applicable.
- 3) Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- 4) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 5) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- 6) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 7) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 8) The Register of Members and Share Transfer Books will remain closed from Wednesday, 16th September, 2015 to Saturday, 19th September, 2015 (both days inclusive) for the purpose of AGM.
- 9) Members whose shareholding is in the electronic mode are requested to direct change of correspondence address, e-mail id and updates of savings bank account details to their respective Depository Participant(s).
- 10) Members are requested to address all correspondence to the Registrar and Share Transfer Agents, 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, mail id: investor@bigshareonline.com.
- 11) Copies of the Annual Report, 2015 and instructions for e voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- 12) To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Bigshare Services Pvt. Ltd., / Depositories.
- 13) Members may also note that the Notice of the 27th AGM and the Annual Report 2015 will be available on the Company's website, www.kjmc.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e communication, or have any other queries, may write to us at: investor.finance@kjmc.com.
- 14) The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company/RTA.
- 15) All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

- 16) The Company has appointed M/s. S. S. Rauthan & Associates, a firm of company secretaries in practice, as a scrutinizer for conducting the e-voting and polling process at the Annual General meeting in a fair and transparent manner.
- 17) The scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 18) In the event of a poll at the meeting, please note that the members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules.
- 19) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 27th annual general meeting of the Company scheduled to be held on Saturday, 19th September, 2015. The results along with the scrutinizer's report shall be placed on the Company's website [www.kjmc.com](http://www.kjmc.com), within two days of the passing of the resolutions at the 27th annual general meeting of the Company and shall also be communicated to the stock exchanges.
- 20) Information required to be provided, pursuant to Clause 49 of the Listing Agreement in respect of the Directors seeking appointment / re appointment at the AGM are given hereunder. The Directors have furnished the requisite consents / declarations for their appointment/re appointment.

(i) **Mr. Girish Jain**

<b>Name &amp; Designation</b>	Mr. Girish Jain, Director
<b>Date of Birth</b>	7th May, 1971
<b>Qualifications</b>	B.E. (Electronics), MBA (Finance)
<b>Expertise</b>	He is having over 17 years experience in Corporate Finance, Fund raising through loan syndication, Asset Management, Merchant Banking, Financial Restructuring, Stock Broking, Distribution of financial products.
<b>Director of the Company since</b>	21st September, 1994

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

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

(ii) **Mrs. Aditi Jain:**

<b>Name &amp; Designation</b>	Mrs. Aditi Jain, Director
<b>Date of Birth</b>	29th August, 1974
<b>Qualifications</b>	B.E (Computers) & PGDBM (Finance)
<b>Expertise</b>	She is having experience in Corporate, Finance and Capital Market.
<b>Director of the Company since</b>	25th March, 2015

Directorships / Committee Membership of Ms. Aditi Jain in the other companies:

Name of the Company	Committee Chairmanship/Membership
KJMC Capital Market Services Limited	—
KJMC Credit Marketing Limited	---
Prathamesh Enterprises Private Limited	---
KJMC Realty Private Limited	---
AKIP Ventures Private Limited	---
KJ Golden real Estate Private Limited	---
KJ Diamond real Estate Private Limited	---
Puja Impex Private Limited	---
KJMC e.Business Ventures Private Limited	---

- 21) In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Equity Listing Agreement, the company is pleased to offer e-voting facility as an alternate to all the members of the company to enable them to cast their votes electronically instead of voting at the AGM.

The instructions for e-voting are as under:

The procedure and instructions for e-voting are as under:-

- The voting period begins on 16th September, 2015 (10:00 a.m.) and ends on 18th September, 2015 (06.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 07th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Now click on "Shareholders" tab.
- Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For members holding shares in D-mat Form and Physical Form
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/mail) in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.</li> </ul>

<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
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- (ix) After entering these details appropriately, click on "SUBMIT".
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the "KJMC Financial Services Limited" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

(Sankari Muthuraj)  
Company Secretary

Place: Mumbai  
Date: 11th August, 2015

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

### ITEM NO. 4

Mrs. Aditi Jain (Din : 00152373), was appointed as an Additional Director by the Board with effect from 25th March, 2015.

In terms of Section 161(1) of the Companies Act, 2013, Mrs. Aditi Jain (Din : 00152373) holds office as Director only till the date of the forthcoming Annual General Meeting, but she is eligible for appointment. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from a member signifying his intention to propose the candidature of Mrs. Aditi Jain (Din : 00152373) as a Director.

Further details of Mrs. Aditi Jain have been given in the notes to this Notice.

