



**KJMC**  
ADVICE MATTERS

# **KJMC FINANCIAL SERVICES LIMITED**

**28th**  
**Annual Report**  
**2015 - 2016**

**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**

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

<b>28TH ANNUAL GENERAL MEETING</b>		
<b>Date</b>	:	<b>Saturday, September 10, 2016</b>
<b>Time</b>	:	<b>10.45 a.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 28th Annual General Meeting of the Members of KJMC Financial Services Limited will be held on Saturday, September 10, 2016 at 10.45 a.m. at S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 79-Marine Drive, 'F' Road, Mumbai – 400 020, 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 March 31, 2016, 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 March 31, 2016, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Rajnesh Jain (DIN : 00151988), who retires by rotation and being eligible, offers himself for reappointment.
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 (Firm Registration No. 100186W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2017 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:-

4. **Revision in the terms of remuneration of Mr. Rajnesh Jain (DIN: 00151988), Whole Time Director**

To consider and deem fit, to pass with or without modification, the following resolution as a **Special Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the revision in the terms of remuneration payable to, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. Rajnesh Jain, (DIN: 00151988), Whole Time Director of the Company, w.e.f. April 01, 2016 on the terms of remuneration as recommended by the nomination and remuneration committee at their meeting held on May 06, 2016 and approved by the board on May 19, 2016 and as set out in the explanatory statement annexed to the notice, for the remaining period of his tenure i.e. upto August 10, 2017;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the terms and conditions of the remuneration of Mr. Rajnesh Jain, Whole Time Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, without any further approval of the members of the Company and

subject to the overall limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required in order to give effect to the aforesaid resolution."

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

(Sankari Muthuraj)  
Company Secretary

Place: Mumbai

Date: August 10, 2016

### NOTES:

- 1) The relative Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out at item 4 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 letter 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 Annual General Meeting (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, September 07, 2016 to Saturday, September 10, 2016 (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&3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai-400072, Tel. No.022-40430200, Fax No. 022-28475207, mail id : investor@bigshareonline.com.
- 11) Copies of the Annual Report, 2016 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 e-mail 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 28th AGM and the Annual Report 2016 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. K Jain & Co., a firm of Company Secretaries in Practice, as a scrutinizer for conducting the e-voting and polling process at the ensuing AGM 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 28th AGM of the Company scheduled to be held on September 10, 2016. The results along with the scrutinizer's report shall be placed on the Company's website www.kjmc.com, within two days of the passing of the resolutions at the 28th AGM of the Company and shall also be communicated to the stock exchanges.
- 20) Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM are furnished below. The Directors have furnished the requisite consents / declarations for their appointment/re appointment.

**(I) Mr. Rajnesh Jain**

Name & Designation	Mr. Rajnesh Jain, Whole Time Director		
Director Identification Number (DIN)	00151988		
Date of Birth	January 31, 1967		
Qualifications	B. Com, FCA		
Expertise in specific functional area	He is having vast experience in corporate finance, financial services, merchant banking, capital market and fund based activities.		
Director of the Company since	June 30, 2001.		
Number of Shares held in the Company as on March 31, 2016	122335		
Disclosure of relationships between directors inter-se	Sr. No.	Name & Designation of Director	Relationship
	1.	Mr. Inderchand Jain, Director	Father of Mr.Rajnesh Jain
	2.	Mr. Girish Jain, Director	Brother of Mr.Rajnesh Jain
	3.	Mrs. Aditi Jain, Director	Brother's Wife Mr. Girish Jain

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

Name of the Company	Committee Chairmanship/ Membership
KJMC Corporate Advisors (India) Limited (Listed Company)	1. <b>Member</b> – Share Transfer and Stakeholders Relationship Committee. 2. <b>Member</b> – Nomination & Remuneration Committee. 3. <b>Member</b> – Credit & Investment Committee.
KJMC Capital Market Services Limited	1. <b>Member</b> – Audit Committee. 2. <b>Member</b> – Nomination & Remuneration Committee.
KJMC Credit Marketing Limited	-
KJMC Commodities Market India Limited	-
KJMC Asset Management Company Limited	-
KJMC Trading & Agency Limited	-
KJMC Realty Private Limited	-
Prathamesh Enterprises Private Limited	-
KJMC e. Business Ventures Private Limited	-

