



**KJMC**  
ADVICE MATTERS

# **KJMC FINANCIAL SERVICES LIMITED**

**29th**  
**Annual Report**  
**2016 - 2017**

**BOARD OF DIRECTORS**

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

**REGISTRAR & TRANSFER AGENT**

Bigshare Services Pvt. Ltd.,  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai 400059.  
Tel.No.022 62638200, Fax No. 022 62638299,  
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**  
G8 & 9, Hans Bhavan,  
Ground Floor, 1, Bahadur Shah Zafar Marg,  
Near ITO Office, New Delhi - 110 002.

<b>29TH ANNUAL GENERAL MEETING</b>		
<b>Date</b>	:	<b>Saturday, September 23, 2017</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 29th Annual General Meeting of the Members of KJMC Financial Services Limited (CIN: L99999MH1988PLC047873) will be held on Saturday, September 23, 2017 at 10.45 a.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 the Audited Financial Statement (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended March 31, 2017, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Inderchand Jain (DIN: 00178901), 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, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. K. S. Aiyar & Co., Chartered Accountants (Registration No. 100186W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company to be held in the year 2018 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:-**

4. **Re-appointment of Mr. Rajnesh Jain, (DIN: 00151988) as a Whole Time Director of the Company.**

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

**"RESOLVED THAT** on the recommendation of the nomination and remuneration committee at their meeting held on May 18, 2017 and approval of board of Directors on May 27, 2017 and pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and any 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 thereof for the time being in force), approval of the Company, be and is hereby accorded for the re-appointment and 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 appointment of Mr. Rajnesh Jain (DIN: 00151988), as Whole Time Director (WTD) of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from August 11, 2017 to August 10, 2020, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit, without any further approval of the members of the Company and subject to the same not exceeding the 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."

**5. Adoption of new set of Articles of Association**

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the new set of Articles of Association of the Company, be and are hereby approved and adopted in substitution for, and to the exclusion of the existing Articles of Association of the Company;

**RESOLVED FURTHER THAT** the Board and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

By Order of the Board of Directors  
For KJMC Financial Services Limited  
Sd/-  
**(Sankari Muthuraj)**  
Company Secretary

Place: Mumbai  
Date: August 09, 2017

**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 and 5 in the Notice are 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 (50) members and holding in aggregate not more than ten percent (10%) of the total Share Capital of the Company. Members holding more than ten percent (10%) 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.
3. Members / proxies and authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
4. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting.
5. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, annexed to the Proxy Form. Members/Proxies are requested to bring the attendance slip duly filled in and to affix their signature at the place provided on

the Attendance Slip and hand it over at the counters at the venue.

6. Members and Proxies attending the meeting are requested to bring the annual report to the meeting as extra copies will not be distributed.
7. In case of joint holders attending the Annual General Meeting (AGM), the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members desirous of getting any information on the Annual Accounts, at the AGM, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
9. 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.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and 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.
11. The Register of Members and Share Transfer Books will remain closed from Wednesday, September 20, 2017 to Saturday, September 23, 2017 (both days inclusive) for the purpose of AGM.
12. 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).
13. Members are requested to address all correspondence to the Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Tel. No.022- 62638200, Fax No. 022- 62638299, mail id : investor @bigshareonline.com and bhagwan@bigshareonline.com.
14. Copies of the Annual Report 2016-2017, the notice of the 29th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are 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.
15. 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., / Depository participants.
16. Members may also note that the Notice of the 29th AGM, Attendance Slip, Proxy Form, Route Map, Ballot paper and the Annual Report, 2016-2017 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.
17. 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/ Registrar and Share Transfer Agents.

18. 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.
19. 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 ensuing AGM in a fair and transparent manner.
20. 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.
21. 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.
22. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 29th AGM of the Company scheduled to be held on September 23, 2017. 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 29th AGM of the Company and shall also be communicated to the stock exchanges.
23. 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. Inderchand Jain**

