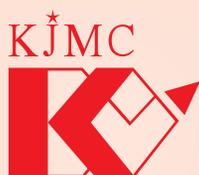


*Performing to Grow
Growing to Excel*



KJMC[★] Financial Services Limited

**22nd Annual Report
2009-2010**



BOARD OF DIRECTORS	:	Mr. I.C. Jain Mr. R. R. Kumar Mr. Rajnesh Jain Mr. Girish Jain Mr. S. C. Aythora Mr. Nitin Kulkarni	<i>Chairman</i>
AUDITORS	:	Batliboi and Purohit Chartered Accountants National Insurance Building, 204, D. N. Road, Fort, Mumbai - 400 001.	
BANKERS	:	HDFC Bank Limited Union Bank of India	Citi Bank UCO Bank
REGISTERED OFFICE	:	168, Atlanta, 16th Floor, Nariman Point, Mumbai - 400 021. Tel. Nos. (022) - 4094 5500 (022) - 22832350 / 52 Fax No. 91-022 - 22852892 Website : www.kjmc.com	
REGISTRAR & TRANSFER AGENTS	:	Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400072. Tel. No. : 28470652/53 • Fax No. 28475207 E-mail : info@bigshareonline.com Counter Timings : 10.30 a.m. to 12.30 p.m. • 1.30 p.m. to 3.30 p.m.	
GROUP BRANCH OFFICES	:	NEW DELHI 221, Hans Bhavan Bahadur Shah Zafar Marg, New Delhi - 110 002.	JAIPUR 41, Jai Jawan Colony II Tonk Road, Durgapur, Jaipur - 302018.
		AHMEDABAD Brodway Business Centre, 1st Floor, Shahjanand Complex, C. G. Road, Ahmedabad 380 008.	

TWENTY SECOND ANNUAL GENERAL MEETING

DATE Saturday, 25th September, 2010
TIME 3.30 P.M.
VENUE S.K. SOMANI MEMORIAL HALL
HINDI VIDYA BHAWAN
79, MARINE DRIVE, 'F' ROAD,
MUMBAI - 400020.

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22nd Annual Report 2009-2010

NOTICE

Notice is hereby given that Twenty Second Annual General Meeting of the Members of KJMC Financial Services Limited will be held on Saturday, 25th September, 2010 at 3.30 P.M. at S. K. Somani Memorial Hall, Hindi Vidya Bhawan, 79-Marine Drive, 'F' Road, Mumbai - 400 020, to transact the following business :-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date and the Report of the Board of Directors and Auditors thereon.
2. To declare Dividend on 12% Non Cumulative Redeemable Preference Shares.
3. To appoint a Director in place of Shri R. R. Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Nitin Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to authorize Board of Directors to fix their remuneration.

FOR KJMC FINANCIAL SERVICES LIMITED

Place : Mumbai
Date : 27th May, 2010

(I.C.JAIN)
CHAIRMAN

NOTES:

- A) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.** The Instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company at 168, Atlanta, Nariman Point, Mumbai – 400021, not less than forty eight hours before the commencement of the meeting.
- B) Members who hold Shares in dematerialized form are requested to bring their client ID and DP ID number for easy identification of attendance in the meeting.
- C) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 18th September, 2010 to Saturday, 25th September, 2010 (both days inclusive) for the purpose of Annual General Meeting.
- D) As per the provisions of the Companies Act, 1956, facility for making nomination is available for shareholders in respect of their holdings. Nomination Form can be obtained from the Company's Registrar and Transfer Agents.
- E) Information required to be furnished under the Listing Agreement :The information required to be provided under the listing agreement entered into with the stock exchange(s) regarding the Directors who are proposed to be re-appointed / Directors seeking appointment at the Annual General Meeting is given hereunder:

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

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

Name of the Company	Committee Memberships	Board Memberships
Haldyn Glass Limited	Member - Audit Committee	Chairman
Rolta India Limited	Chairman- Audit Committee Member-Investors' Grievance Committee	Director
Eastern Medikit Limited	-	Director
Golden Tobacco Limited (Formerly known GTC Industries Limited)	Chairman- Audit Committee Chairman - Investors' Grievance Committee	Director
IVP Limited	Member- Audit Committee	Director
Golden Realty & Infrastructure Limited	-	Director

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

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

Name of the Company	Committee Memberships	Board Memberships
KJMC Global Market (India) Limited	Member- Audit Committee Member -Share Transfer and Investors' Grievance Committee Member-Remuneration Committee	Director

F) Members are requested to:

- i) To bring their copy of the Annual Report at the meeting.
- ii) Quote their Folio No./ Client ID No. in all correspondence with the Company.
- iii) Notify immediately to the Company or Present R&T Agents viz. Big Share Services Private Limited, any change in their address and their mandates, if any. Pin Code Nos. at the end of address should positively be mentioned in order to ensure that postal authorities deliver the envelopes easily and on time.
- iv) Handover the enclosed attendance slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting hall.

G) Any member requiring further information on accounts at the meeting is requested to address their queries in writing to the Company at least 10 days in advance from the date of the meeting so that the required information may be made readily available at the meeting.

FOR KJMC FINANCIAL SERVICES LIMITED

Place : Mumbai
Date : 27th May, 2010

(I.C. JAIN)
CHAIRMAN

**DIRECTORS' REPORT**

To,
The Members of
KJMC Financial Services Limited
Your Directors herewith present the 22nd Annual Report, together with the audited statement of accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2010 is summarised below:

	(Rs. in lakhs)	
	Year ended 31 st March, 2010	Year ended 31 st March, 2009
Total Income	75.15	94.81
Total Expenditure	42.43	70.00
Profit before Depreciation and Tax	32.72	24.81
Less : Depreciation	6.37	7.29
Provision for Tax - (Current & Deferred)	4.88	(8.69)
Profit / (Loss) After Tax	21.47	26.21
Add : Prior period item (net)	(0.04)	(0.03)
Add : Surplus as per last account	75.56	69.18
Disposable Profits	96.99	95.36
Appropriations towards :		
Special Reserve	4.29	5.24
General Reserve	2.15	2.62
Dividend on 12% Redeemable Preference Shares	10.20	10.20
Tax on Preference Dividend	1.69	1.73
Surplus Balance carried to Balance Sheet	78.66	75.57

PERFORMANCE REVIEW

During the year under review, your Company earned the gross income of Rs. 75.15 Lakhs as against Rs. 94.81 Lakhs in the previous year. The total expenditure during the year under review was Rs. 42.43 Lakhs as against Rs. 70.00 Lakhs in the previous year. The Net Profit after tax was Rs. 21.47 Lakhs as against Rs. 26.21 Lakhs in the previous year. Considering expectations of Country's gradual improvement in effective demand and GDP growth rate coupled with upward movements in capital market, your directors expect better performance of the Company in the coming years.

DIVIDEND

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

RBI GUIDELINES

The Company has complied with all the applicable regulations of the Reserve Bank of India as on 31st March, 2010.

RBI PRUDENTIAL NORMS

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

DIRECTORS

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

AUDITORS

M/s. Batliboi & Purohit, Chartered Accountants, the Auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting. Your Company has received certificate from the Auditors u/s. 224(1B) of the Companies Act, 1956 to the effect that their reappointment, if made, will be within the limit prescribed. Members are requested to appoint Auditors and authorize the Board to fix their remuneration.

FIXED DEPOSITS

The Company has neither invited, nor accepted, nor renewed any fixed deposit from the public during the year and there was no outstanding deposit payable during the financial year ended 31st March, 2010.

SUBSIDIARY COMPANIES

The accounts of the subsidiary Companies viz. M/s. KJMC Asset Management Company Limited and KJMC Investment Trust Company Limited for the financial year ended 31st March, 2010 are attached to the accounts of the Company in terms of section 212 of the Companies Act, 1956.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchange, your Directors have pleasure in attaching the Consolidated Financial Statements for the financial year ended 31st March, 2010, prepared in accordance with the Accounting Standards 21 (AS 21) prescribed by the Institute of Chartered Accountants of India, in this regard.

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

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

1. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial Year 31st March, 2010 and of the profit of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

LISTING OF SHARES

Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE). Annual listing fees upto the year 2010-11 has been paid to the Bombay Stock Exchange Limited (BSE). The Company complied with the delisting formalities in respect of the other stock exchanges and consequently the Equity Shares of the Company were delisted from Jaipur Stock Exchange Limited, The Stock Exchange, Ahmedabad and Delhi Stock Exchange Association Limited. The delisting approval from Bhubaneswar and Calcutta Stock exchanges is awaited.

PREFERENTIAL ALLOTMENT OF CONVERTIBLE WARRANTS

During the year under review, the Company allotted 76,300 Equity Shares of Rs. 10/- each to 'I.C. Jain HUF', the person belonging to Promoter Group, consequent upon conversion of 2nd tranche of convertible warrants at a price of Rs. 23.19 (including premium of Rs. 13.19 per share) being the price determined in accordance with SEBI (Disclosure & Investor Protection) Guidelines, 2000 on Preferential Issues and Listing Agreement. The proceeds of the Equity Shares issued by Company are being used for the purpose for which they were raised.

PARTICULARS OF EMPLOYEES

Since there are no employees falling within the purview of the provisions of Section 217(2A) of the Companies Act, 1956, no such details are required to be given.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Since the Company is a Financial Services Company, the details required under Section 217(1)(e) of the Companies Act, 1956 are not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no earnings in foreign exchange nor was there any outflow during the year under review.

INSURANCE

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

ACKNOWLEDGMENTS

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

Your Directors also appreciate with gratitude the continuous support of the Bankers, Clients and the Company's Shareholders.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place : Mumbai
Date : 27th May, 2010

(I.C.JAIN)
CHAIRMAN

MANAGEMENT DISCUSSION & ANALYSIS

1. ECONOMIC ENVIRONMENT

The global economy continues to recover amidst ongoing policy support and improving financial market conditions. During the fiscal 2010, India witnessed a significant revival in economic activity despite deterrent factors like errant monsoon. The economic recovery was evident across a wide range of sectors with the momentum gaining strength in the second half of fiscal 2010. The overall growth of GDP as per revised estimates of the Central Statistical Organisation (CSO) was 7.2%. As at March 31, 2010, India's foreign exchange reserves stood at USD 279.1 billion, which were higher by USD 27.1 billion as compared to previous year as at March 31, 2009.

India's strong domestic fundamentals are expected to remain operative over the long term as the twin drivers of growth viz. consumption and investment continues to remain strong and positive. The Government's proposed move to a Common Goods and Service tax (GST) regime, the adoption of Direct Tax Code, the decision to make scarce resources such as Telecom spectrum, oil and gas blocks, coal mine through available auction, the proposed disinvestment in public sector units are all opening up revenue avenues for the government and expected to impact positively on the growth story of the Indian economy. The upsurge in economic recovery is expected to strengthen further and broad based in nature.

2. BUSINESS AND INDUSTRY REVIEW:-

KJMC has been involved in providing fund based financial services and funding solutions to the Indian Corporates, Institutions, SME's etc. Your Company, along with its associates forms an integrated financial services group providing wide range of services to its clients. The organization structure is designed to be flexible and customer focused to ensure effective control, supervision and consistency in standards across the organization.

Indian economy has posted sound growth and the growth of the economy is expected to remain above 7% during FY 2010-11. Such growth momentum and the revival plan would bestow sufficient platform to financial services companies to enlarge their business level. Your Company is currently well poised to play a larger role in the growth story of the economy and optimize its performance by leveraging the investments that have been made in the past and which are likely to have positive impact on the bottom line of your Company in the coming years.

3. FINANCIAL REVIEW

During the year under review, your Company earned the gross income of Rs. 75.15 Lakhs as against Rs. 94.81 Lakhs in the previous year. The total expenditure during the year under review was Rs. 42.43 Lakhs as against Rs. 70.00 Lakhs in the previous year. The Net Profit after tax was Rs. 21.47 Lakhs as against Rs. 26.21 Lakhs in the previous year. Considering expectation of the Country's faster revival in the economy and consequential positive capital market sentiment, your directors expect better performance of the Company in the coming years.

4. BUSINESS OUTLOOK

India has survived one of the worst global crises in history better than most other economies. The recent recovery in many of the leading macro indicators of economic activity has led many to believe that the worst is over for the Indian economy and we are on our way to a higher growth trajectory. Economy growth is likely to increase further from 7.2% in the year ending 31st March, 2010 to around 8% as industrial growth continues to accelerate in near future.

Your Company will increase its product base as far as raising resources and deploying them in safe and profitable manner. As far as Subsidiary Companies are concerned, your Company is working on plans to activate / expand them including looking for tie-ups / associations / joint ventures for fast-pacing the business plans.

5. RISKS AND CONCERNS

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

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

6. OPPORTUNITIES AND THREATS

Opportunities:

- Low retail penetration of financial services / products in India
- Tremendous brand strength
- Opportunity to cross sell services
- Increasing per-capita GDP
- Utilize technology to provide solutions to customers

Threats:

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

7. ADEQUACY OF INTERNAL CONTROLS

Your Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transaction are authorised, recorded and reported correctly. The Company has an extensive system of internal control which ensures optimal utilisation and protection of resources, its security, accurate reporting of financial transactions and compliances of applicable laws and regulations as also internal policies and procedures.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your Company continues to lay great stress on its most valuable resource - people. Continuous training, both on the job and in an academic setting, is a critical input to ensure that employees at all levels are fully equipped to deliver a wide variety of products and services to the rapidly growing customer base of your Company. It is our endeavour to create an environment where people can use all of their capabilities in support of the business. Therefore, your Company encourages its employees to balance their work and personal responsibilities.

REPORT ON CORPORATE GOVERNANCE FOR THE F.Y. 2009-2010

PHILOSOPHY OF CORPORATE GOVERNANCE

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

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company is committed to bring about the good corporate governance practice. The Company has laid emphasis on cardinal values of fairness, transparency, accountability and equity, in all its operations, and in its interactions with stakeholders including shareholders, employees, the government and the lenders, thereby enhancing the shareholders' value and protecting the interest of shareholders. Your Company will constantly endeavour to improve on these aspects on an on going basis.