Your Directors therefore recommend the resolution for your approval. Mrs. Aditi Jain herself and her relatives viz. Mr. Girish Jain, Mr. Inderchand Jain and Mr. Rajnesh Jain are concerned or interested in this Resolution.

By Order of the Board  
For KJMC Financial Services Limited

(Sankari Muthuraj)  
Company Secretary

Place: Mumbai  
Date: 11th August, 2015

## DIRECTORS REPORT

To,

The Members of

### KJMC Financial Services Limited

Your Directors have pleasure in presenting the 27th Annual Report, together with the audited financial statement of the Company for the financial year ended 31st March, 2015.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2015 is summarized below:

Particulars	Standalone		Consolidated	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Total Income	13,379	7,188	14,799	7,655
Total Expenses	12,289	6,517	13,287	7,225
Profit before Tax	1,090	671	1,512	430
Less: Provision for Tax				
- Current Tax	-	-	41	10
- Deferred Tax	(1,193)	(366)	(1,193)	(366)
- MAT Credit	-	-	(40)	(10)
- Prior period taxes	472	-	456	-
Profit for the Year before Share in Associates' profit / Loss	1,811	1,037	2,248	796
Share in Associates' Loss	NA	NA	(56)	(42)
Profit / (Loss) After Tax	1,811	1,037	2,192	754
Add : Surplus b/f	18,756	17,952	16,739	16,218
Fixed Assets not having remaining useful life as on 1st April, 2014	(208)	-	(208)	-
Disposable Profits	20,358	18,989	18,723	16,972
Appropriations towards :				
Special Reserve	362	207	362	207
General Reserve	45	26	45	26
Balance carried forward	19,951	18,756	18,316	16,739
EPS				
- Basic	0.48	0.31	0.58	0.23
- Diluted	0.39	0.25	0.47	0.18

### PERFORMANCE REVIEW

On standalone basis, your Company earned the gross income of ₹ 133.79 Lakhs as against ₹ 71.88 Lakhs in the previous year. The total expenditure during the year under review was ₹ 122.89 Lakhs as against ₹ 65.17 Lakhs in the previous year. The Net Profit after tax was ₹ 18.11 Lakhs as against ₹ 10.37 Lakhs in the previous year.

On consolidated basis, your Company earned the gross income of ₹ 147.99 Lakhs as against ₹ 76.55 Lakhs in the previous year. The total expenditure during the year under review was ₹ 132.87 Lakhs as against ₹ 72.25 Lakhs in the previous year. The Net Profit after tax was ₹ 21.92 Lakhs as against ₹ 7.54 Lakhs in the previous year.

### TRANSFER TO RESERVES

The Company proposes to transfer ₹ 0.45 Lakhs to the general reserve and

₹ 3.62 Lakhs to Special Reserves out of the amount available for appropriation and an amount of ₹ 199.51 Lakhs is proposed to be retained in the profit and loss account.

### SHARE CAPITAL

During the reporting period, your Company has allotted 45000, 0% Compulsory Convertible Preference Shares of ₹ 100/- each (CCPS) at a price of ₹ 250/- per share to Promoter and Part of the Promoters Group of the Company on Preferential basis in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 pursuant to approval of members on special resolution passed through postal ballot on 19th March, 2015. As a result of this, the issued, subscribed and paid up capital of the Company has increased from ₹ 433.57 lacs to ₹ 478.57 lacs.

The 45,000 CCPS are convertible into 450,000 equity shares within 18 months from the date of allotment of CCPS i.e. 25th March, 2015 at an offer price ₹ 25/- per share.

### DIVIDEND

In order to conserve the resources for operations, your Directors regret their inability to recommend any dividend for the year under review.

### 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 AND KEY MANAGERIAL PERSONNEL

Mr. Raghunath Mohanlal Kumar (Din: 00261227), Independent Director of the Company, stepped down from the Board of the Company on 10th November, 2014 due to his ill health. He was associated with the Company since 5th October, 1994.

Mr. Sanjeev Singh Sengar, Company Secretary and Compliance Officer of the Company resigned w.e.f. 15th November, 2014.

The Board places on record their appreciation for the valuable services rendered by Mr. Raghunath Mohanlal Kumar and Mr. Sanjeev Singh Sengar.

Pursuant to the requirement of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has also inducted Mrs. Aditi Jain (Din: 00152373), as an Additional Director of the Company with effect from 25th March, 2015. She is B.E (Computers) & PGDBM (Finance) and has experience in corporate finance, capital market and general administration besides technology related issues.