Name & Designation	Mr. Inderchand Jain, Director	
Director Identification Number (DIN)	00178901	
Date of Birth	November 07, 1939	
Qualifications	B. Com, FCA	
Expertise in specific functional area	He is having over five decades of experience in Income Tax Counseling, Corporate Finance, Merchant Banking and Company Audit as a Practicing Chartered Accountant.	
Director of the Company since	June 30, 2000.	
Number of Shares held in the Company as on March 31, 2017	213000	
Disclosure of relationships between directors inter-se	Sr. No.	Name & Designation of Director
	1.	Mr. Rajnesh Jain, Director
	2.	Mr. Girish Jain, Director
	3.	Mrs. Aditi Jain, Director
		Relationship
		Son of Mr. Inderchand Jain
		Son of Mr. Inderchand Jain
		Son's Wife

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

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

**II) 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	Having vast experience in corporate finance, financial services, merchant banking, capital market and fund and non fund based activities.		
Director of the Company since	June 30, 2001.		
Number of Shares held in the Company as on March 31, 2017	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 other companies:**

Name of the Company (Directorship)	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	–
Graham Firth Steel Products (India) Limited	–
KJMC Realty Private Limited	–
Prathamesh Enterprises Private Limited	–
KJMC e. Business Ventures Private Limited	–

24. The route map showing directions to reach the venue of the 29th AGM is annexed.

25. 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, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), 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. Shareholders who have already voted prior to the date of AGM would not be entitled to vote at the meeting venue.

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

- The remote e-voting period begins on September 18, 2017 (09:00 a.m.) and ends on September 22, 2017 (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 16, 2017, may cast their vote electronically. E-voting rights cannot be exercised by a proxy, though corporate and the institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- 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 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 sequence 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 serial 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> <ul style="list-style-type: none"> <li>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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the "KJMC Financial Services Limited" on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (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 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. (xix) above to cast vote.
- (B) The voting period begins on September 18, 2017 (09:00 a.m.) and ends on September 22, 2017 (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 16, 2017, 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  
Sd/-  
**(Sankari Muthuraj)**  
Company Secretary

Place: Mumbai  
Date: August 09, 2017

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

**ITEM NO. 4**

Mr. Rajnesh Jain's tenure as whole time Director of the Company ends on August 10, 2017. The Nomination and Remuneration Committee at their meeting held on May 18, 2017 considered the re-appointment of Mr. Rajnesh Jain (DIN: 00151988), as a Whole Time Director and also reviewed the terms and conditions including remuneration payable to him for the extended period and recommended to the Board for his re-appointment for a further period of three years from August 11, 2017 to August 10, 2020.

The Board at their meeting held on May 27, 2017 considered the recommendation of the Nomination and Remuneration Committee and approved the re-appointment of Mr. Rajnesh Jain (DIN: 00151988) as Whole-time Director of the Company for a further period of three years with effect from August 11, 2017 to August 10, 2020, subject to the approval of the members at the ensuing Annual General Meeting by way of Special Resolution.

The material terms of remuneration payable to Mr. Rajnesh Jain (DIN: 00151988) are as under:

**1. Basic Salary:**

₹ 2,00,000/- (Rupees Two Lakhs 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.

(xvi) Payment of tax on perquisites, in addition to the salary and other perquisites.

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 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.

**Information required to be given to members as per Schedule V of the Companies Act, 2013:**

**I. General information:**

1	Nature of Industry	Financial Services (NBFC)		
2	Expected date of commencement of commercial production	Not applicable		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4	Financial performance based on given indicators	As per the Audited Accounts of the Company for the following financial year ended March 31, 2017 (₹ in '000)		
		Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
		Total Revenue	28,288	22,476
		Profit Before Tax	3,039	6,167
		Profit for the period	4,225	6,312
5	Foreign Investments or collaborators, if any	Not applicable		

**II. Information about the appointee:**

1.	Background details	Mr. Rajnesh Jain is a FCA, having vast experience in Corporate Finance, Financial Services, Merchant Banking, Capital Market and fund based activities including investments, fund based and non fund based working capital facilities and trade finance. He is also one of the promoters of the Company and associated with the Company for more than two decades. He holds 122335 (2.56%) equity shares of the Company.
2.	Past remuneration	Last drawn remuneration is given in the Corporate Governance Section of the Annual Report. The remuneration details for proposed appointment are given in the text of the Explanatory Statement.
3.	Job profile	Mr. Rajnesh Jain shall, subject to the directions, supervision and control of the Board of Directors of the Company, manage and conduct the business and affairs of your Company.
4.	Remuneration proposed	The remuneration details for proposed appointment are given in the text of the Explanatory Statement.
5.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	Mr. Rajnesh Jain is responsible for the whole affairs of the Management of the Company and accountable to the Board of Directors of the Company. Keeping in view the profile of Whole time Director with his enriched knowledge and vast experience, the Board of Directors considers that the remuneration proposed to Mr. Rajnesh Jain is fully justifiable and commensurate with the similar sized industry.
6.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Besides the proposed remuneration payable to him, he does not have any other pecuniary relationship with the Company or with managerial personnel.