2. BOARD OF DIRECTORS:

The Company has a Non – Executive Chairman and the number of Independent Directors is one half of the total number of Directors. The Directors have been contributing their diversified knowledge, experience and expertise in respective areas of their specialization for the growth of the Company. During the Financial Year 2009-2010, Six Meetings of the Board of Directors were held on 20th June 2009, 27th June, 2009, 29th July, 2009, 26th September 2009, 31st October, 2009 and 30th January, 2010.

The particulars of Directors as on 31st March, 2010 are as follows:

Sr. No.	Director	Category of Directorship	No. of BM Attended	Last AGM attended	No. of Other Directorships held	Committee Memberships	
						Chairman	Member
1.	Mr. I. C. Jain	Chairman / Non-Executive Director	6	No	7	1	3
2.	Mr. R. R. Kumar	Non-Executive & Independent Director	3	No	6	3	3
3.	Mr. Girish Jain	Non-Executive Director	6	Yes	8	1	3
4.	Mr. Rajnesh Jain	Non-Executive Director	6	Yes	11	1	1
5.	Mr. S.C. Aythora	Non-Executive & Independent Director	6	Yes	15	3	1
6.	Mr. Nitin Kulkarni	Non-Executive & Independent Director	6	Yes	1	-	4



None of the Directors hold directorship in more than 15 public limited companies, membership in committees of Board in more than 10 companies and chairmanship of committee of Board of more than 5 committees.

Board Procedures

The Agenda is circulated well in advance to the Board of Directors. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. At the Board meetings, the Board is apprised of the overall performance of the Company.

3. AUDIT COMMITTEE

(a) Terms of Reference:

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, fixing the audit fees and also approving the payment for any other services, reviewing the annual financial statements before submission to the Board, reviewing adequacy of internal control systems, structure and staffing of the internal audit function, reviewing findings of the internal investigations, etc.

The terms of reference and powers of the Audit Committee are as per Clause 49 of the Listing Agreement and also as per Section 292A of the Companies Act, 1956. The Committee met four times during the year on 27th June 2009, 29th July 2009, 31st October 2009 and 30th January 2010.

(b) Composition:

The Audit Committee consists of the following Directors:

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

4. REMUNERATION COMMITTEE:

(a) Terms of Reference:

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

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

(b) Composition:

The Remuneration Committee consists of the following Directors:

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

No Remuneration Committee Meeting was held during the year.

5. SHARE TRANSFER / INVESTOR GRIEVANCE COMMITTEE

(a) Terms of Reference:

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

(b) Composition:

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

Mr. Girish Jain	- Chairman
Mr. Rajnesh Jain	- Member
Mr. Inderchand Jain	- Member
Mr. Nitin Kulkarni	- Member

During the year, the Company did not receive any complaints from the shareholders / investors. As on 31st March, 2010, no transfer was pending. The Board has delegated the powers to approve transfer of securities allotted by the Company to this Committee. The Committee held 11 meetings during the year and approved the transfer of shares lodged with the Company and attended the investors' queries & complaints.

6. GENERAL BODY MEETINGS:

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

Year	AGM/EGM	Location	Date	Time
2007	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	29/09/2007	4.30 P.M.
2007	EGM	M. C. Ghia Hall, Bhogilal Hargovindas Building, 2 nd Floor, 18/20 Kaikhushru Dubash Marg, Kalaghodha, Mumbai - 400001	08/12/2007	11.30 A. M.
2008	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	27/09/2008	3.30 P.M.
2009	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	26/09/2009	3.30P.M.

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

7. CODE OF CONDUCT

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

8. DISCLOSURES

Regarding, related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their subsidiaries or relatives, not conflicting with Company's interest, the details of which have been shown in Schedule - 16 Notes to Accounts to the Annual Accounts for the year ended 31st March 2010. No penalties, strictures have been imposed on the Company by Stock Exchanges or SEBI, on any matter related to capital market, during the last three years.

9. MEANS OF COMMUNICATION

The Company publishes its quarterly, half yearly, financial results in national and regional newspapers. The Company also sends the financial results to the Stock Exchanges immediately after its approval by the Board. The Company has not sent half yearly report to the shareholders. No presentations were made to the Institutional Investor's or analysts during the year under review. The Management Discussions and Analysis (MD&A) Report is annexed and forms part of this Report.

GENERAL SHAREHOLDER'S INFORMATION

1. Annual General Meeting scheduled to be held:

Date	: Saturday, 25 th September, 2010
Time	: 3.30 P.M.
Venue	: S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai - 400 020.

2. Book Closure :

Saturday, 18th September, 2010 to Saturday, 25th September, 2010 (both days inclusive).

3. Financial Calendar (tentative):

Financial Reporting for the Financial Year 2010-11	Tentative month of reporting
Un-audited Financial Results for the quarter ending 30 th June, 2010	July, 2010
Un-audited Financial Results for the half year ending 30 th September, 2010	October, 2010
Un-audited Financial Results for the quarter ending 31 st December, 2010	January, 2011
Audited Financial Results for the year ending 31 st March, 2011	May, 2011

4. Listing of Equity Shares on Stock Exchanges :

- Equity Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE). Annual listing fees for the year 2010-11 has been paid to the Bombay Stock Exchange Limited, Mumbai.
- The Company complied with the delisting formalities with other stock exchanges and consequently the Company got its shares delisted from Jaipur Stock Exchange Limited, The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited. The delisting approval from Bhubaneswar and Calcutta Stock exchanges is awaited.

5. Stock Code:

- (i) Bombay Stock Exchange Limited, Mumbai (BSE): B – 530235
- (ii) ISIN - INE533C01018

6. Stock Price Data:

Month wise high and low price of the Company's Shares at Bombay Stock Exchange Limited (BSE) from April, 2009 to March, 2010

Month	Bombay Stock Exchange Limited (BSE)	
	High (Rs.)	Low (Rs.)
April 2009	17.30	15.80
May 2009	20.05	15.75
June 2009	23.50	20.00
July 2009	25.55	24.35
August 2009	28.75	23.40
September 2009	32.50	28.50
October 2009	39.00	31.00
November 2009	No trading	No trading
December 2009	35.20	30.75
January 2010	32.00	31.70
February 2010	No trading	No trading
March 2010	30.09	28.90

7. Compliance Officer:

Ms. Akanksha Mota
168, Atlanta, 16th Floor, Nariman Point, Mumbai – 400 021. Ph: 022- 22885201, email: cosec@kjmc.com

8. Address For Correspondence:

Shareholders can correspond to:
Secretarial Department: 168, Atlanta, 16th Floor, Nariman Point, Mumbai – 400 021.
Or

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

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

9. Share Transfer System

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

10. Dematerialisation of Shares

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 29th January 2001 as per notification issued by the Securities & Exchange Board of India (SEBI). As on 31st March 2010, out of total Equity Capital 31,35,740 Equity Shares, 28,16,424 Equity Shares representing 89.82 % of the total Equity Shares are held in dematerialised form with NSDL and CDSL. Transfer cum demat facility is available to all Shareholders of the Company, who request for such facility.

11. Distribution of Shareholding as on 31st March, 2010

Range in rupees	Number of Shareholders	% of Total Holders
Upto 5000	3782	96.70
5001 to 10000	43	1.10
10001 to 20000	24	0.61
20001 to 30000	8	0.21
30001 to 40000	8	0.21
40001 to 50000	11	0.28
50001 to 100000	9	0.23
100001 and above	26	0.66
TOTAL.....	3,911	100

12. Shareholding Pattern as on 31st March, 2010

Cat. Code	Category of Shareholder	Total No. of Shares held	% Shareholding
A.	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals / Hindu Undivided Family	1581854	50.45
(b)	Central Govt. / State Govts.	0	0
(c)	Bodies Corporate	0	0
(d)	Financial Institutions / Banks	0	0
(e)	Any other	0	0
	Sub Total – A(1)	1581854	50.45
2	Foreign	0	0
(a)	Non Resident Individuals / Foreign Individuals	0	0
(b)	Bodies Corporate	0	0
(c)	Institutions	0	0
(d)	Any other	0	0
	Sub Total A(2)	0	0

	Total Shareholding of Promoter Group	1581854	50.45
(B)	Public Shareholding		
1	Institutions		
(a)	Mutual Funds / UTI	0	0
(b)	Financial Institutions / Banks	65400	2.09
(c)	Central Govt. / State Govt.	7050	0.22
(d)	Venture Capital Funds	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	0	0
(g)	Foreign Venture Capital Investors	0	0
(h)	Any other	0	0
(h1)	NRI Banks	0	0
	Sub Total B(1)	72450	2.31
2	Non Institutions		
(a)	Bodies Corporate / Trust	604279	19.27
(b1)	Individuals-shareholders holding normal Share Capital up to Rs. 1 Lac	484653	15.46
(b2)	Individuals-shareholders holding normal Share Capital in excess of Rs. 1 Lac	391836	12.49
(c)	Any other	0	0
(c1)	Clearing Member	150	0.004
(c2)	NRI	518	0.016
(c3)	OCB's	0	0
	Sub Total B(2)	1481436	47.24
	Total Public Shareholding B(1) + B(2)	1553886	49.55
	Total (A) + (B)	3135740	100
C	Shares held by Custodians and against which Depository receipts have been issued	0	0
	Grand Total	3135740	100

Note: The total foreign shareholding as on 31st March, 2010, is 518 Equity shares, which in percentage terms is 0.016% of the issued and subscribed capital.

OTHER INFORMATION

Code of conduct for Prevention of Insider Trading

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

Declaration on Code of Conduct

As required by Clause 49(I)(D) of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2010.

FOR KJMC FINANCIAL SERVICES LIMITED

(I. C. JAIN)
CHAIRMAN

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of KJMC Financial Services Limited

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to the compliance of conditions of Corporate Governance by KJMC Financial Services Limited for the year ended on 31st March, 2010 as stipulated with the Stock Exchanges.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2010, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Investors / Shareholders Grievance Committee.

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

For **BATLIBOI & PUROHIT**
Chartered Accountants
FRN No. 101048W

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

Place : Mumbai
Date : 27th May, 2010



AUDITOR'S REPORT

To the members of

KJMC Financial Services Limited

1. We have audited the attached Balance Sheet of **KJMC Financial Services Limited** ("the company") as at 31st March, 2010 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto (all together referred to as 'the Financial Statements'). These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the Order), as amended, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received by the Company from its Directors, none of the directors is disqualified as on the balance sheet date from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the financial statements read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For Batliboi & Purohit
Chartered Accountants
FRN No. 101048W**

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

Place : Mumbai
Dated : 27th May, 2010

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date to the members of KJMC Financial Services Limited on the financial statements for the year ended on March 31, 2010)

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- b) According to the information and explanations given to us, the management conducted physical verification of fixed assets as at the year end, and no material discrepancies were noticed on such verification. In our opinion, having regard to the size of the Company and the nature of its business, the frequency of verification is reasonable.
- c) The Company has not disposed off any substantial part of fixed assets during the year, accordingly, the assumption of the going concern being affected, does not arise.
- ii) In our opinion, and on the basis of the records examined by us, and information and explanations given to us, the Company has maintained proper records of inventory.
- iii) a) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c) and (d) of clause (iii) of paragraph 4 of the said Order, are not applicable.
- b) According to the information and explanations given to us, the Company has not taken any loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clauses (f) and (g) of clause (iii) of paragraph 4 of the said Order, are not applicable.
- iv) In our opinion, the Company has an adequate internal control procedure commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, we

have not observed any continuing failure to correct major weaknesses in the internal control system.

- v) a) To the best of our knowledge and belief, and according to the information and explanations given to us, we are of the opinion that particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) In our opinion, and according to the information and explanations given to us, in respect of transactions during the year, made pursuant to contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five hundred thousand in respect of each party, except for certain transactions where there are no comparable transactions with other parties or where prevailing market prices are not available as the services are of specialized nature, transactions have been made at prices which are reasonable having regard to prevailing market prices.
- vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Act, or the rules framed there under, are applicable.
- vii) In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Companies Act, 1956 for any of the activities of the Company.
- ix) a) According to the information and explanations given to us, during the year under report, the Company was generally regular in depositing undisputed statutory dues including Provident fund, Income-tax, service-tax and other material statutory dues with the appropriate authorities. We are informed that the provisions of Employees State Insurance Act are not applicable to the Company during the year under report.
- b) According to the information and explanations given to us there are no undisputed amounts payable in respect of income tax, wealth tax, and service tax, sales tax, customs duty, excise duty and cess which remained unpaid as at the balance sheet date for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, cess which have not been deposited on account of any dispute.
- x) The company does not have any accumulated losses at the balance sheet date. The Company did not incur cash losses for the year under report, and in the immediately preceding financial year.
- xi) On the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of the dues to banks. The Company did not have any loans from financial institutions and also did not have any debentures outstanding during the year under report.
- xii) According to the information and explanations given to us, during the year under report, the Company did not grant any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society to which the provisions of any special statute apply; accordingly, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv) On the basis of our examination of books and records of the Company, and according to the information and explanations given to us, in our opinion, the Company has maintained proper records of transactions and contracts in respect of dealing or trading in shares and securities entered into, in which entries were made on a timely basis. As at the balance sheet date the shares, securities and other investments were held in the Company's own name.
- xv) According to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- xvi) The Company did not have any term loans outstanding during the year under report; accordingly, the provisions of clause (xvi) of paragraph 4 of the Order are not applicable.
- xvii) In our opinion, and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that prima facie, no funds raised on short term basis have been used for long-term investment.
- xviii) During the year under report, the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. In our opinion, each of the transactions has been made at price; which are not prejudicial to the interest of the company; as the same has been determined in accordance with the SEBI (Disclosure and Investor Protection Guidelines), 2000.
- xix) The Company did not have any debentures outstanding during the year under report; accordingly, the question of creating security in respect of debentures, does not arise.
- xx) The Company did not have any public issue; accordingly, the question of commenting on end-use of moneys raised, does not arise.
- xxi) To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the course of our audit.