Necessary resolutions are being proposed in the notice of the ensuing annual general meeting for the approval of the members for appointment of Mrs. Aditi Jain, as a Director of the Company. The Company has received a notice from a member pursuant to Section 160 of the Companies Act 2013 proposing her appointment as a Director.

According to the Companies Act, 2013, at least two-thirds of the total number of Directors (excluding Independent Directors) shall be liable to retire by rotation. For this purpose, considering the composition of the Board of Directors, Mr. Girish Jain, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment. Necessary resolution for this purpose is being proposed in the notice of the ensuing annual general meeting for the approval of the members.

The Independent Directors have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided in sub-section (6).

The Board has appointed Mr. Kartik Konar as Chief Financial Officer of the Company with effect from 11th August, 2014.

The Board has appointed Ms. Sankari Muthuraj as Company Secretary of the company with effect from 25th March, 2015 within a meaning of Section 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. She has been designated as Compliance Officer of the Company pursuant to Clause 47 of the Listing Agreement.

### NUMBER OF BOARD MEETING

The Board of Directors met six (6) times in the financial year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to the

provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive Directors.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance report, which forms part of the Directors' report.

#### **ADEQUACY OF INTERNAL CONTROL**

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

#### **PUBLIC DEPOSITS**

The Company being a Non-Deposit Accepting Non-Banking Finance Company has not accepted any deposits from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India (RBI).

#### **AUDITORS**

In accordance with Section 139 of the Companies Act, 2013 and the rules made there under, M/s. K. S. Aiyar & Co., Mumbai, the Statutory Auditors of your Company has been appointed as the Statutory Auditors of the Company in the 26th Annual General Meeting of the Company, for a period of five years (subject to ratification of their appointment at every AGM).

They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for appointment as Auditors of the Company.

The Auditors Report for the year under review does not contain any qualification.

#### **AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. S. Rauthan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed and forms part of this report.

#### **SUBSIDIARY COMPANIES**

The Company has two wholly owned subsidiaries namely KJMC Asset Management Company Limited and KJMC Investment Trust Company Limited and two associate companies namely KJMC Realty Private Limited and KJMC Platinum Builders Private Limited within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries and associates.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is annexed and forms part of this report.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone

and the consolidated financial statements has been placed on the website of the Company, www.kjmc.com. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, www.kjmc.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

#### **DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134 OF THE COMPANIES ACT, 2013**

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors hereby confirm that:

- that in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies have been selected and applied them consistently and made judgement 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 the financial year and of the profit of the Company for that period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

In terms of SEBI Circular No: CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014, compliance of Clause no. 49 of the Equity Listing Agreement is not applicable to your Company as the Company's paid up Equity Share Capital does not exceed of Rs. 10 Crores and net worth does not exceed of Rs. 25 Crores as on 31st March, 2015.

To maintain highest standards of Corporate Governance, a separate section on Corporate Governance, is annexed and forms part of this report.

#### **EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return as provided under sub-section (3) of Section 92 in the Form MGT 9 for the financial year under review is annexed and forms part of this report.

#### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed on a quarterly basis before the Audit Committee and also before the Board for approval.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is annexed and forms part of this report.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

#### **LISTING OF SHARES**

Equity Shares of the Company are listed with BSE Limited. The Annual listing fee for the financial year 2015-16 has been paid to the BSE Limited (BSE). The Company has complied with the delisting formalities with the Bhubaneswar Stock Exchange Association Limited and the Calcutta Stock Exchange Association Limited. Delisting approval from these exchanges are awaited.

## FUTURE BUSINESS PLAN

The Board of Directors of your Company are looking continuously to increase and grow the business of the Company and also considering the new business proposal to start a Housing finance business through its subsidiary company as a special purpose vehicle (SPV).

## PARTICULARS OF EMPLOYEES

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

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

Non-executive Directors	Ratio to median remuneration
Mr. Inderchand Jain	-
Mr. S.C. Aythora	0.12
Mr. R.R. Kumar ( up to 10.11.2015) *	-
Mr. Nitin Kulkarni	0.12
Mr. Girish Jain	-
Mrs. Aditi Jain (Appointed w.e.f. 25th March, 2015) *	-
<b>Executive Directors</b>	
Mr. Rajnesh Jain*	-

\*Since this information is for part of the year, the same is not comparable.