- 21) The route map showing directions to reach the venue of the 28th AGM is annexed.
- 22) In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the company is providing to its members the facility to cast their vote

electronically from a place other than venue of the AGM ("remote e-voting") as an alternate to all the members of the company to enable them to cast their votes electronically instead of voting at the AGM, through e-voting services provided by CDSL.

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

- (i) The remote e-voting period begins on September 06, 2016 (10:00 a.m.) and ends on September 09, 2016 (05.00 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 September 03, 2016, may cast their vote electronically. The remote evoting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the date of AGM would not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Now click on "Shareholders" tab.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

	For members holding shares in Demat 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>	<p>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.</p> <p>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).</p>

- (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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) 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 a 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 of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.

(B) The voting period begins on September 06, 2016 (10:00 a.m.) and ends on September 09, 2016 (05.00 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 September 03, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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: August 10, 2016



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

**ITEM NO. 4**

Mr. Rajnesh Jain was appointed as Whole Time Director of the Company for a period of three years with effect from August 11, 2014 to August 10, 2017 (both days inclusive) at the AGM held on September 27, 2014 and empowered the Board of Directors including the Nomination & Remuneration Committee to alter and vary the terms and conditions of the said appointment and/or remuneration as the Board may deem fit subject to the overall limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

The Board of Directors at their meeting held on November 10, 2014 amended the terms and conditions of the remuneration of Mr. Rajnesh Jain. Since there has been a considerable increase in the duties and responsibilities performed by the Whole Time Director and after considering the prevailing managerial remuneration in industry, the Board of Directors at their meeting held on May 19, 2016, on the recommendations made by the nomination and remuneration committee, has approved the proposal to increase the basic salary of Mr. Rajnesh Jain, Whole Time Director from ₹ 1,53,000/- (Rupees One Lakh Fifty Three Thousand only) per month to ₹ 2,00,000 per month w.e.f. April 01, 2016 for the remaining period of his tenure i.e., upto August 10, 2017.

The material terms of remuneration payable to Mr. Rajnesh Jain are as under:

**1. Basic Salary:**

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

**2. Perquisites and allowances:**

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

- (i) Reimbursement of medical expenses incurred for self and family in India or abroad, including hospitalization, nursing home and surgical charges and in case of medical treatment abroad, the air-fare, boarding/lodging for patient and attendant.
- (ii) Reimbursement of actual traveling expenses in India or Abroad for proceeding on leave twice in a block of four years in respect of himself and family.
- (iii) Reimbursement of membership fees for clubs in India or abroad, including any admission / life membership fees.
- (iv) Mediclaim and Life insurance policy for himself and family.
- (v) Keyman insurance policy.
- (vi) Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, as may be approved by the Board of Directors from time to time.
- (vii) Reimbursement of entertainment expenses incurred in the course of business of the company.
- (viii) Reimbursement of educational expenses including hostel charges etc. for maximum of two children's in India or outside India.
- (ix) Company's contribution to provident fund and superannuation fund to the extent these either singly or put together are not taxable under the Income-tax Act.

- (x) Gratuity at the rate of half month's salary for each year of service.
- (xi) Leave with full pay as per the rules of the company, with encashment of unavailed leave being allowed.
- (xii) Free use of Company's car along with driver for Company's works and Private purpose.
- (xiii) Telephone, mobile, tele-fax and other communication facilities at company's cost.
- (xiv) Rent free accommodation including payment of electricity bill, water charges and all other expenses for the upkeep and maintenance of residence.
- (xv) Reimbursement of expenditure incurred towards membership fees for gym, etc.