**For Batliboi & Purohit
Chartered Accountants
FRN No. 101048W**

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

Place : Mumbai
Dated : 27/05/ 2010

BALANCE SHEET AS ON 31ST MARCH, 2010

	Schedules	As on 31.03.2010 (Rs.)	As on 31.03.2009 (Rs.)
SOURCES OF FUNDS :			
(1) Shareholders' Funds			
(a) Capital	1	39,857,400	39,094,400
(b) Reserves and Surplus	2	65,085,446	63,125,844
(c) Share Warrants (Pending Allotment)		-	177,016
(2) Loan Funds			
(a) Secured Loans	3	16,358,072	2,487,285
(b) Unsecured Loans	4	-	33,203,381
Deferred Tax Liabilities	-	-	
TOTAL		121,300,918	138,087,926
APPLICATION OF FUNDS:			
(1) Fixed Assets			
a) Gross Block	5	20,200,169	20,165,170
b) Less: Depreciation		13,592,631	12,955,403
c) Net Block		6,607,538	7,209,767
(2) Investments			
(3) Current assets , loans and advances	6	202,792,305	203,356,145
a) Inventories		-	3
b) Sundry debtors	7	450,000	8,570,160
c) Cash and bank balances		1,095,769	715,764
d) Loans and advances	8	21,225,200	3,706,220
		22,770,969	12,992,147
Less : Current Liabilities and Provisions			
a) Liabilities	9	110,313,228	85,263,224
b) Provisions	10	556,667	206,909
		110,869,895	85,470,133
Net Current Assets		(88,098,926)	(72,477,986)
TOTAL		121,300,918	138,087,926
SIGNIFICANT ACCOUNTING POLICIES	15		
NOTES FORMING PART OF THE ACCOUNTS	16		

As per our report of even date attached

For and on behalf of the Board of Directors

For BATLIBOI & PUROHITChartered Accountants
FRN No.101048W**R. D. HANGEKAR**Partner
Membership No.30615**RAJNESH JAIN**

Director

GIRISH JAIN

Director

AKANKSHA MOTA

Company Secretary

Place : Mumbai
Date : 27th May 2010Place : Mumbai
Date : 27th May 2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

Schedules	For the year ended 31.03.2010 (Rs.)	For the year ended 31.03.2009 (Rs.)	
INCOME:			
Professional Fees and Other Income [TDS Rs. NIL (Rs. NIL)]	11	2,773,132	686,806
Interest Income [TDS Rs. NIL (Rs.7375/-)]		1,724,776	18,873
Profit on Sale of Investments		2,936,078	8,612,374
Trading Profit on shares		81,369	162,858
Closing Stock		-	3
Total (A)		<u>7,515,356</u>	<u>9,480,914</u>
EXPENDITURE :			
Opening Stock		3	146,591
Salaries and Allowances	12	1,438,357	1,317,499
Operating and Other Administration Expenses	13	1,641,516	1,470,011
Financial Charges	14	578,645	922,027
Loss on Derivatives		-	2,467,767
Investments written off		584,318	-
Diminution in value of Investments		-	249,999
Debts written off		-	425,693
Total (B)		<u>4,242,839</u>	<u>6,999,588</u>
Profit before depreciation and Tax (A-B)		<u>3,272,516</u>	<u>2,481,327</u>
Depreciation		637,229	728,895
Profit before taxation		<u>2,635,287</u>	<u>1,752,431</u>
Less : Provision for Taxation		472,000	145,000
	— Current		
	— Fringe Benefit Tax	-	53,350
	— Deferred Tax / (Asset)	-	(1,066,514)
	— Prior year Taxes paid	16,497	-
Profit After Taxes		<u>2,146,790</u>	<u>2,620,595</u>
Add : Prior Period Income / (Expenses)		(4,176)	(2,565)
Add : Surplus as per last account		<u>7,556,500</u>	<u>6,917,998</u>
		<u>9,699,114</u>	<u>9,536,028</u>
Appropriations :			
Special Reserve		429,358	524,119
General Reserve		214,679	262,060
Redeemable Preference shares- Dividend		1,020,000	1,020,000
Tax on Dividend		169,409	173,349
Surplus - Balance Carried to Balance Sheet		<u>7,865,668</u>	<u>7,556,500</u>
EARNING PER EQUITY SHARE (Clause 6 Schedule 16)			
(a) Basic	Rupees	0.31	0.49
(b) Diluted	Rupees	0.31	0.48
SIGNIFICANT ACCOUNTING POLICIES	15		
NOTES FORMING PART OF THE ACCOUNTS	16		

As per our report of even date attached

For and on behalf of the Board of Directors

For BATLIBOI & PUROHIT

Chartered Accountants

FRN No.101048W

R. D. HANGEKAR

Partner

Membership No.30615

RAJNESH JAIN

Director

GIRISH JAIN

Director

AKANKSHA MOTA

Company Secretary

Place : Mumbai

Date : 27th May 2010

Place : Mumbai

Date : 27th May 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	March 31, 2010 Amount (Rs.)	March 31, 2009 Amount (Rs.)
A Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	2,635,287	1,752,431
Adjustment for:		
Prior Period Item	(20,673)	(2,565)
Depreciation	637,229	728,895
(Profit)/Loss on Sale of Investments		(8,612,374)
(Profit)/Loss on Sale of Assets	-	-
Dimunition in Value of Investments	-	249,999
Bad Debts Written Off	-	425,693
Sundry Credit Balances Written Back	-	-
Interest and Financial Charges	578,645	922,027
Interest Income	(1,724,776)	(18,873)
Dividend Income	(263,032)	(433,671)
Operating Profit Before Working Capital Changes	1,842,680	(4,988,438)
Adjustment for:		
Trade and Other Receivable	8,120,160	1,431,984
Inventories	3	146,588
Trade Payable and Other Liabilities	23,936,703	3,221,929
(Increase)/ Decrease in Net Current Assets	32,056,866	4,800,501
Cash generated from Operations	33,899,547	(187,937)
Direct Taxes Paid (Net of Refund)	(198,350)	540,556
Cash Flow Before Extraordinary Items	33,701,197	352,619
Extraordinary Items	-	-
Net Cash flow from Operating Activities	33,701,197	352,619
B Cash Flow from Investment Activities		
(Increase) / Decrease in Investment	563,839	54,121,585
Investment in Associate Company	-	(1,575,000)
Purchase of Fixed Assets	(35,000)	(156,046)
Sale of Fixed Assets	-	-
Interest Income	1,724,776	18,873
Dividend Income	263,032	433,671
Net Cash Flow from Investing Activities	2,516,647	52,843,083
C Cash Flow From Financing Activities		
Loan Taken-Secured (Net of repayments)	13,870,787	(8,262,310)
Loan Taken-Unsecured (Net of repayments)	(33,203,381)	(51,872,896)
Loans Given	(10,220,168)	-
Loans Given to Subsidiaries	-	3,563,591
Deposits	(7,298,812)	-
Adjustment for transfer from advances to Bank balance	-	(61,193)
Accumulated Lease adjustment	-	-
Interest and Finance Charges	(578,645)	(922,027)
Increase in Share Capital	763,000	1,442,000
Increase in Share Premium	1,006,397	1,901,998
Issue of Share warrants	(177,016)	334,544
Dividend tax paid	-	-
Interim dividend on cumulative preference shares paid	-	-
Dividend Paid	-	-
Net Cash Flow from Financing Activities	(35,837,839)	(53,876,293)
Net Increase in Cash and Cash Equivalents	380,006	(680,592)
Cash and Cash Equivalents at the beginning of the Year	715,764	1,396,354
Cash and Cash Equivalents at the close of the Year	1,095,770	715,764

Note:-

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date attached

For and on behalf of the Board of Directors

For BATLIBOI & PUROHITChartered Accountants
FRN No.101048W**R. D. HANGEKAR**
Partner
Membership No.30615**RAJNESH JAIN**
Director**GIRISH JAIN**
Director**AKANKSHA MOTA**
Company SecretaryPlace : Mumbai
Date : 27th May 2010Place : Mumbai
Date : 27th May 2010

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010**

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
3,50,00,000 (3,50,00,000) Equity Shares of Rs. 10/- each	350,000,000	350,000,000
15,00,000 (15,00,000) Redeemable Preference shares of Rs.100/- each	150,000,000	150,000,000
	500,000,000	500,000,000
ISSUED , SUBSCRIBED AND PAID UP:		
31,35,740 (30,59,440) Equity Shares of Rs.10/- each fully paid up (Out of which 1173880 Equity Shares were issued as Bonus shares by capitalisation of General Reserve and Share Premium)	31,357,400	30,594,400
76,300 (Previous Year 1,44,200) equity shares of Rs. 10/- each fully paid up were allotted on conversion of warrants @ a premium of Rs. 13.19 per share. 85,000 (85,000) 12% Non-Cumulative Redeemable Preference Shares of Rs.100/- each, redeemable after the expiry of one year but before the expiry of 20 years from the date of allotment.	8,500,000	8,500,000
	39,857,400	39,094,400
SCHEDULE - 2		
RESERVES AND SURPLUS		
Share Premium Account		
As per last balance sheet	3,153,665	1,251,667
Add : Received During the year	1,006,397	1,901,998
	A 4,160,062	3,153,665
General Reserve :		
As per last balance sheet	262,060	-
Add : Addition / (Deduction) During the year	214,679	262,060
	B 476,739	262,060
Capital Redemption Reserve :		
As per last balance sheet	49,900,000	49,900,000
Add : Addition / (Deduction) During the year	-	-
	C 49,900,000	49,900,000
Special Reserve		
As per last balance sheet	2,253,619	1,729,500
Add : Addition / (Deduction) During the year	429,358	524,119
	D 2,682,977	2,253,619
Profit and Loss account balance	E 7,865,668	7,556,500
	(A+B+C+D+E) 65,085,446	63,125,844
SCHEDULE - 3		
SECURED LOANS		
From a Bank		
Cash credit facility with Bank	10,016,684	-
(secured by equitable mortgage of premises belonging to company and an Associate Company and corporate guarantee provided by the associate Company)		
From Others		
Loan against pledge of shares	6,114,758	2,052,276
(Due within 12 months Rs. 61,14,758 (Previous year Rs.20,52,276)		
Loan against vehicles by way of Hypothecation of vehicle	226,630	435,009
[Due within 12 months Rs.2,26,630/- (Rs.2,08,379)]	16,358,072	2,487,285
SCHEDULE - 4		
UNSECURED LOANS		
Inter Corporate Deposits	-	29,603,381
Loans from others	-	3,600,000
	-	33,203,381

FINANCIAL YEAR : 2009-2010
SCHEDULES - 5
FIXED ASSETS:

PARTICULARS	Rate of Depn.	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
		AS AT 01-04-2009	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AS AT 31-03-2010	AS AT 01-04-2009	FOR THE YEAR	DEDUCTIONS DURING THE YEAR	UPTO 31-03-2010	AS AT 31-03-2010	AS AT 31.03.2009
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
OWNED ASSETS :											
Building	5.00%	10,813,873	35,000	-	10,848,873	5,557,930	263,169	-	5,821,099	5,027,774	5,255,943
Furniture & Fixtures	18.10%	6,450,973	-	-	6,450,973	5,654,826	144,103	-	5,798,929	652,044	796,147
Office Equipments	13.91%	1,523,352	-	-	1,523,352	1,271,194	35,075	-	1,306,269	217,083	252,156
Electrical Fittings	13.91%	578,301	-	-	578,301	245,580	46,281	-	291,861	286,440	332,721
Computers	40.00%	9,975	-	-	9,975	7,820	862	-	8,682	1,293	2,155
Vehicles	25.89%	788,695	-	-	788,695	218,052	147,739	-	365,791	422,904	570,643
Total		20,165,170	35,000	-	20,200,169	12,955,403	637,229	-	13,592,631	6,607,538	7,209,767
Previous Year		20,009,127	156,046	-	20,165,173	12,226,514	728,895	-	12,955,409	7,209,764	



SCHEDULE : 6

INVESTMENTS :