- ii. **The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, if any, in the financial year;**  
Whole Time Director, Chief Financial Officer & Company Secretary : Nil
- iii. **The percentage increase in the median remuneration of employees in the financial year:** Nil
- iv. **The number of permanent employees on the rolls of Company as on 31st March, 2015:** 8
- v. **The explanation on the relationship between average increase in remuneration and Company performance:**  
On an average, employees received an annual increase of 6%. The individual increments varied from 5% to 8% based on individual performance.
- vi. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

(₹ in '000")

Aggregate remuneration of key managerial personnel (KMP) in FY15	2,517
Revenue	13,379
Remuneration of KMPs (as % of revenue)	18.81
Profit before Tax (PBT)	1,090
Remuneration of KMP (as % of PBT)	230.92

- vii. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	31st, March 2015	31st, March 2014	% Change
No. of Equity Share	39,10,740	34,85,740	12.19
Market price per share ₹	12.55	16.35	(23.24)
Market Capitalisation ₹	4,90,79,787	5,69,91,849	(13.88)
Earning per share ₹	0.48	0.31	54.84
Price Earnings Ratio	26.15	52.74	(50.42)

- viii. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	31st March, 2015	March, 1995 - IPO	% Change
Market Price	12.55	60 & 70*	(79.08)

\* Equity Shares of ₹10/- each were offered at a premium of ₹ 50/- per share to the Financial Institutions and Indian Public and at a premium of ₹ 60/- per share to Mutual Funds.

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

The average annual increase of employees was around 6%. However, during the course of the year, managerial remuneration was not increased.

- x. **Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

(₹ in '000")

	Mr. Rajnesh Jain (Whole time Director appointed w.e.f. 11.08.2014)	Mr. Kartik Konar (Chief Financial Officer appointed w.e.f. 11.08.2014)	Mr. Sanjeev Sengar (Company Secretary resigned w.e.f. 15.11.2014)	Sankari Muthuraj (Company Secretary appointed w.e.f. 25.03.2015)
Remuneration in FY15 (Rs. '000)	1,474	202	831	11
Revenue	13,379			
Remuneration as % of revenue	11.02	1.51	6.21	0.08
Profit before Tax (PBT)	1,090			
Remuneration (as % of PBT)	135.23	18.53	76.24	1.01

- xi. **The key parameters for any variable component of remuneration availed by the Directors:** None
- xii. **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:** None
- xiii. **Affirmation that the remuneration is as per the remuneration policy of the Company:**  
The Company affirms remuneration is as per the remuneration policy of the Company.
- xiv. **There are no employees falling within the purview of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no such details, are required to be given.**

## PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Since the Company is a Financial Services Company, the details required under Section 134 of the Companies Act, 2013 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.

## RISK MANAGEMENT

The details in respect of risks and concerns are included in the Management Discussion & Analysis, which forms part of this report.

## ACKNOWLEDGMENT

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

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

For and on behalf of the Board of Directors

(I. C. Jain)  
Chairman

Place: Mumbai  
Date: 27th May, 2015

## 27TH ANNUAL REPORT 2014-2015

### FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries & associate companies.

#### Part "A": SUBSIDIARIES

(₹ in '000')

Sr. No.	1	2
Name of the subsidiary	KJMC Asset Management Company Ltd	KJMC Investment Trust Co Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding Company (i.e. 1st April to 31st March)	Same as holding Company (i.e. 1st April to 31st March)
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR
Share capital	1,02,500	1,500
Reserves & surplus	(1411)	(105)
Total assets	1,01,217	1,653
Total Liabilities	128	258
Investments	13,800	108
Turnover	-	-
Profit before taxation	391	31
Provision for taxation	1	(16)
Profit after taxation	390	47
Proposed Dividend	-	-
% of shareholding	100%	100%
Country	India	India

#### PART "B": ASSOCIATES

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

Name of Associates	KJMC Realty Pvt Ltd	KJMC Platinum Builders Pvt Ltd
1. Latest audited Balance Sheet Date	31-03-2015	31-03-2015
2. Shares of Associate held by the company on the year end No.	4,000	65,300
Amount of Investment in Associates	40	653
Extend of Holding %	24.02	27.86
3. Description of how there is significant influence	Holding more than 20% of Equity	Holding more than 20% of Equity
4. Reason why the associate is not consolidated		
5. Networth attributable to Shareholding as per latest audited Balance Sheet	-	574
6. Profit / Loss for the year		
i. Considered in Consolidation	(28)	(28)
ii. Not Considered in Consolidation	-	-

As per our report of even date attached

for and on behalf of Board of Directors

For K.S. Aiyar & Co.

Chartered Accountants.