Subject to any statutory ceiling/s, Mr. Rajnesh Jain may be given any other allowances, perquisites benefits and facilities as the Board of Directors from time to time may decide.

**3. Valuation of perquisites:**

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

**4. Other terms:**

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

**5. Minimum Remuneration:**

The aforesaid remuneration in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may, for the time being, be in force. Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay remuneration by way of Salary, Perquisites and Allowances not exceeding the maximum limits laid down in Section II of Part II of Schedule V of the Companies Act, 2013, as may be agreed to the Board of Directors of the Company and Mr. Rajnesh Jain.

As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule "V" to the said Act, Central Government approval is not necessary for the above revision in remuneration.

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

By Order of Board of Directors  
For KJMC Financial Services Limited

**(Sankari Muthuraj)**  
Company Secretary

Place: Mumbai

Date: August 10, 2016

## DIRECTORS REPORT

To,

The Members of

**KJMC Financial Services Limited**

Your Directors have pleasure in presenting the 28th Annual Report, together with the audited financial statement of the Company for the financial year ended March 31, 2016.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2016 is summarized below:

(₹ in "000")

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
Total Income	22,476	13,379	23,696	14,800
Total Expenses	16,309	12,289	17,524	13,287
Profit before Tax	6,167	1,090	6,172	1,513
Less: Provision for Tax				
-Current Tax	Nil	Nil	7	41
- Deferred Tax	(145)	(1,193)	(145)	(1,193)
- MAT Credit	Nil	Nil	28	(40)
- Prior period taxes	Nil	472	(23)	456
Profit for the Year before Share in Associates' profit / Loss	6,312	1,811	6,305	2,249
Share in Associates' Profit/(Loss)	NA	NA	14	(56)
Profit / (Loss) After Tax	6,312	1,811	6,319	2,193
Add : Surplus b/f	19,950	18,754	18,317	16,739
Fixed Assets not having remaining useful life as on 1st April, 2014	Nil	(208)	Nil	(208)
Disposable Profits	26,262	20,357	24,636	18,724
Appropriations towards :				
Special Reserve	1,263	362	1,263	362
General Reserve	158	45	158	45
Balance carried forward	24,841	19,950	23,215	18,317
EPS				
-Basic	1.43	0.48	1.44	0.58
-Diluted	1.32	0.39	1.32	0.47

### PERFORMANCE REVIEW

On standalone basis, your Company earned the gross income of ₹ 224.76 Lakhs as against ₹ 133.79 Lakhs in the previous year. The total expenditure during the year under review was ₹ 163.09 Lakhs as against ₹ 122.89 Lakhs in the previous year. The Net Profit after tax was ₹ 63.12 Lakhs as against ₹ 18.11 Lakhs in the previous year.

On consolidated basis, your Company earned the gross income of ₹ 236.96 Lakhs as against ₹ 148.00 Lakhs in the previous year. The total expenditure during the year under review was ₹ 175.24 Lakhs as against ₹ 132.87 Lakhs in the previous year. The Net Profit after tax was ₹ 63.19 Lakhs as against ₹ 21.93 Lakhs in the previous year.

### TRANSFER TO RESERVES

The Company proposes to transfer ₹ 1.58 Lakhs to the general reserve and ₹ 12.63 Lakhs to Special Reserves out of the amount available for appropriation and an amount of ₹ 248.41 Lakhs is proposed to be retained in the profit and loss account.

### SHARE CAPITAL

During the reporting period, your Company has allotted 4,25,000 equity shares of ₹ 10/- each at a price of ₹ 20/- per share pursuant to Conversion of 42500, 0% Compulsory Convertible Preference Shares allotted on February 28, 2014.

During the reporting period, your Company has allotted 1,50,000 equity shares of ₹ 10/- each at a price of ₹ 25/- per share pursuant to Conversion of 15000, 0% Compulsory Convertible Preference Shares allotted on March 25, 2015.