**III. Other information:**

1.	Reasons for inadequacy of profits	The company is exposed to specific risks that are peculiar to its business and the environment within which it operates including the economic cycle, market risk, etc. therefore, the profitability of the company varies accordingly.  The Economic Outlook for the Country has considerably improved with the stable Government which is committed to economic reforms and policies to improve ease of doing
2.	Steps taken or proposed to be taken for improvement	
3.	Expected increase in productivity and profits in measurable terms	

		business. Considering the Country's stable Central Government and economic outlook coupled with importance of financial services, your directors expect better performance of the Company in the coming years.  The Nomination and Remuneration Committee and the Board are of the opinion that appointment of Mr. Rajnesh Jain as 'Whole Time Director' would be in the interest of your Company and, therefore, recommend the resolution for your approval.
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In compliance with the provisions of Sections 196, 197 read with Schedule V and any other applicable provisions, if any of the Companies Act, 2013, the terms of appointment and remuneration of Mr. Rajnesh Jain, as specified above are now being placed before the Members for approval.

The Board recommends the Resolution for your approval by passing Special Resolution as proposed in the Notice.

Mr. Rajnesh Jain himself and his relatives viz. Mr. Inderchand Jain, Mr. Girish Jain and Mrs. Aditi Jain are concerned or interested in the Resolution.

**ITEM NO. 5**

The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). Upon enactment of the New Act, the existing Articles of Association of the Company need to be re-aligned as per the provisions of the New Act. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

The Board of Directors at its meeting held on August 09, 2017 decided to adopt a new set of Articles of Association in place of and in exclusion to the existing Articles of Association of the Company. Pursuant to Section 14 of the Companies Act, 2013, the consent of the members of the Company by way of a Special Resolution is required for adoption of a new set of Articles of Association of the Company. Accordingly, Special Resolution has been placed before the members for approval.

An altered copy of Articles of Association of the Company will be available for inspection by the Members at the Registered Office of the company during the office hours on all working days and also on the Company's website, www.kjmc.com.

None of the Directors is, directly or indirectly concerned or interested in the said Resolution.

By Order of the Board of Directors  
For KJMC Financial Services Limited  
Sd/-  
**(Sankari Muthuraj)**  
Company Secretary

Place: Mumbai  
Date: August 09, 2017



## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 29th Annual Report, together with the audited financial statement of the Company for the financial year ended March 31, 2017. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2017 is summarized below:

Particulars	(` in "000")			
	Standalone		Consolidated	
	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>FINANCIAL RESULTS</b>				
Revenue from operation	28,067	21,868	29,324	22,942
Other Income	221	608	614	754
Total Revenue	28,288	22,476	29,938	23,696
Total Expenses	25,249	16,309	26,472	17,524
Profit before Tax	3,039	6,167	3,466	6,172
Less: Provision for Tax				
- Current Tax	93	Nil	116	7
- Deferred Tax	(137)	(145)	(137)	(145)
- MAT Credit	(93)	Nil	(82)	28
- Prior period taxes	(1049)	Nil	(1049)	(23)
Profit/(loss) after tax	4,225	6,312	4,618	6,305
Share in Associates' profit/(Loss)	NA	NA	104	14
Profit/(loss) for the year	4,225	6,312	4,722	6,319
<b>APPROPRIATIONS</b>				
Profit/(loss) for the year	4,225	6,312	4,722	6,319
Add: Balance brought forward from previous year	24,842	19,950	23,216	18,317
Amount available for appropriations	29,067	26,262	27,938	24,636
Less: Appropriations				
Special Reserve	845	1,262	845	1,262
General Reserve	106	158	106	158
Balance carried to Balance Sheet	28,116	24,842	26,987	23,216
<b>EPS</b>				
- Basic	0.90	1.43	1.01	1.44
- Diluted	0.88	1.32	0.99	1.32

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On standalone basis, your Company earned the gross income of ₹ 282.88 Lakhs as against ₹ 224.76 Lakhs in the previous year. The total expenditure during the year under review was ₹ 252.49 Lakhs as against ₹ 163.09 Lakhs in the previous year. The Net Profit after tax was ₹ 42.25 Lakhs as against ₹ 63.12 Lakhs in the previous year.