ICAI Firm Registration No. 100186W

Sachin A Negandhi

Partner  
Membership No. 112888

Place: Mumbai

Dated: 27th May, 2015

I. C. Jain

Chairman

Din No:

00178901

Girish Jain

Whole Time Director

DIN:

00151673

Kartik Konar  
Chief

Financial Officer

Place: Mumbai

Dated: 27th May, 2015

Sankari Muthuraj  
Company Secretary

### Form No. AOC-2

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

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	KJMC Corporate Advisors (India) Limited	Leave and License Agreement	10 years	Leasing of part of the premises bearing office no. 162, Atlanta, 16th Floor, Nariman Point, Mumbai-400021 at a monthly lease rental of Rs. 2500/- p.m.	29.05.2014	Nil

For and on behalf of the Board of Directors

(I. C. Jain)

Chairman

Place: Mumbai

Date: 27th May, 2015

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L99999MH1988PLC047873
ii.	Registration Date	29.06.1988
iii.	Name of the Company	KJMC Financial Services Limited
iv.	Category /Sub-Category of the Company	Public Company limited by shares
v.	Address of the Registered office and contact details	162, Atlanta, 16th Floor, Nariman Point, Mumbai - 400021.
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. E-2 &3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400072. Tel.No. 022-40430200, Fax.No. 022-28475207 E-mail id: investor@bigshareonline.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Credit and investment	99715990	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary of the Company	% of shares	Applicable Section
1	KJMC Asset Management Company Limited	U74140MH1998PLC220222	Subsidiary	100	2(87)
2	KJMC Investment Trust Company Limited	U74899MH1998PLC213839	Subsidiary	100	2(87)
3	KJMC Realty Private Limited	U70102MH2008PTC183258	Associate	24.02	2(6)
4	KJMC Platinum Builders Private Limited	U45200MH2008PTC181980	Associate	27.86	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2006977	-	2006977	57.78	2006977	-	2006977	51.32	(6.46)
b) Central Govt	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	-	-	-	425000	-	425000	10.87	10.87
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any Other....	-	-	-	-	-	-	-	-	
Sub-total (A) (1):-	2006977	-	2006977	57.78	2431977	-	2431977	62.19	4.41
(2) Foreign	-	-	-	-	-	-	-	-	
a) NRIs - Individuals	-	-	-	-	-	-	-	-	
b) Other - Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	
e) Any Other....	-	-	-	-	-	-	-	-	
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2006977	-	2006977	57.78	2431977	-	2431977	62.19	4.41
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks / FI	-	65400	65400	1.88	-	65400	65400	1.67	(0.21)
c) Central / State Govt (s)	-	7050	7050	0.20	-	7050	7050	0.18	(0.02)
d) Venture Capital Funds	-	-	-	-	-	-	-	-	
e) Insurance Companies	-	-	-	-	-	-	-	-	
f) FIs	-	-	-	-	-	-	-	-	
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	

h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	72450	72450	2.08	-	72450	72450	1.85	-
2.Non-Institutions					-	-	-	-	
a) Bodies Corp.	592195	20850	613045	17.59	592074	20850	612924	15.67	(1.92)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	256068	203131	459199	13.17	257485	201831	459316	11.74	(1.43)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	317600	15300	332900	9.55	317600	15300	332900	8.51	(1.04)
c) Others (specify)									
i) Non Resident Indians	518	0	518	0.01	523	-	523	0.01	-
ii) Clearing Members	51	0	51	0.00	50	-	50	0.00	-
iii) Directors & their Relatives & Friends	350	250	600	0.02	350	250	600	0.02	-
Sub-total (B)(2):-	1166782	239531	1406313	40.34	1168082	238231	1406313	35.96	(4.38)
Total Public Shareholding (B)=(B)(1)+(B)(2)	1166782	311981	1478763	42.42	1168082	310681	1478763	37.81	(4.61)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3173759	311981	3485740	100	3600059	310681	3910740	100	

**(ii) Shareholding of Promoters**

Sr. No	Shareholder's Name	Share holding at beginning of the year i.e. 01.04.2014			Share holding at the end of the year i.e. 31.03.2015			% change In share Holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Inder Chand Jain	1221354	35.04	0.00	1221354	31.23	0.00	-3.81
2	I C Jain HUF	267065	7.66	0.00	267065	6.83	0.00	-0.83
3	Mrs. Chanddevi Jain	151553	4.35	0.00	151553	3.88	0.00	-0.47
4	Mr. Rajnesh Jain	122335	3.51	0.00	122335	3.13	0.00	-0.38
5	Mr. Pankaj Jain	122335	3.51	0.00	122335	3.13	0.00	-0.38
6	Mr. Girish Jain	122335	3.51	0.00	122335	3.13	0.00	-0.38
7	KJMC Corporate Advisors (India) Ltd	0	0.00	0.00	425000	10.87	0.00	10.87