### 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.

### ALTERATION IN THE MAIN OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION

During the financial year 2015-16, your Company has altered the main object clause of the Memorandum of Association of the Company in order to more clearly reflect various types of NBFC activities such as lending, borrowing, guaranteeing, investment, securitization, assignment and re-assignment, currency and interest rate swaps, mezzanine financing, derivatives, syndicated and consortium finance etc.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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. Rajnesh 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).

### NUMBER OF MEETINGS

#### a. Board Meeting

The Board of Directors met Four (4) times in the financial year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this report.

#### b. Audit Committee

During the year, Four (4) Audit Committee Meetings were convened and held. The details pertaining to composition of Audit Committee and the attendance of the Audit Committee members are provided in the Corporate Governance Report, which forms part of this report.

#### c. Nomination and Remuneration Committee

During the year, One (1) Nomination and Remuneration Committee Meeting were convened and held. The details pertaining to composition of Nomination and Remuneration Committee and the attendance of the Nomination and Remuneration Committee members are provided in the Corporate Governance Report, which forms part of this report.

d. Share Transfer and Stakeholders Relationship Committee

During the year, Nine (9) Share Transfer and Stakeholders Relationship Committee Meetings were convened and held. The details pertaining to composition of Share Transfer and Stakeholders Relationship Committee and the attendance of the Share Transfer and Stakeholders Relationship Committee members are provided in the Corporate Governance Report, which forms part of this report.

e. Credit and Investment Committee

During the year, Seven (7) Credit and Investment Committee Meetings were convened and held. The details pertaining to composition of Credit and Investment Committee and the attendance of the Credit and Investment Committee members are provided in the Corporate Governance Report, which forms part of this 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 Companies Act, 2013 and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

**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.K. Jain & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report is annexed and forms part of this report.

**SUBSIDIARY AND ASSOCIATE COMPANIES**

During the year the Company has incorporated a wholly owned subsidiary namely KJMC Trading & Agency Limited.

As on March 31, 2016, the Company has three wholly owned subsidiaries namely KJMC Asset Management Company Limited, KJMC Investment Trust Company Limited and KJMC Trading & Agency 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, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts for the financial year ended March 31, 2016 on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CORPORATE GOVERNANCE**

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, compliance with the corporate governance provisions are not applicable to your Company as the Company's paid up Equity Share Capital does not exceed of ₹ 10 Crores and net worth does not exceed of ₹ 25 Crores as on March 31, 2016.



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. During the reporting period, your Company has allotted 5,75,000 equity shares of ₹ 10/- each issued on conversion of 57,500 0%CCPS and the same got listed in BSE Limited. The Annual listing fee for the financial year 2016-17 has been paid to the BSE Limited (BSE).

#### 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 2015-16;**

Non-executive Directors	Ratio to median remuneration
Mr. Inderchand Jain	0.04
Mr. S.C. Aythora	0.05
Mr. Nitin Kulkarni	0.05
Mrs. Aditi Jain	0.03
Mr. Girish Jain	0.04
<b>Executive Director</b>	
Mr. Rajnesh Jain	5.65

- ii. **The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, if any, in the financial year;**

Name	Designation	% increase in remuneration in the financial year i.e. 2015-16
Mr. Inderchand Jain	Non Executive Director	-
Mr. S.C. Aythora	Non Executive Director	-
Mr. Nitin Kulkarni	Non Executive Director	-
Mr. Girish Jain	Non Executive Director	-
Mr. Rajnesh Jain	Whole Time Director	-
Mrs. Aditi Jain	Non Executive Director	-
Ms. Sankari Muthuraj*	Company Secretary	-
Mr. Kartik Konar	Chief Financial Officer	9.41

Ms. Sankari Muthuraj was appointed on March 25, 2015.