Sr. No.	Particulars	As at 31st March 2010			As at 31st March 2009	
		Face Value per share Rs.	Quantity Nos.	Amount Rs.	Quantity Nos.	Amount Rs.
	Long term trade investments					
	Equity shares - Quoted					
1	Astra Micro Limited	2	-	-	7,515	1,168,037
2	Bank of Rajasthan Limited	10	1,200	180,301	1,200	180,301
3	Binani Cement Limited	10	13,000	1,279,278	13,000	1,279,278
4	Bosch Limited	10	-	-	360	1,365,617
5	Central Bank of India	10	-	-	35,000	4,756,565
6	Dewan Housing Finance Limited	10	-	-	1,000	178,403
7	DQ Entertainment	10	5,741	731,547	-	-
8	Dredging Corporation Limited	10	1,800	1,715,209	1,800	1,715,209
9	Ess Dee Aluminium Limited	10	-	-	2,500	631,526
10	Everest Kanto	2	2,000	343,752	-	-
11	Gayatri Projects	10	700	250,350	-	-
12	GIC Housing Finance Limited	10	-	-	1,000	83,510
13	Glenmark Pharma Limited	1	1,000	417,245	1,000	417,245
14	Gujarat Petronet Limited	10	15,000	1,605,172	15,000	1,605,172
15	HBL Power Systems Ltd	1	22,250	909,361	-	-
16	Himachal Futuristics Comm Limited	10	10,000	425,300	10,000	425,300
17	Hindustan Copper Limited	10	2,000	1,290,429	2,000	1,290,429
18	Hotline Glass Limited	10	37,549	-	37,549	584,318
19	IBN 18 Broadcast Ltd	2	5,000	625,418	-	-
20	ICICI Bank Limited	10	1,000	1,368,665	1,000	1,046,524
21	India Bulls Finance Limited	2	11,500	5,347,505	4,500	4,142,988
22	India Bulls Real Estate Limited	2	2,000	1,443,212	2,000	1,443,212
23	Info Edge Limited	10	-	-	300	171,368
24	Larsen & Toubro Limited	2	600	946,858	600	946,858
25	Mahindra & Mahindra Limited	10	-	-	940	738,536
26	Manugraph India Limited	2	3,000	574,127	3,000	574,127
27	Mundra Port & Special Economic Zone Limited	10	-	-	1,283	870,886
28	Net 4 India Limited	10	-	-	10,000	800,000
29	Net work 18 Fin Cap Ltd	5	5,000	799,709	-	-
30	Net Worth Stock Broking	10	7,500	426,324	-	-
31	NHPC	10	76,963	3,421,604	-	-
32	Nutek India	5	49,350	2,181,457	-	-
33	Om Metals & Infraprojects Limited	1	5,000	425,597	5,000	425,597
34	Parshvnath Developers Limited	10	900	134,917	500	91,993
35	Petron Engineering & Construction Limited.	10	-	-	2,718	676,647
36	Poly Medicare Limited	10	-	-	1,650	230,762
37	Power Grid Corporation Limited	10	5,000	574,494	5,000	574,494
38	Premier Explosives Limited	10	3,305	152,265	21,000	967,495
39	Ramsarup Industries Ltd	10	6,320	551,224	-	-
40	Reliance Industrial Infrastructure Limited	5	300	668,598	300	668,598
41	Reliance Industries Limited	10	418	634,317	-	-
42	Relaince Infrastrucutre Limited	10	1,150	1,624,622	1,150	1,665,642
43	Reliance Petroleum Limited	10	-	-	3,350	635,455
44	Reliance Power Limited	10	-	-	2,776	554,952
45	Shilpa Medicare Limited	2	-	-	4,058	172,049
46	Shree Vindhya Paper Mills Limited	10	33,640	3,487,870	33,640	3,487,870
47	Singer India Limited	10	3,400	247,160	3,400	247,160
48	Srei Infrastructure	10	7,500	624,418	-	-
49	Yes Bank Limited	10	-	-	2,000	454,524
	Sub Total (A)		341,086	35,408,304	239,089	37,268,644
	Equity Shares - Unquoted : (Non Trade)					
	(A) In Subsidiaries					
1	KJMC Asset Management Co.Limited	10	10,250,000	113,262,500	10,250,000	113,262,500
2	KJMC Investment Trust Co.Limited	10	150,000	1,500,000	100,000	1,000,000
	Sub Total (B)			114,762,500		114,262,500
	(B) In other companies					
1	KJMC Capital Market Services Limited	10	5,000,000	50,000,000	5,000,000	50,000,000
2	KJMC Credit Marketing Limited	10	25,000	250,000	25,000	250,000
3	KJMC Commodities Market India Limited	10	157,500	1,575,000	157,500	1,575,000
4	DR. Modi's Karjat Health Resort Limited	10	50,000	750,000	-	-
5	Prime Pictures Limited	10	25,000	1	25,000	1
	Sub Total (C)			52,575,001		51,825,001
	Total (A+B+C)			202,745,805		203,356,145
	Share Application Money with IBN			46,500		-
	Total in Investments			202,792,305		203,356,145
	Abstract Aggregate Amount of Quoted Investment			35,408,304		37,268,644
	Aggregate market Value Quoted Investment			19,999,414		10,511,361
	Aggregate Amount of unquoted Investment			167,337,501		166,087,501

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE - 7		
<u>CURRENT ASSETS</u>		
Stock in Trade (lower of cost or market value)	-	3
Sundry debtors (unsecured and considered good)		
Debts outstanding for more than 6 months	-	7,312,275
Less than 6 months	450,000	1,257,885
Cash and bank balances		
Cash on hand	215,937	410,144
Balance with scheduled banks in current accounts	879,832	305,620
	<u>1,545,769</u>	<u>9,285,927</u>
SCHEDULE - 8		
<u>LOANS AND ADVANCES</u>		
Unsecured and considered good		
Loans (Including interest accrued)	10,528,540	528,540
Advances recoverable in cash or kind for value to be received	3,094,161	2,873,993
Deposits	7,602,499	303,687
	<u>21,225,200</u>	<u>3,706,220</u>
SCHEDULE - 9		
<u>CURRENT LIABILITIES</u>		
Security deposits	94,600,000	65,000,000
Advances from customers	14,250,000	18,991,365
Other liabilities	1,463,228	1,271,859
	<u>110,313,228</u>	<u>85,263,224</u>
SCHEDULE - 10		
<u>PROVISIONS</u>		
Provision for income tax	472,000	198,350
Provision for expenses	84,667	8,559
	<u>556,667</u>	<u>206,909</u>
SCHEDULE - 11		
<u>PROFESSIONAL FEES & OTHER INCOME</u>		
Other Income	2,510,100	253,135
Dividend	263,032	433,671
	<u>2,773,132</u>	<u>686,806</u>
SCHEDULE - 12		
<u>SALARIES AND ALLOWANCES</u>		
Salaries, Bonus , LTA	1,375,376	1,235,086
Staff Welfare, PF and ESIC	62,981	82,413
	<u>1,438,357</u>	<u>1,317,499</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010**

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE - 13		
<u>OPERATING AND ADMINISTRATION EXPENSES</u>		
Advertisement expenses	74,595	93,293
Audit committee fees	8,000	7,000
Auditors remuneration	46,878	46,878
Board meeting fees	30,000	34,000
Books and Periodicals	4,680	4,623
Business promotion expenses	111,415	58,337
Conveyance Expenses	172,611	279,446
Demat Charges(Investment)	14,283	13,171
Demat Charges(Custodian Charges)	72	-
Depository Service charges	32,486	5,319
Documentation Charges	5,114	-
Insurance Charges	12,773	33,978
Legal and Other Expenses	22,792	35,082
Listing Fees	121,430	11,084
Medical Expenses	17,186	15,512
Miscellaneous Expenses	80,484	63,925
Motor Car Expenses	12,607	20,595
Postage and Mailing Charges	38,219	39,736
Printing and Stationery	42,878	63,023
Professional and Legal Fees	389,937	404,072
Registrar and Transfer Charges	24,786	25,584
Repairs and Maintenance		
- Building	73,745	5,727
- Others	20,912	25,118
Securities Transaction Tax	79,154	16,286
Stamping Charges	53,039	-
Subscription and Membership	12,500	58,652
Telephone	79,811	63,556
Tour and Travelling	59,130	46,014
	<u>1,641,516</u>	<u>1,470,011</u>
SCHEDULE - 14		
<u>FINANCIAL CHARGES</u>		
Interest	495,790	908,626
Bank Charges and Commission	82,855	13,401
	<u>578,645</u>	<u>922,027</u>

SCHEDULE – 15

SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting System:

The accounting financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 in material respect and to the extent applicable.

2. Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/ materialise.

3. Investments

Current trade investments: Current investments are valued at the lower of cost arrived on weighted average basis and market value whichever is lower.

Long term trade investments: Long term Investments are valued at cost. For long term investments, provision for diminution in value is made wherever there is a permanent reduction in market price.

As certified by the Management, all investments are intended to be held for a period more than one year from the date on which such investments are made. Accordingly all investments are long-term investments and are valued at costs. The cost is determined on Weighted Average Method basis.

4. Fixed Assets and depreciation

Fixed Assets are stated at cost of acquisition less depreciation. Depreciation is provided under the written down value method, at the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.

5. Taxation

- (i) Provision for Taxation is made on the basis of the Taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.
- (ii) Deferred Tax resulting from "timing difference" between book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a certainty that the asset will be adjusted in future.

6. Revenue Recognition:

Revenue is being recognized as and when there is reasonable certainty of its ultimate realization and on completion of the assignment.

a) Professional Fees:

Professional Fees and consultancy charges are accounted for on accrual basis.

b) Income from Brokerage and other operations:

Income from Brokerage and other operations, which comprises of interest on loans and inter-corporate deposits, are accounted for on accrual basis.

c) Non Performing Assets

Income is not recognised in respect of Non Performing Assets, if any, as per guidelines for prudential norms prescribed by Reserve bank of India. (RBI)

d) Dividend:

Dividend Income is recognized when the right to receive is established.

**7. Foreign Currency Transactions**

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transactions. Any profit or loss on account of exchange difference on transaction is recognized as profit or loss, as the case may be, for the year.

8. Derivative Transactions:

As at the balance sheet date the profit/loss on open position in derivatives are accounted as follows :

- Credit balance in the "Mark to Market Margin – Derivatives", being anticipated profit, ignored and no credit is taken in the profit and loss account.

- Debit balance in the "Mark to Market Margin – Derivatives", being anticipated loss, is recognized in the profit and loss account.

9. Stock in Trade: Stocks of shares are valued at cost or market price whichever is lower.**10. Employee Benefits:**

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

ii) The company is exempted from Payment of Gratuity Act, 1972 in view of its strength of employees being less than threshold limit attracting the applicability of the said statute and as such no provision has been made for the said liability.

11. Treatment of Contingent Liabilities: Contingent liabilities not provided for are disclosed by way of notes to accounts.**SCHEDULE – 16****NOTES FORMING PART OF ACCOUNTS****1. Contingent Liabilities not provided for in respect of:**

Corporate Guarantees given to:

i) HDFC Bank for Rs. 300 Lacs

ii) Corporation Bank for Rs.200 Lacs

in respect of KJMC Capital Market Services Limited.

2. The Company has not received any information from its vendor regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.**3. Auditors Remuneration include payments in respect of:**

Rs.

	Particulars	31 st March, 2010	31 st March, 2009
a)	Audit Fees	35,848	35,848
b)	Tax Audit Fees	11,030	11,030

4. Earnings in Foreign Currency - Rs. Nil (Rs. Nil).

Expenditure in Foreign Currency – Rs. Nil (Rs. Nil).

5. Managerial remuneration included in the Profit & Loss Account Rs. NIL (Rs. NIL)**6. Earnings Per Share:**

Rs.

Particulars	For the Year ended 31 st March, 2010	For the Year ended 31 st March, 2009
Net Profit / (Loss) after Taxation (Rs. In Lacs)	21,46,790	26,20,595
No. of Shares	31,18,808	29,91,686
Face Value (Rs.)	10	10
Earnings Per Share (Basic)	0.31	0.49
Earnings Per Share (Diluted)	0.31	0.48

7. Related party disclosures under Accounting Standard 18

List of related parties

1) Parties where control exists**a) Wholly owned subsidiary Companies**

KJMC Asset Management Company Limited

KJMC Investment Trust Company Limited

2) Other parties with whom the company has entered into transactions during the year

a) Associates

KJMC Global Market (India) Limited
 KJMC Shares and Securities Limited
 KJMC Capital Market Services Limited
 KJMC Credit Marketing Limited
 KJMC Commodities Market India Limited

b) Key Management Personnel

Mr. Rajnesh Jain
 Mr. Girish Jain

c) Enterprises over which key management personnel is able to exercise significant influence :

Inderchand Jain (HUF)
 Puja Impex Private Limited

Related Party Transactions : -

(Rs. in Lacs)

S. No.	Nature of Transactions	Party where control exists with related parties		Associates		Key Management Personnel		Enterprises over which key management personnel is able to exercise significant influence	
		March 10	March 09	March 10	March 09	March 10	March 09	March 10	March 09
1	Advance against expenses	-	0.45	54.91	51.40	-	-	104.50	-
2	Loans and Advances given / Repaid	-	133.50	-	577.24	-	-	-	122.01
3	Loans and Advances Received	-	133.50	-	367.12	-	-	-	122.01
4	Sale of Shares / Received	-	-	-	577.24	-	-	-	-
5	Investment in shares	-	-	7.50	25.00	-	-	-	-
6	Deposit given	-	-	-	-	-	-	-	-
7	Remuneration	-	-	-	-	-	-	-	-
8	Issue of Warrants	-	-	-	-	-	-	-	30.09
Outstanding as at year end									
1	Net Receivables	-	-	64.80	260.44	-	-	104.50	-
2	Net Payables	650.00	650.00	438.50	296.33	-	-	-	1.77

8. Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars		Rs. In Lacs	
<u>Liabilities side :</u>		Amount outstanding	Amount overdue
1	Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(other than falling within the meaning of public deposits*)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans NIL	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans (specify nature)		
	Secured Loans against shares	61.15	NIL
	Loans against HP of vehicles	2.26	NIL
	* Please see Note 1 below		
	(b) Loans other than (a) above	NIL	NIL



	Asset Side :	Amount outstanding Rs. in Lacs
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] : (a) Secured (b) Unsecured	212.25
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets (iii) Other loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	NIL

Break-up of Investments :**(Rs. in Lacs)****Current Investments :**

1. Quoted :

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

2. Un Quoted :

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

Long Term Investments :

1. Quoted :

(i) Shares : (a) Equity	354.08
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

2. Un Quoted :

(i) Shares : (a) Equity	1673.38
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

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Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below	Amount Net of Provision		
	Secured	Unsecured	Total
Category			
1. Related Parties **	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	164.80	164.80
2. Other than related parties	-	47.45	47.45
Total	-	212.25	212.25

Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below	Market Value / Breakup or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	1147.63	1147.63
(b) Companies in the same group	525.75	525.75
(c) Other related parties	-	-
2. Other than related parties	199.99	354.54
Total	1873.37	2027.92

Other information	Amount
<i>Particulars</i>	
Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
Assets acquired in satisfaction of debt	NIL

9. The management has identified the Company's operations with a single business segment of non banking financial operations in India. All the assets of the Company are located in India.

10. Previous year figures have been regrouped or reclassified wherever necessary in order to make them comparable and shown in brackets.