On consolidated basis, your Company earned the gross income of ₹ 299.38 Lakhs as against ₹ 236.96 Lakhs in the previous year. The total expenditure during the year under review was ₹ 264.72 Lakhs as against ₹ 175.24 Lakhs in the previous year. The Net Profit after tax was ₹ 47.22 Lakhs as against ₹ 63.19 Lakhs in the previous year.

## PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARIES AND ASSOCIATES

### Subsidiaries

- KJMC Asset Management Company Limited: It earned gross income of ₹ 17.34 Lakhs as against ₹ 15.66 Lakhs in the previous year. The total expenditure during the year under review was ₹ 17.02 Lakhs as against ₹ 15.88 Lakhs in the previous year. The Net Profit after tax was ₹ 0.23 Lakhs as against loss of ₹ 0.32 Lakhs in the previous year.
- KJMC Investment Trust Company Limited: It earned gross income of ₹ 1.07 Lakhs as against ₹ 1.34 Lakhs in the previous year. The total expenditure during the year under review was ₹ 0.73 Lakhs as against ₹ 0.99 Lakhs in the previous year. The Net Profit after tax was ₹ 0.17 Lakhs as against ₹ 0.34 Lakhs in the previous year.
- KJMC Trading & Agency Limited: It earned gross income of ₹ 4.7 Lakhs as against ₹ 0.42 Lakhs in the previous year. The total expenditure during the year under review was ₹ 1.09 Lakhs as against ₹ 0.49 Lakhs in the previous year. The Net Profit after tax was ₹ 3.54 Lakhs as against loss of ₹ 0.07 Lakhs in the previous year.

### Associates

- KJMC Platinum Builders Private Limited: It earned gross income of ₹ 10.49 Lakhs as against ₹ 5.70 Lakhs in the previous year. The total expenditure during the year under review was ₹ 6.81 Lakhs as against ₹ 5.20 Lakhs in the previous year. The Net Profit after tax was ₹ 2.52 Lakhs as against ₹ 0.51 Lakhs in the previous year.
- KJMC Realty Private Limited: No income was earned during the current and previous year. The total expenditure during the year under review was ₹ 0.16 Lakhs as against ₹ 0.38 Lakhs in the previous year. The loss incurred during the year under review was ₹ 0.16 Lakhs as against loss of ₹ 0.38 Lakhs in the previous year.

### DIVIDEND

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

### TRANSFER TO RESERVES

The Company proposes to transfer ₹ 1.06 Lakhs to the general reserve and ₹ 8.45 Lakhs to Special Reserves out of the amount available for appropriation and an amount of ₹ 281.16 Lakhs is proposed to be retained in the profit and loss account.

### 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.

### 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.

### 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 the annual 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 the annual report.

**c. Nomination and Remuneration Committee**

During the year, Two (2) Nomination and Remuneration Committee Meetings 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 the annual report.

**d. Share Transfer and Stakeholders Relationship Committee**

During the year, Three (3) 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 the annual report.

**e. Credit and Investment Committee**

During the year, Eight (8) 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 the annual report.

**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, 2017, 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, 2017 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.

**POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS**

The Company's policy on Directors' appointment, 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 annual report.

**STATUTORY AND SECRETARIAL AUDITORS' REPORT**

The statutory and secretarial auditors' report do not contain any qualifications, reservations, or adverse remarks. Report of the secretarial auditor is given as an annexure to this report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of loans, guarantees and investments have been disclosed in the financial statements, which forms part of the annual report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

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.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and on the date of this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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.

During the reporting period there was no foreign exchange earning but incurred an expenditure of ₹ 3.63 lakhs as against ₹ 6.93 Lakhs in the previous year.

**RISK MANAGEMENT**

The details in respect of risks and concerns are included in the Management Discussion & Analysis, 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. The directors expressed satisfaction with the evaluation process.