- iii. **The percentage increase in the median remuneration of employees in the financial year:** 5.90%

- iv. **The number of permanent employees on the rolls of Company as on March 31, 2016:** 8

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

The average percentage increase in the salaries of employees other than managerial personnel in the financial year 2015-16 was around 9.5%. However, there was no increase in the salaries of Whole Time Director (Managerial Personnel) during the year. The increments given to employees are based on their potential, performance and contribution, which is also, benchmarked against applicable industry norms.

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

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

- vii. **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. However Company believes in conserving the natural resources and uses CFL and LED Lighting in the office premises which has low energy consumption.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company earned ₹ Nil in foreign currency in the current financial year as compared to ₹ Nil in the previous financial year and incurred expenditure of ₹ 6.92 Lakhs in the current year as compared to ₹ 8.42 Lakhs in the previous year.

#### INSURANCE

The Company's 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.

#### WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

Certificate from Mr. Rajnesh Jain, Whole Time Director and Mr. Kartik Konar, Chief Financial Officer, as specified in Part B of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the financial year ended March 31, 2016 was placed before the Board of Directors of the Company at its meeting held on May 19, 2016.

#### 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

For KJMC Financial Services Ltd.  
(Inderchand Jain)  
Chairman

Place: Mumbai  
Date: August 10, 2016

**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	3
Name of the subsidiary	KJMC Asset Management Company Ltd	KJMC Investment Trust Co Limited	KJMC Trading & Agency 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)	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	INR
Share capital	102500	1500	1000
Reserves & surplus	(1444)	(70)	(7)
Total assets	101205	1688	1800
Total Liabilities	149	258	807
Investments	14000	Nil	500
Turnover	1066	16	42
Profit before taxation	(22)	35	(7)
Provision for taxation	10	1	Nil
Profit after taxation	(32)	34	(7)
Proposed Dividend	Nil	Nil	Nil
% of shareholding	100%	100%	100%
Country	India	India	India

**PART "B": ASSOCIATES**

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

(₹ in '000')

Name of Associates	KJMC Realty Pvt Ltd	KJMC Platinum Builders Pvt Ltd
1. Latest audited Balance Sheet Date	31-03-2016	31-03-2016
2. Shares of Associate held by the company on the year end		
No.	4000	65300
Amount of Investment in Associates	40	653
Extent 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	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	7231	16255
6. Profit / Loss for the year		
i. Considered in Consolidation	-	14
ii. Not Considered in Consolidation	(9)	-

As per our report of even date attached  
For K.S. Aiyar & Co.  
Chartered Accountants.  
ICAI Firm Registration No. 100186W

For and on behalf of Board of Directors  
For KJMC Financial Services Ltd.

**Inderchand Jain** **Rajesh Jain**  
Chairman Whole Time Director  
Din No: DIN:  
00178901 00151988

**Sachin A Negandhi**  
Partner  
Membership No. 112888

**Kartik Konar** **Sankari Muthuraj**  
Chief Company Secretary  
Financial Officer

Place: Mumbai  
Dated: May 19, 2016

Place: Mumbai  
Dated: May 19, 2016

**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 Asset Management Company Ltd	Availing of professional services	Period from 01.06.2015 to 31.03.2016.	Aggregate value of transactions is ₹ 5 Lakhs	11.08.2015	-
2.	KJMC Share and Securities Ltd	Availing of services	Period from 01.06.2015 to 31.03.2016.	Aggregate value of transactions is ₹ 2.25 Lakhs	11.08.2015	-
3.	KJMC Capital Market Services Limited	Leave and License Agreement	10 years	Leasing of part of the premises bearing office no. 162, Atlanta, 16th Floor, Nariman Point, Mumbai-400021 against the interest free refundable security deposit upto Rs. One Crore	06.02.2016	One Crore as security deposit

For and on behalf of the Board of Directors  
For KJMC Financial Services Ltd.

**(Inderchand Jain)**  
Chairman

Place: Mumbai  
Date : August 10, 2016

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2016

[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. Tel.No. 022-40945500, Fax.No. 022-22852892 E-mail id: investor.financ@kjmc.com
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