As per our report of even date attached For and on behalf of the Board of Directors

For BATLIBOI & PUROHIT

Chartered Accountants
FRN No.101048W

R. D. HANGEKAR
Partner
Membership No.30615

RAJNESH JAIN
Director

GIRISH JAIN
Director

AKANKSHA MOTA
Company Secretary

Place : Mumbai
Date : 27th May 2010

Place : Mumbai
Date : 27th May 2010

**Information pursuant to Part IV of schedule VI of the Companies Act, 1956****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :****I Registration Details**

Registration No.	L99999MH1988PLC047873	State Code	11
Balance Sheet Date	31.03.2010		

II Capital raised during the year (Amount in Rs.Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	763

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	121,301	Total Assets	121,301
Sources of Funds		Application of Funds	
Paid up Capital	39,857	Net Fixed Assets	6,607
Reserves & Surplus	65,086	Investments	202,793
Secured Loan	16,358	Net Current Assets	(88,099)
Unsecured Loan	-	Misc.Expenses	-
Deferred tax liability (Net)	-	Accumulated Losses	-

IV Performance of Company (Amount in Rs.Thousands)

Turnover	7,515	Total expenses	4,880
Profit / (loss) before tax	2,635	Profit / (loss) after tax	2,147
Earning per share in Rs.	0.31	Dividend rate	N A

V Generic names of three Principal Products / Services of company (as per monetary terms)

Item Code No. (ITC Code)	N A
Product Description :	Finance and related activities

For and on behalf of the Board of Directors

Place: Mumbai
Date : 27th May 2010**RAJNESH JAIN**
Director**GIRISH JAIN**
Director**AKANKSHA MOTA**
Company Secretary

STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES:

Particulars	Name of the Subsidiary	
	KJMC Asset Management Company Limited	KJMC Investment Trust Company Limited
Financial year of the Subsidiary ended on Holding Company's Interest	31 st March, 2010	31 st March, 2010
- No. of Equity Shares	10,250,000 Equity Shares of Rs. 10/- each	150,000 Equity Shares of Rs. 10/- each
- Extent of Holding	100%	100%
The net aggregate amount of subsidiary's Profit/ Loss so far as it concerns the members of the Holding Company not dealt with in the Holding Company's Account		
i) For the Current Financial Year Profit/ (Loss)	Rs. (463,177)	Rs. (19,716)
ii) For the Previous Financial Year Profit/ (Loss)	Rs. 249,825	Rs. 28,474
The net aggregate amount of subsidiary's Profit/ Loss which has been dealt with in the Accounts of the Holding Company		
i) For the Current Financial Year Profit/ (Loss)	NIL	NIL
ii) For the Previous Financial Year Profit/ (Loss)	NIL	NIL

The provisions of Section 212(5) of the Companies Act, 1956 are not applicable as the financial year of the Subsidiary Companies coincides with that of the Company.

For and on behalf of Board of Directors

Place : Mumbai
Date : 27th May, 2010

Rajesh Jain
Director

Girish Jain
Director

Akanksha Mota
Company Secretary



**KJMC ASSET
MANAGEMENT COMPANY
LIMITED**
11th Annual
Report And
Accounts

BOARD OF DIRECTORS

Mr. Pratap Ratilal Merchant (Chairman)
Mr. S. A. Kamath
Mr. Girish Jain
Mr. Rajnesh Jain

AUDIT COMMITTEE

Mr. Pratap Ratilal Merchant (Chairman)
Mr. S. A. Kamath
Mr. Girish Jain

AUDITORS

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

BANKERS

UCO Bank, HDFC Bank

REGISTERED OFFICE

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

CORPORATE OFFICE

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

DIRECTORS' REPORT

The Shareholders,
Your Directors have pleasure in bringing you 11th Annual Report for the financial year 2009-2010 with the audited accounts of the Company for the said period.

FINANCIAL RESULTS

(Rs. In Lakhs)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Total Income	1.40	15.32
Total Expenditure	6.03	12.79
Profit / (Loss) Before Tax	(4.63)	2.53
Less: Provision for Tax :		
Current Tax	-	-
Fringe Benefit Tax	-	0.14
Deferred Tax	-	(0.11)
Profit / (Loss) After Tax	(4.63)	2.50
Add: Prior Period item Income/(Expenses)	0.42	(0.02)
Add: Surplus / Deficit as per last account	6.27	3.79
Balance carried to Balance Sheet	2.06	6.27

DIVIDEND

In view of the losses incurred during the year, your Directors do not recommend any dividend for the year ended 31st March, 2010.

PRINCIPAL ACTIVITIES

Your Company has taken steps to fulfill its regulatory obligations during the year. However, your Company's efforts to usher up in a competitive edge to take on to the new challenges are continuing.

PARTICULARS OF EMPLOYEES

Since there was no employee employed who comes under the purview of the provisions of Section 217(2A) of the Companies Act, 1956, no such details are given.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

Since the Company is the Asset Management Company involved in financial services, the details required under Section 217(1)(e) of the Companies Act, 1956 are not applicable.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri P. R. Merchant, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Shri Rajnesh Jain was appointed as an Additional Director with effect from 23rd December, 2009 and hold office upto the date of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from the member signifying his intention to propose him as a candidate for the office of the Director.

AUDITORS

M/s. Batliboi & Purohit, Chartered Accountants, holds office until the conclusion of the ensuing Annual General Meeting. Your Company has received Certificate from Auditors under Section 224(1B) of the Companies Act, 1956 to the effect that their reappointment, if made, will be within the limit prescribed. Members are requested to appoint Auditors and authorise the Board to fix their remuneration.

AUDIT COMMITTEE

The Audit Committee of the Board reviewed and approved the annual accounts before approval by the Board.

FUTURE OUTLOOK

Your Company is working on launching a mix of Large Cap and Mid Cap Diversified & Sectoral Schemes of KJMC Mutual Fund in the context of emerging favourable economic situations for Industry and Capital Markets in India and Abroad on the advice of the Trustee Company of the KJMC Mutual Fund.

DEPOSITS

The Company has not accepted any fixed deposits during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- The Directors have applied required accounting policies consistently and have followed prudential norms so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- The Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- The Directors prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place their sincere thanks to the regulatory authorities, banks, shareholders and employees for their co-operation and support.

On behalf of the Board of Directors

Place : Mumbai

(Pratap R. Merchant)

Date : 25th May, 2010

(Chairman)

AUDITOR'S REPORT

To the members of
KJMC Asset Management Company Ltd.

- We have audited the attached Balance Sheet of KJMC Asset Management Company Ltd. ("the company") as at 31st March, 2010 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto (all together referred to as "the Financial Statements"). These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 (the Order) as amended, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - On the basis of the written representations received by the Company from its Directors, none of the directors is disqualified as on the balance sheet date from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - In our opinion, and to the best of our information and according to the explanations given to us, the financial statements read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For BATLIBOI & PUROHIT
Chartered Accountants
FRN No. 101048W

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

Place : Mumbai
Date : 25.05.2010

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date to the members of KJMC Asset Management Company Ltd. on the financial statements for the year ended on March 31, 2010)

- Since the company does not have any Fixed Assets, hence clause (a), (b) and (c) of the said order are not applicable.
- There is no stock held by the company and hence this clause is not applicable.
- According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c) and (d) of clause (iii) of paragraph 4 of the said Order, are not applicable.
 - According to the information and explanations given to us, the Company has not taken any loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clauses (f) and (g) of clause (iii) of paragraph 4 of the said Order, are not applicable.
- In our opinion, the Company has an adequate internal control procedure commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- To the best of our knowledge and belief, and according to the information and explanations given to us, we are of the opinion that particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - In our opinion, and according to the information and explanations given to us, in respect of transactions during the year, made pursuant to contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five hundred thousand in respect of each party, except for certain transactions where there are no comparable transactions with other parties or where prevailing market prices are not available as the services are of specialized nature, transactions have been made at prices which are reasonable having regard to prevailing market prices.
- The Company has not accepted any deposits from the public to which the directives issued by the Reserve bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Act, or the rules framed there under, are applicable.
- In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and the nature of its business.
- The Central Government has not prescribed maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Companies Act, 1956 for any of the activities of the Company.
- According to the information and explanations given to us, during the year under report, the Company was generally regular in depositing undisputed statutory dues including Provident fund, Income-tax, service-tax and other material statutory dues with the appropriate authorities. We are informed that the provisions of Employees State Insurance Act are not applicable to the Company during the year under report.

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<p>b) According to the information and explanations given to us there are no undisputed amounts payable in respect of income tax, wealth tax, and service tax, sales tax, customs duty excise duty and cess which remained unpaid as at the balance sheet date for a period of more than six months from the date they became payable.</p> <p>c) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, cess which have not been deposited on account of any dispute.</p> <p>x) The Company does not have accumulated losses as at the balance sheet date. However the Company incurred cash losses for the current financial year.</p> <p>xi) On the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of the dues to banks. The Company did not have any loans from financial institutions and also did not have any debentures outstanding during the year under report.</p> <p>xii) According to the information and explanations given to us, during the year under report, the Company did not grant any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.</p> <p>xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society to which the provisions of any special statute apply; accordingly, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.</p> <p>xiv) On the basis of our examination of books and records of the Company, and according to the information and explanations given to us, in our opinion, the Company has maintained proper records of transactions and contracts in respect of dealing or trading in shares and securities entered into, in which entries were made on a timely basis. As at the balance sheet date the shares, securities and other investments were held in the Company's own name.</p>	<p>xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.</p> <p>xvi) The Company did not have any term loans outstanding during the year under report; accordingly, the provisions of clause (xvi) of paragraph 4 of the Order are not applicable.</p> <p>xvii) In our opinion, and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that prima facie, no funds raised on short term basis have been used for long-term investment.</p> <p>xviii) During the year under report, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.</p> <p>xix) The Company did not have any debentures outstanding during the year under report; accordingly, the question of creating security in respect of debentures, does not arise.</p> <p>xx) The Company did not have any public issue; accordingly, the question of commenting on end-use of moneys raised, does not arise.</p> <p>xxi) To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the course of our audit.</p>
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For BATLIBOI & PUROHIT
Chartered Accountants
FRN No. 101048W

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

Place : Mumbai
Date : 25.05.2010

BALANCE SHEET AS ON 31ST MARCH 2010

		As on 31/03/2010 Rs.	As on 31/03/2009 Rs.
SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital			
Authorised :			
1,20,00,000 (1,20,00,000)			
Equity Shares of Rs. 10 each		120,000,000	120,000,000
Issued, Subscribed and Paid -up :			
1,02,50,000 (1,02,50,000) Equity		102,500,000	102,500,000
Shares of Rs. 10 each fully paid up			
(All the shares are held by KJMC			
Financial Services Limited,			
the holding company)			
Reserve and Surplus (Profit and Loss A/c)		205,620	627,339
Deferred Tax Liabilities (Net)		-	-
T O T A L		102,705,620	103,127,339
APPLICATION OF FUNDS:			
Investments	1	11,531,016	10,027,796
Current Assets			
Cash and Bank Balances	2	5,242,003	7,934,788
Loans and Advances	3	85,986,606	85,196,194
		91,228,609	93,130,982
Less : Current Liabilities and Provisions			
a) Liabilities	4	54,005	17,077
b) Provisions		-	14,362
		54,005	31,439
Net Current Assets		91,174,604	93,099,543
Miscellaneous Expenditure (Deferred Revenue			
Expenses to the extent not written off or adjusted)		-	-
T O T A L		102,705,620	103,127,339
Significant accounting policies and	8		
Notes forming parts of accounts.			
Schedules referred to above form an integral part of the Financial Statements			

As per our report attached For and on behalf of the Board of Directors

For Batliboi & Purohit
Chartered Accountants
FRN No. 101048W

R. D. Hangekar
Partner
Membership No. 30615

P. R. Merchant **Girish Jain**
Chairman Director

Place : Mumbai
Dated : 25/05/2010

Place : Mumbai
Dated : 25/05/2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

		For the year ended 31/03/2010 Rs.	For the year ended 31/03/2009 Rs.
INCOME			
Interest and Fees Income [TDS Rs. 92,700/- (Tds Rs. 81,906/-)]		-	900,000
Interest on Income Tax		6,962	
Other Income	5	132,672	632,331
		139,634	1,532,331
EXPENDITURE :			
Operating and Other Administrative Expenses	6	119,164	352,858
Salaries and Allowances	7	233,646	643,725
Service Fee for Mutual Fund to SEBI		250,000	250,000
Preliminary Expenses written off		-	32,500
		602,810	1,279,083
PROFIT/LOSS BEFORE TAXATION		(463,177)	253,248
Less : Provision for Taxation			
- Current Tax		-	-
- Fringe Benefit Tax		-	14,362
- Deferred Tax (Current)		-	(10,939)
Profit/Loss After Taxes		(463,177)	249,825
Add : Prior Period Item Income / (Expenses)		41,457	(2,264)
Add : Surplus / Deficit as per last account		627,339	379,778
Balance Carried to Balance Sheet		205,620	627,339
Earning per Share (in Rs.)			
(Equity shares, par value of Rs.10/- each)			
Basic		(0.05)	0.02
Diluted		(0.05)	0.02
Significant accounting policies and Notes			
forming parts of accounts.	8		
Schedules referred to above form an integral part of the Financial Statements			

As per our report attached For and on behalf of the Board of Directors

For Batliboi & Purohit
Chartered Accountants
FRN No. 101048W

R. D. Hangekar
Partner
Membership No. 30615

P. R. Merchant **Girish Jain**
Chairman Director

Place : Mumbai
Dated : 25/05/2010

Place : Mumbai
Dated : 25/05/2010



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As on 31/03/2010 Rs.	As on 31/03/2009 Rs.
SCHEDULE - 1		
INVESTMENTS:		
In Mutual Funds	11,531,016	10,027,796
	<u>11,531,016</u>	<u>10,027,796</u>
SCHEDULE - 2		
CURRENT ASSETS :		
Cash and Bank Balances		
Balance with Scheduled Banks in current accounts	5,231,503	7,926,288
Cash in hand	10,500	8,500
	<u>5,242,003</u>	<u>7,934,788</u>
SCHEDULE - 3		
LOANS AND ADVANCES:		
Leave and Licence Deposits	85,812,000	85,000,000
Advance recoverable in cash or kind	174,606	196,194
	<u>85,986,606</u>	<u>85,196,194</u>
SCHEDULE - 4		
CURRENT LIABILITIES		
Other Liabilities	54,005	17,077
Provision for Tax	-	14,362
	<u>54,005</u>	<u>31,439</u>
SCHEDULE - 5		
Other Income		
Capital Gain on Investment / MF	5,730	16,836
Dividends	126,942	615,495
	<u>132,672</u>	<u>632,331</u>
SCHEDULE - 6		
Operating and Other Administrative Expenses		
Auditors Remuneration	16,545	16,545
Bank Charges	425	175
Board Meeting Fees	16,000	10,000
Conveyance Exp	66,002	167,487
Demat Custody Charges	383	2,158
Filing Fees	2,040	1,178
Miscellaneous Exps.	64	-
Printing & Stationery	-	1,671
Professional Fees Paid	1,200	122,620
Profession Tax (Expenses)	-	2,500
Seminar & Conference Exp	5,000	4,000
Telephone Expenses	11,505	24,524
Rent	-	-
Securities Transaction Tax	-	-
	<u>119,164</u>	<u>352,858</u>
SCHEDULE - 7		
Salaries and Other Allowances		
Books & Periodicals	900	2,453
Entertainment Allowance	15,002	40,874
Leave Travel Allowance	-	9,349
Medical Exp	8,425	9,349
Salaries A/c	209,319	571,579
Bonus A/c	-	10,121
	<u>233,646</u>	<u>643,725</u>

SCHEDULE - 8

SIGNIFICANT ACCOUNTING POLICIES:

1. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The Financial statements are prepared under the historical cost convention on accrual basis of accounting and comply with the relevant provisions of the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

(b) REVENUE RECOGNITION

Interest is recognized on accrual basis. Dividend Income is recognised when the right to receive is established. Investment Management and Advisory Fee is accounted on accrual basis.

(c) TAXATION

(i) The provision for Current Income Tax is made at the applicable rates under the Income Tax Act, 1961.

(ii) Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, on timing difference between taxable income and accounting income that originate in current period and are capable of reversal in one or more subsequent periods.

2. Investments :

Long Term Investments

Long term Investments are valued at cost. For long term investments, provision for diminution in value is made wherever there is a permanent decline in the value of investment.

Current Investments

Current investments are valued at the lower of cost arrived on weighted average basis and market value, computed scrip wise.

Profit or loss on sale of investment is determined on the specific identification basis.

NOTES FORMING PART OF ACCOUNTS :

- Contingent Liabilities not provided for Rs. NIL (Rs.NIL)
- Information with regard to other matters specified in paragraphs 3, 4A,4C and 4D of part II of Schedule VI of the Companies Act, 1956 are either NIL or not applicable to the Company for the year ended 31st March, 2010.
- Auditors Remuneration include payments in respect of Audit Fees, Rs.16,545/- (Rs.16,545/-).
- The Company does not have any vendor having status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.
- The Company has identified Asset Management and Investment Advisory Services as the only business segment.
- Earning per Shares (EPS)

Particulars	31/03/2010	31/03/2009
Net Profit /(Loss) after taxation (Rs.)	(463,177)	249,825
No. of Shares	10,250,000	10,250,000
Face Value (Rs.)	10.00	10.00
Earning per share (Basic and Diluted) (Rs.)	(0.05)	0.02

7. The tax effects of significant timing (temporary) differences that resulted in Deferred tax asset and liability and description of major components of the financial statements items that creates these differences are as follows :

	Year 2009-2010	Year 2008-2009
Amortisation	-	(10,939)

8. As per Accounting Standard 18 (AS-18) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules 2006, the disclosures of transactions with related parties as defined in AS-18 are given below :

Sr. No.	Name of the Related Party	Relationship
1.	KJMC Financial Services Limited	Holding Company
2.	KJMC Investment Trust Co. Limited	Fellow Subsidiary
3.	KJMC Capital Market Services Limited	Associate
4.	KJMC Credit Marketing Limited	Associate
5.	KJMC Commodities Market India Limited	Associate
6.	KJMC Global Market (India) Limited	Associate
7.	KJMC Shares and Securities Limited	Associate
8.	KJMC Mutual Fund	Associate
9.	Mr. Girish Jain	Key Management Personnel

Related Party / Nature of Transaction

	Year 2009-2010	Year 2008-2009
1. Holding company		
Opening Balance (Deposit)	65,000,000	65,000,000
Closing Balance	65,000,000	65,000,000
2. Fellow Subsidiary company		
Opening Balance	NIL	NIL
Sale of Shares	NIL	NIL
Expenses Paid	NIL	34,136
Closing Balance	NIL	NIL

9. Figures in bracket are figures of previous year.

10. Previous year figures have been regrouped or reclassified wherever necessary in order to make them comparable.

As per our report attached

For and on behalf of the Board of Directors

For Battliboi & Purohit
Chartered Accountants
FRN No. 101048W

R. D. Hangekar
Partner
Membership No. 30615

P. R. Merchant
Chairman

Girish Jain
Director

Place : Mumbai
Dated : 25/05/2010

Place : Mumbai
Dated : 25/05/2010

11th Annual Report 2009-2010

CASH FLOW STATEMENT AS ON 31ST MARCH, 2010

	31 Mar 2010 (Rs.)	31 Mar 2009 (Rs.)
Net profit as per profit and loss account	(463,177)	253,248
Add : Preliminary Expenses	-	32,500
Less : Considered separately		
Dividend income	(126,942)	(615,495)
Interest income	(6,962)	-
Prior period Items	41,457	(2,264)
Net cash flow before working cap. Changes	(555,624)	(332,011)
Adjustment		
Trade and other receivable	-	98,904
Trade payable and other liability	36,928	223
Net cash flow from operating activities	36,928	99,127
Direct Taxes paid net of refund	(14,362)	(25,000)
Cash form Investing activity	(533,058)	(257,884)
Dividend	126,942	615,495
Interest received	6,962	-
Purchase of Fixed assets	-	-
Sale of Fixed assets	-	-
Net cash flow from Investing activities	133,904	615,495
Cash form financing activity		
Loan taken (net of repayment)	(790,412)	(92,700)
Investments	(1,503,220)	4,975,245
Purchase of Shares	-	-
Sale of Shares	-	-
Share application money	-	-
Share issued	-	-
Net cash flow from financing activities	(2,293,632)	4,882,545
Net cash flow	(2,692,785)	5,240,156
Cash and cash equivalent at the beginning of year	7,934,788	2,694,632
Cash and cash equivalent at the end of year	5,242,003	7,934,788

Information pursuant to Part IV of schedule VI of the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

I Registration Details

Registration No.	97231	State Code	55
Balance Sheet Date	31.03.2010		

II Capital raised during the year (Amount in Rs.Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	102,706	Total Assets	102,706
Sources of Funds		Application of Funds	
Paid up Capital	102,500	Net Fixed Assets	-
Reserves & Surplus	206	Investments	11,531
Secured Loan	-	Net Current Assets	91,175
Unsecured Loan	-	Misc.Expenses	-
Deferred tax liability (Net)	-		
Accumulated Losses	-		

IV Performance of Company (Amount in Rs.Thousands)

Turnover	140	Total expenses	603
Profit / (loss) before tax	(463)	Profit / (loss) after tax	(463)
Earning per share in Rs.	(0.05)	Dividend rate	N A

V Generic names of three Principal Products / Services of company (as per monetary terms)

Item Code No. (ITC Code)	N A
Product Description :	Business of Software Solutions

As per our report attached

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

For Batliboi & Purohit
Chartered Accountants
FRN No. 101048W

R. D. Hangekar
Partner
Membership No. 30615

P. R. Merchant **Girish Jain**
Chairman Director

P. R. Merchant **Girish Jain**
Chairman Director

Place : Mumbai
Dated : 25/05/2010

Place : Mumbai
Dated : 25/05/2010

Place : Mumbai
Dated : 25/05/2010

**KJMC INVESTMENT TRUST
COMPANY LIMITED****11th Annual Report And Accounts****BOARD OF DIRECTORS**

Mr. I.C. Jain - Chairman
Dr. Punya Deo Ojha
Mr. Subhash Chandra Wadhwa
Mr. S. J. Thaker
Mr. Narayan Lal Maheshwari

AUDITORS**K.S. Aiyar & Co.**

Chartered Accountants
4th floor,
Janmabhoomi Marg,
Fort, Mumbai-1.

**BANKERS : UCO Bank
REGISTERED OFFICE**

221, Hans Bhavan, Bahadur Shah Zafar
Marg, New Delhi 110002.

CORPORATE OFFICE

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

DIRECTORS' REPORT

The Shareholders,

Your Directors have pleasure in presenting their Eleventh Annual Report with the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
Total Income	0.48	0.72
Total Expenditure	0.67	0.43
Profit / (Loss) Before Tax	(0.19)	0.28
Less: Provision for Tax / Deferred Tax	-	0.03
Less: Tax Previous years	0.07	-
Profit / (Loss) After Tax	(0.26)	0.25
Add: Surplus / (Deficit) as per last account	(2.44)	(2.69)
Balance carried to Balance Sheet	(2.70)	(2.44)

DIVIDEND

In view of the losses incurred during the year, your Directors do not recommend any dividend for the year ended 31st March, 2010.

FUTURE OUTLOOK

Your Company has advised KJMC Asset Management Company Ltd., the Asset Management Company of KJMC Mutual Fund, to recommend on launching a mix of Large Cap and Mid Cap Diversified & Sectoral Schemes, in the context of emerging favourable economic situations for Industry and Capital Markets in India and abroad.

PRINCIPAL ACTIVITIES

During the year under review, your Company has taken steps to fulfill its regulatory obligations. The Company activities are related to the launch of schemes.

PARTICULARS OF EMPLOYEES

Since there was no employee employed who comes under the purview of the

provisions of Section 217(2A) of the Companies Act, 1956, no such details are given.
PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE
The Company does not carry on any manufacturing activities.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri S. J. Thaker and Shri N. L. Maheshwari retire by rotation at ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS

M/s. K. S. Aiyar & Co., Chartered Accountants, will retire as auditors at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

DEPOSITS

The Company has not accepted any fixed deposits during the period under review.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- The Directors have applied required accounting policies consistently and have followed prudential norms so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- The Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- The Directors prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place their sincere thanks to the regulatory authorities, banks and shareholders for their co-operation and support.

Place : Mumbai
Date : 25th May, 2010

On behalf of the Board of Directors
(I.C. JAIN)
CHAIRMAN

Auditor's Report**To the Members of****KJMC Investment Trust Company Limited**

- We have audited the attached Balance Sheet of KJMC Investment Trust Company Limited, as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to above, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
 - On the basis of written representations received from the directors / companies, as on 31st March, 2010, and taken on record by the Board of Directors we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For K.S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Satish Kelkar

Partner

Membership No. 38934

Place : Mumbai
Date : 25th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended on 31st March, 2010 of KJMC Investment Trust Company Limited)

- The Company doesn't have any fixed assets & accordingly the provisions of clause 4(i) sub-clause (a), (b) & (c) are not applicable.
- The Company does not have any inventory and hence clauses 4 (ii) (a), 4 (ii) (b) and 4 (ii) (c) of the order are not applicable.
- The Company is not involved in any activity relating to purchase of fixed assets, inventory & sale of goods & accordingly the provisions of clause 4 (iv) are not applicable.
- According to the information and explanations given to us, we are of the opinion that there are no transactions exceeding Rs 5 lakhs that need to be entered in the register maintained under section 301.
- The Company has not accepted any deposits from the public & accordingly the provisions of clause 4 (vi) are not applicable.
- The provisions of clause 4 (vii) relating to internal audit are not applicable to the company.
- The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- The Company is not liable to any dues pertaining to Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income -tax, Sales-tax, Wealth Tax, Customs duty, Excise duty or any other statutory dues etc. & accordingly the provisions of clause 4(ix) sub-clause (a) & (b) are not applicable.
- The Company does not have any accumulated losses at the end of the financial year exceeding 50% of its net-worth. The Company has incurred cash losses of Rs 8,126 during the financial year covered by our audit. The Company has not incurred cash losses in the immediately preceding financial year.
- There are no borrowings from banks, financial institutions or debenture holders. Accordingly the provisions of clause 4 (xi) are not applicable.
- Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- The Company has not given any guarantee for loans taken from banks or financial institution.
- The Company has not taken any term loans during the year.
- According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- The Company has not issued any debentures.
- The Company has not raised any money by way of public issue during the year
- According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For K.S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Satish Kelkar

Partner

Membership No. 38934

Place : Mumbai
Date : 25th May, 2010

11th Annual Report 2009-2010

BALANCE SHEET AS AT 31ST MARCH 2010

Schedules	As on 31/03/2010 Rs.	As on 31/03/2009 Rs.	
SOURCES OF FUNDS :			
Shareholders' Funds			
a) Share Capital			
Authorised :			
	150,000 (100,000) Equity Shares of Rs. 10 each	1,500,000	1,000,000
Issued, Subscribed and Paid - up :			
	150,000 (100,000) Equity Shares of Rs. 10 each fully paid up	1,500,000	1,000,000
	50,000 (Previous Year NIL) equity shares of Rs. 10/- each fully paid up were allotted to KJMC Financial Services Limited (All the shares are held by KJMC Financial Services Limited, the holding company)		
	T O T A L	1,500,000	1,000,000
APPLICATION OF FUNDS:			
Current Assets , Loans and Advances			
a) Current Assets	1	1,455,068	958,304
Cash and Bank Balance		49,607	45,193
b) Loans and Advances	2	1,504,675	1,003,497
Less : Current Liabilities and Provisions			
a) Liabilities	3	257,656	244,812
b) Provisions	4	16,950	3,000
		274,606	247,812
		1,230,069	755,685
		269,931	244,315
		1,500,000	1,000,000
Net Current Assets			
Profit and Loss Account			
T O T A L			
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS			
Schedule annexed hereto form integral part of the Balance Sheet and Profit and Loss Account.			

As per our report attached

For and on behalf of the Board of Directors

For K.S. Aiyar & Co.
Chartered Accountants
Registration No: 100186W
Satish Kelkar
Partner
Membership No.38934
Place : Mumbai
Dated : 25th May 2010

I.C. Jain
Director
Place : Mumbai
Dated : 25th May 2010

N.L. Maheshwari
Director
Place : Mumbai
Dated : 25th May 2010

CASH FLOW STATEMENT 31 MARCH 2010

	31 Mar 2010 (Rs.)	31 Mar 2009 (Rs.)
Net profit as per profit and loss account	(25,616)	28,474
Add : Preliminary Expenses		
Less: Taxes paid		
Less : Considered separately		
Prior period Items	-	-
Net cash flow before working cap. Changes	(25,616)	(43,314)
Adjustment		
Trade and other receivable	(4,414)	(1,063)
Trade payable and other liability	26,794	16,797
Taxes (paid)/Refunded	22,380	15,734
Net cash flow from operating activities	(3,236)	(27,580)
Cash form Investing activity		
Purchase of Fixed assets	-	-
Sale of Fixed assets	-	-
Net cash flow from Investing activities	-	-
Cash form financing activity		
Loan taken (net of repayment)		
Investments		
Purchase of Shares		
Sale of Shares		
Preliminary Exps incurred		
Share issued	500,000	-
Net cash flow from financing activities	500,000	-
Net cash flow	496,765	44,208
Cash and cash equivalent at the beginning of year	958,304	914,096
Cash and cash equivalent at the end of year	1,455,069	958,304

As per our report attached

For and on behalf of the Board of Directors

For K.S. Aiyar & Co.
Chartered Accountants
Registration No: 100186W

Satish Kelkar
Partner
Membership No.38934
Place : Mumbai
Dated : 25th May 2010

I. C. Jain
Director
Place : Mumbai
Dated : 25th May 2010

N. L. Maheshwari
Director
Place : Mumbai
Dated : 25th May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Schedules	As on 31/03/2010 Rs.	As on 31/03/2009 Rs.
INCOME		
Interest Income [TDS Rs. 6,351/- (Rs.13,581/-)]	48,101	71,788
	48,101	71,788
EXPENDITURE :		
Audit Fees	11,030	11,030
Bank Charges	520	1,150
Board Meeting Fees	38,000	24,000
Miscellaneous Expenses	54	210
Professional Fees	2,900	6,024
ROC Fees	3,723	900
Preliminary Expenses written off	11,050	-
	67,277	43,314
Profit/(Loss) before Tax	(19,176)	28,474
Tax - Current	-	3,000
Tax-Previous years	6,440	-
Profit/(Loss) after Tax	(25,616)	25,474
Add : Surplus/(Deficit) as per last account	(244,315)	(269,789)
Balance Carried to Balance Sheet	(269,931)	(244,315)
Earning per Share (in Rs.)		
(Equity shares, par value of Rs.10/- each)		
Basic	(0.26)	0.25
Diluted	(0.26)	0.25
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PARTS OF ACCOUNTS.		
Schedule referred to above form an integral part of the Financial Statements		

As per our report attached

For and on behalf of the Board of Directors

For K.S. Aiyar & Co.
Chartered Accountants
Registration No: 100186W
Satish Kelkar
Partner
Membership No.38934
Place : Mumbai
Dated : 25th May 2010

I.C. Jain
Director
Place : Mumbai
Dated : 25th May 2010

N.L. Maheshwari
Director
Place : Mumbai
Dated : 25th May 2010

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010

	As at 31/03/2010 (Amount in Rs.)	As at 31/03/2009 (Amount in Rs.)
SCHEDULE - 1		
CURRENT ASSETS :		
Cash and Bank Balances		
Cash in hand	11,250	-
Bank Balances:		
Balance with Scheduled bank in current accounts	493,818	17,472
Balance with Scheduled bank in Fixed Deposits	950,000	940,832
	1,455,068	958,304
SCHEDULE - 2		
LOANS and ADVANCES		
Advance recoverable in cash or kind	49,607	45,193
	49,607	45,193
SCHEDULE - 3		
CURRENT LIABILITIES		
Sundry Creditors	257,656	244,812
	257,656	244,812
SCHEDULE - 4		
PROVISIONS		
Provision for Income tax	3,000	3,000
Provision for expenses	13,950	-
	16,950	3,000

SCHEDULE - 5

NOTES FORMING PARTS OF ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The Financial statements are prepared under historical cost convention on accrual basis and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act.

(b) REVENUE RECOGNITION

Trusteeship fees are accounted for on accrual basis.

(c) TAXATION

(i) The provision for Current Income Tax is made at the applicable rates under the Income Tax Act, 1961.

(ii) Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, on timing difference between taxable income and accounting income that originate in current period and are capable of reversal in one or more subsequent periods.



2. Information with regard to other matters specified in paragraphs 3, 4A,4C and 4D of part II of Schedule VI of the Companies Act,1956 are either NIL or not applicable to the Company for the year ended 31st March, 2010.

	2009-2010	2008-2009
3. Calculation of EPS		
Net Profit / (loss) as per Profit and Loss Account in Rs.A	(25,616)	25,474
Weighted Average No. of shares (in Nos.)	B 100,411	100,000
Earning per share in Rs.	A/B (0.26)	0.25

4. The Company is engaged in the business of providing trust services as such there are no separate reportable primary business segment nor geographical segment as required by Accounting Standard 17 on "Segment -Reporting" issued by the Institute of Chartered Accountants of India.

5. Net Deferred Tax Asset Rs.69,113/- is not recognised as a measure of prudence.

6. Preliminary Expenses incurred have been written off fully, as required by accounting Standard 26, issued by the Institute of Chartered Accountants of India.

7. The Company does not have any vendor having status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.

8. As per Accounting Standard 18 (AS-18) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules 2006, the disclosures of transactions with related parties as defined in AS-18 are given below :

Sr. No.	Name of the Related Party	Relationship
1.	KJMC Financial Services Limited	Holding Company
2.	KJMC Asset Management Co. Limited	Fellow Subsidiary
3.	KJMC Capital Market Services Limited	Associate
4.	KJMC Mutual Fund	Associate
5.	Mr. I. C. Jain	Key Management Personnel

Related Party / Nature of Transaction

Year 2009-2010 Year 2008-2009

1. <u>With holding company</u>		
Opening Balance	NIL	NIL
Reimbursement of Expenses	18,023	45,246
Maximum Outstanding during the year	15,000	45,246
Closing Balance Debit / (Credit)	NIL	NIL
2. <u>With associate</u>		
<u>A. KJMC Asset Management Co. Limited</u>		
Opening Balance	NIL	NIL
Reimbursement of Expenses	8,000	32,136
Maximum Outstanding during the year	8,000	24,136
Closing Balance Debit /(Credit)	NIL	NIL
<u>B. KJMC Mutual Fund</u>		
Opening Balance	(231,782)	(217,903)
Interest	14,844	13,879
Maximum Outstanding during the year	(246,626)	(231,782)
Closing Balance Debit /(Credit)	(246,626)	(231,782)

9. Previous year figures have been regrouped or reclassified wherever necessary in order to make them comparable.

As per our report attached For and on behalf of the Board of Directors

For K.S. Aiyar & Co.

Chartered Accountants

Registration No: 100186W

Satish Kelkar

Partner

Membership No.38934

Place : Mumbai

Dated : 25th May 2010

I. C. Jain

Director

Place : Mumbai

Dated : 25th May 2010

N. L. Maheshwari

Director

Information pursuant to Part IV of schedule VI of the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

I Registration Details

Registration No.	U74899DL1998PLC097252	State Code	55
Balance Sheet Date	31.03.2010		

II Capital raised during the year (Amount in Rs.Thousands)

Public Issue	NIL	Rights Issue	500
Bonus Issue	NIL	Private Placement	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	1,500	Total Assets	1,500
-------------------	-------	--------------	-------

Sources of Funds

Paid up Capital	1,500
Reserves & Surplus	-
Secured Loan	-
Unsecured Loan	-
Deferred tax liability (Net)	-

Application of Funds

Net Fixed Assets	-
Investments	-
Net Current Assets	1,230
Misc.Expenses	NIL
Accumulated Losses	270

IV Performance of Company (Amount in Rs.Thousands)

Turnover	48	Total expenses	67
Profit / (loss) before tax	(19)	Profit / (loss) after tax	(15)
Earning per share in Rs.	-	Dividend rate	NIL

V Generic names of three Principal Products / Services of company (as per monetary terms)

Item Code No. (ITC Code) NIL

Product Description : TRUSTEESHIP COMPANY

For and on behalf of the Board of Directors

I.C. Jain

Director

N.L. Maheshwari

Director

Place : Mumbai

Dated : 25th May 2010

22nd Annual Report 2009-2010

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors,

- We have examined the attached consolidated Balance Sheet of KJMC Financial Services Limited and its subsidiaries (collectively, 'the group') as at March 31, 2010, and the consolidated Profit and Loss Account for the year then ended annexed thereto and the Consolidated Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements prepared are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
- We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of Rs.15.00 lakhs as at 31st March,2010, total loss for the year Rs.25616/-. These financial statements and other financial information have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.
- We report that the Consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standard 21 (AS-21) 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of KJMC Financial Services Limited and its subsidiaries included in the Consolidated Financial Statements.
- On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of KJMC Financial Services Limited and its aforesaid subsidiaries together with the Significant Accounting Policies and other notes in consolidation appearing in Schedule 17, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of KJMC Financial Services Limited and its subsidiaries as at 31st March 2010,
 - In the case of the Consolidated Profit & Loss account, of the Consolidated results of operations of the KJMC Financial Services Limited and its subsidiaries for the year then ended and
 - In the case of the consolidated Cash Flow Statement, of the consolidated cash flow of KJMC Financial Services Limited for the year then ended.

For Batliboi & Purohit
Chartered Accountants
FRN No. 101048W
(R.D. Hangekar)
Partner
Membership No. 30615

Place : Mumbai
Dated : 27th May, 2010

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2010

	Schedules	As on 31/03/2010 Rs.	As on 31/03/2009 Rs.
SOURCES OF FUNDS :			
(1) Shareholders' Funds			
(a) Capital	1	39,857,400	39,094,400
(b) Reserves and Surplus	2	65,021,137	63,508,869
(c) Share Warrants (Pending Allotment)		-	177,016
(2) Loan Funds			
(a) Secured Loans	3	16,358,072	2,487,285
(b) Unsecured Loans	4	-	33,203,381
Deferred Tax Liabilities			
		-	-
T O T A L		121,236,609	138,470,951
APPLICATION OF FUNDS:			
(1) Fixed Assets			
(a) Gross Block	5	20,200,169	20,165,170
(b) Less: Depreciation		13,592,631	12,955,403
(c) Net Block		6,607,538	7,209,767
Goodwill on consolidation		10,762,500	10,762,500
		17,370,038	17,972,267
(2) Investments			
(3) Current assets , loans and advances	6	99,560,821	99,121,441
(a) Inventories		-	3
(b) Sundry debtors	7	450,000	8,570,160
(c) Cash and bank balances		7,792,839	9,608,856
(d) Loans and advances	8	107,261,413	88,947,607
		115,504,253	107,126,626
Less : Current Liabilities and Provisions			
(a) Liabilities	9	110,624,886	85,525,113
(b) Provisions	10	573,617	224,271
		111,198,503	85,749,384
Net Current Assets		4,305,750	21,377,242
T O T A L		121,236,609	138,470,951
SIGNIFICANT ACCOUNTING POLICIES	15		
NOTES FORMING PART OF THE ACCOUNTS	16		

As per our report of even date attached

For and on behalf of the Board of Directors

For BATLIBOI & PUROHIT

Chartered Accountants
FRN No.101048W

R. D. HANGEKAR
Partner
Membership No.30615

Place : Mumbai
Date : 27th May, 2010

RAJNESH JAIN
Director

Place : Mumbai

GIRISH JAIN
Director

Date : 27th May, 2010

AKANKSHA MOTA
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedules	For the year ended 31/03/2010 Rs.	For the year ended 31/03/2009 Rs.
INCOME:			
Professional Fees and Other Income		2,905,804	2,292,962
[TDS Rs. NIL (Rs. NIL)]	11	1,779,839	-
Interest Income [TDS Rs. NIL (Rs.7375/-)]		2,936,078	8,629,210
Profit on Sale of Investments		81,369	162,858
Trading Profit on shares		-	146,591
Closing Stock		-	-
Total	(A)	7,703,090	11,085,033
EXPENDITURE :			
Opening Stock		3	146,591
Salaries and Allowances	12	1,672,003	1,961,224
Operating and Other Administration Expenses	13	2,077,012	1,864,858
Financial Charges	14	579,590	923,351
Loss on Derivatives		-	2,467,767
Investments written off		584,318	-
Diminution in value of Investments		-	249,999
Subscription Fees		-	250,000
Preliminary Expenses written off		-	32,500
Debts written off		-	425,693
Total	(B)	4,912,926	8,321,983
Profit before depreciation and Tax	(A-B)	2,790,164	2,763,050
Depreciation		637,229	728,895
Profit before taxation		2,152,935	2,034,155
Less : Provision for Taxation		472,000	148,000
— Current		-	-
— Fringe Benefit Tax		-	67,712
— Deferred Tax / (Asset)		-	(1,077,453)
— Prior year Taxes paid		22,937	-
Profit After Taxes		1,657,998	2,895,896
Add : Prior Period Income / (Expenses)		37,281	(4,829)
Add : Surplus as per last account		7,939,526	7,027,987
		9,634,805	9,919,054
Appropriations :			
Special Reserve		429,358	524,119
General Reserve		214,679	262,060
Redeemable Preference shares- Dividend		1,020,000	1,020,000
Tax on Dividend		169,409	173,349
Surplus - Balance Carried to Balance Sheet		7,801,359	7,939,526
EARNING PER EQUITY SHARE (Clause 4 Schedule 16)			
(a) Basic	Rupees	0.17	0.58
(b) Diluted	Rupees	0.17	0.57
SIGNIFICANT ACCOUNTING POLICIES 15			
NOTES FORMING PART OF THE ACCOUNTS 16			
As per our report of even date attached		For and on behalf of the Board of Directors	

For BATLIBOI & PUROHIT

Chartered Accountants
FRN No.101048W
R. D. HANGEKAR
Partner
Membership No.30615

Surplus - Balance Carried to Balance Sheet

EARNING PER EQUITY SHARE

(a) Basic Rupees 0.17 0.58

(b) Diluted Rupees 0.17 0.57

SIGNIFICANT ACCOUNTING POLICIES

NOTES FORMING PART OF THE ACCOUNTS

As per our report of even date attached

For BATLIBOI & PUROHIT

Chartered Accountants
FRN No.101048W

R. D. HANGEKAR
Partner
Membership No.30615

Place : Mumbai
Date : 27th May, 2010

RAJNESH JAIN
Director

Place : Mumbai
Date : 27th May, 2010

GIRISH JAIN
Director

Date : 27th May, 2010

AKANKSHA MOTA
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

		Mar 31, 2010 (Rs.)	Mar 31, 2009 (Rs.)
Particulars			
A Cash Flow from Operating Activities			
Net Profit Before Tax and Extraordinary Items		2,152,935	2,034,154
Adjustment for:			
Prior Period Item		14,344	(4,829)
Depreciation		637,229	728,895
(Profit)/Loss on Sale of Investments		-	-
(Profit)/Loss on Sale of Assets		-	(8,629,210)
Diminution in Value of Investments		-	249,999
Bad Debts Written Off		-	425,693
Sundry Credit Balances Written Back		-	-
Preliminary Expenses / Share Issue Expenses		-	32,500
Interest and Financial Charges		579,590	924,501
Interest Income		(1,779,839)	(90,661)
Dividend Income		(389,974)	(1,049,166)
Operating Profit Before Working Capital Changes		1,214,285	(5,378,124)
Adjustment for:			
Trade and Other Receivable		8,120,160	1,529,825
Inventories		-	146,588
Trade Payable and Other Liabilities		24,000,422	3,238,949
(Increase)/ Decrease in Net Current Assets		32,120,582	4,915,362
Cash generated from Operations		33,334,867	(462,762)



Direct Taxes Paid (Net of Refund)	(212,712)	529,918
Cash Flow Before Extraordinary Items	33,122,155	67,156
Extraordinary Items	-	-
Net Cash flow from Operating Activities	33,122,155	67,156
B Cash Flow from Investment Activities		
(Increase) / Decrease in Investment	(439,380)	59,096,830
Investment in Associate Company	-	(1,575,000)
Purchase of Fixed Assets	(35,000)	(156,046)
Sale of Fixed Assets	-	-
Interest Income	1,779,839	90,661
Dividend Income	389,974	1,049,166
Net Cash Flow from Investing Activities	1,695,433	58,505,611
C Cash Flow From Financing Activities		
Loan Taken-Secured (Net of repayments)	13,870,787	(8,262,310)
Loan Taken-Unsecured (Net of repayments)	(33,203,381)	(51,965,596)
Loans Given	59,387,385	3,563,591
Loans Given to Subsidiaries	-	-
Deposits	(77,701,188)	-
Adjustment for transfer from advances to Bank balance	-	(61,193)
Accumulated Lease adjustment	-	-
Interest and Finance Charges	(579,590)	(922,027)
Increase in Share Capital	763,000	1,442,000
Increase in Share Premium	1,006,397	1,901,998
Issue of Share warrants	(177,016)	334,544
Dividend tax paid	-	-
Interim dividend on cumulative preference shares paid	-	-
Dividend Paid	-	-
Net Cash Flow from Financing Activities	(36,633,607)	(53,968,993)
Net Increase in Cash and Cash Equivalents	(1,816,018)	4,603,773
Cash and Cash Equivalents at the beginning of the Year	9,608,856	5,005,082
Cash and Cash Equivalents at the close of the Year	7,792,838	9,608,856

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	As on 31/03/2010 Rs.	As on 31/03/2009 Rs.
SCHEDULE - 1 SHARE CAPITAL AUTHORIZED		
3,50,00,000 (3,50,00,000) Equity Shares of Rs. 10/- each	350,000,000	350,000,000
15,00,000 (15,00,000) Redeemable Preference shares of Rs.100/- each	150,000,000	150,000,000
	500,000,000	500,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
31,35,740 (30,59,440) Equity Shares of Rs.10/- each fully paid up (Out of which 1173880 Equity Shares were issued as Bonus shares by capitalisation of General Reserve and Share Premium)	31,357,400	30,594,400
76,300 (Previous Year 1,44,200) equity shares of Rs. 10/- each fully paid up were allotted on conversion of warrants @ a premium of Rs. 13.19 per share.85,000 (85,000) 12% Non-Cumulative Redeemable Preference Shares of Rs.100/- each, redeemable after the expiry of one year but before the expiry of 20 years from the date of allotment.	8,500,000	8,500,000
	39,857,400	39,094,400
SCHEDULE - 2 RESERVES AND SURPLUS		
Share Premium Account		
As per last balance sheet	3,153,665	1,251,667
Add : Received During the year	1,006,397	1,901,998
	4,160,062	3,153,665
General Reserve :		
As per last balance sheet	262,060	-
Add : Addition / (Deduction) During the year	214,679	262,060
	476,739	262,060
Capital Redemption Reserve :		
As per last balance sheet	49,900,000	49,900,000
Add : Addition / (Deduction) During the year	-	-
	49,900,000	49,900,000
Special Reserve		
As per last balance sheet	2,253,619	1,729,500
Add : Addition / (Deduction) During the year	429,358	524,119
	2,682,977	2,253,619
Profit and Loss account balance		
	7,801,359	7,939,525
	(A+B+C+D+E)	65,021,137
SCHEDULE - 3 SECURED LOANS		
From a Bank		
Cash credit facility with Bank (secured by equitable mortgage of premises belonging to company and an Associate Company and corporate guarantee provided by the associate Company)	10,016,684	-
From Others		
Loan against pledge of shares (Due within 12 months Rs. 61,14,758 (Previous year Rs.20,52,276))	6,114,758	2,052,276
Loan against vehicles by way of Hypothecation of vehicle [Due within 12 months Rs.2,26,630/- (Rs.2,06,379)]	226,630	435,009
	16,358,072	2,487,285
SCHEDULE - 4 UNSECURED LOANS		
Loans from others	-	33,203,381
	-	33,203,381

Note:-The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

For **BATLIBOI & PUROHIT** For and on behalf of the Board of Directors
Chartered Accountants
FRN No.101048W

R. D. HANGEKAR **RAJNESH JAIN** **GIRISH JAIN** **AKANKSHA MOTA**
Partner Director Director Company Secretary
Membership No.30615
Place :Mumbai Place : Mumbai
Date : 27th May, 2010 Date : 27th May, 2010

**SCHEDULE - 5
FIXED ASSETS :**

PARTICULARS	Rate of Depn.	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
		AS AT 01-04-2009 Rs.	ADDITIONS DURING THE YEAR Rs.	DEDUCTIONS DURING THE YEAR Rs.	AS AT 31-03-2010 Rs.	AS AT 01-04-2009 Rs.	FOR THE YEAR Rs.	DEDUCTIONS DURING THE YEAR Rs.	UPTO 31-03-2010 Rs.	AS AT 31-03-2010 Rs.	AS AT 31.03.2009 Rs.
OWNED ASSETS :											
Building	5.00%	10,813,873	35,000	-	10,848,873	5,557,930	263,169	-	5,821,099	5,027,774	5,255,943
Furniture & Fixtures	18.10%	6,450,973	-	-	6,450,973	5,654,826	144,103	-	5,798,929	652,044	796,147
Office Equipments	13.91%	1,523,352	-	-	1,523,352	1,271,194	35,075	-	1,306,269	217,083	252,158
Electrical Fittings	13.91%	578,301	-	-	578,301	245,580	46,281	-	291,861	286,440	332,721
Computers	40.00%	9,975	-	-	9,975	7,820	862	-	8,682	1,293	2,155
Vehicles	25.89%	788,695	-	-	788,695	218,052	147,739	-	365,791	422,904	570,643
Total		20,165,170	35,000	-	20,200,169	12,955,403	637,229	-	13,592,631	6,607,538	7,209,767
Previous Year		20,009,127	156,046	-	20,165,173	12,226,514	728,895	-	12,955,409	7,209,764	-

**SCHEDULE : 6
INVESTMENTS :**

Sr. No.	Particulars	Face Value per share Rs.	As at 31st March 2010		As at 31st March 2009	
			Quantity Nos.	Amount Rs.	Quantity Nos.	Amount Rs.
	Long term trade investments					
	(A) Equity shares - Quoted					
1	Astra Micro Limited	2	-	-	7,515	1,168,037
2	Bank of Rajasthan Limited	10	1,200	180,301	1,200	180,301
3	Binani Cement Limited	10	13,000	1,279,278	13,000	1,279,278
4	Bosch Limited	10	-	-	360	1,365,617
5	Central Bank of India	10	-	-	35,000	4,756,565
6	Dewan Housing Finance Limited	10	-	-	1,000	178,403
7	DQ Entertainment	10	5,741	731,547	-	-
8	Dredging Corporation Limited	10	1,800	1,715,209	1,800	1,715,209
9	Ess Dee Aluminium Limited	10	-	-	2,500	631,526
10	Everest Kanto Cylinder Limited	2	2,000	343,752	-	-

22nd Annual Report 2009-2010

Sr. No.	Particulars	Face Value per share Rs.	As at 31st March 2010		As at 31st March 2009	
			Quantity Nos.	Amount Rs.	Quantity Nos.	Amount Rs.
11	Gayatri Projects	10	700	250,350	-	-
12	GIC Housing Finance Limited	10	-	-	1,000	83,510
13	Glenmark Pharma Limited	1	1,000	417,245	1,000	417,245
14	Gujarat Petronet Limited	10	15,000	1,605,172	15,000	1,605,172
15	HBL Power Systems Ltd	1	22,250	909,361	-	-
16	Himachal Futuristics Comm Limited	10	10,000	425,300	10,000	425,300
17	Hindustan Copper Limited	10	2,000	1,290,429	2,000	1,290,429
18	Hotline Glass Limited	10	37,549	-	37,549	584,318
19	IBN 18 Broadcast Ltd	2	5,000	625,418	-	-
20	ICICI Bank Limited	10	1,000	1,368,665	1,000	1,046,524
21	India Bulls Finance Limited	2	11,500	5,347,505	4,500	4,142,988
22	India Bulls Real Estate Limited	2	2,000	1,443,212	2,000	1,443,212
23	Info Edge Limited	10	-	-	300	171,368
24	Larsen & Toubro Limited	2	600	946,858	600	946,858
25	Mahindra & Mahindra Limited	10	-	-	940	738,536
26	Manugraph India Limited	2	3,000	574,127	3,000	574,127
27	Mundra Port & Special Economic Zone Limited	10	-	-	1,283	870,886
28	Net 4 India Limited	10	-	-	10,000	800,000
29	Net work 18 Fin Cap Ltd	5	5,000	799,709	-	-
30	Net Worth Stock Broking	10	7,500	426,324	-	-
31	NHPC	10	76,963	3,421,604	-	-
32	Nutek India	5	49,350	2,181,457	-	-
33	Om Metals & Infraprojects Limited	1	5,000	425,597	5,000	425,597
34	Parshvath Developers Limited	10	900	134,917	500	91,993
35	Petron Engineering & Construction Limited.	10	-	-	2,718	676,647
36	Poly Medicare Limited	10	-	-	1,650	230,762
37	Power Grid Corporation Limited	10	5,000	574,494	5,000	574,494
38	Premier Explosives Limited	10	3,305	152,265	21,000	967,495
39	Ramsarup Industries Ltd	10	6,320	551,224	-	-
40	Reliance Industrial Infrastructure Limited	5	300	668,598	300	668,598
41	Reliance Industries Limited	10	418	634,317	-	-
42	Relaince Infrastrucutre Limited	10	1,150	1,624,622	1,150	1,665,642
43	Reliance Petroleum Limited	10	-	-	3,350	635,455
44	Reliance Power Limited	10	-	-	2,776	554,952
45	Shilpa Medicare Limited	2	-	-	4,058	172,049
46	Shree Vindhya Paper Mills Limited	10	33,640	3,487,870	33,640	3,487,870
47	Singer India Limited	10	3,400	247,160	3,400	247,160
48	Srei Infrastructure	10	7,500	624,418	-	-
49	Yes Bank Limited	10	-	-	2,000	454,524
	Sub Total (A)		341,086	35,408,304	239,089	37,268,644
	(B) In other companies					
1	KJMC Capital Market Services Limited	10	5,000,000	50,000,000	5,000,000	50,000,000
2	KJMC Credit Marketing Limited	10	25,000	250,000	25,000	250,000
3	KJMC Commodities Market India Limited	10	157,500	1,575,000	157,500	1,575,000
4	DR. Modi's Karjat Health Resort Limited	10	50,000	750,000	-	-
5	Prime Pictures Limited	10	25,000	1	25,000	1
	Sub Total (B)			52,575,001		51,825,001
	Mutual fund (AMC) (C)			11,531,016		10,027,796
	Total (A+B+C)			99,514,321		99,121,441
	Share Application Money with IBN			46,500		-
	Total in Investments			99,560,821		99,121,441
	Abstract					
	Aggregate Amount of Quoted Investment			46,939,320		47,296,440
	Aggregate market Value Quoted Investment			19,999,414		20,539,157
	Aggregate Amount of unquoted Investment			52,575,001		51,825,001



Particulars	As on 31/03/2010 Rs.	As on 31/03/2009 Rs.
SCHEDULE - 7		
CURRENT ASSETS		
Stock in Trade (lower of cost or market value)	-	3
Sundry debtors (unsecured and considered good)	-	-
Debts outstanding for more than 6 months	-	7,312,275
Less than 6 months	450,000	1,257,885
Cash and bank balances		
Cash on hand	237,687	418,644
Balance with scheduled banks in current accounts	7,555,152	9,190,212
	8,242,839	18,179,019
SCHEDULE - 8		
LOANS AND ADVANCES		
Unsecured and considered good		
Loans (Including interest accrued)	96,390,147	528,540
Advances recoverable in cash or kind for value to be received	3,268,767	3,115,380
Deposits	7,602,499	85,303,687
	107,261,414	88,947,607
SCHEDULE - 9		
CURRENT LIABILITIES		
Security deposits	94,857,656	65,000,000
Advances from customers	14,250,000	18,991,365
Other liabilities	1,517,230	1,533,756
	110,624,886	85,525,113
SCHEDULE - 10		
PROVISIONS		
Provision for income tax	475,000	215,712
Provision for expenses	98,617	8,559
	573,617	224,271
SCHEDULE - 11		
PROFESSIONAL FEES & OTHER INCOME		
Other Income	2,515,830	1,243,796
Dividend	389,974	1,049,166
	2,905,804	2,292,962
SCHEDULE - 12		
SALARIES AND ALLOWANCES		
Salaries, Bonus, LTA	1,609,022	1,816,786
Staff Welfare, PF and ESIC	62,981	144,438
	1,672,003	1,961,224
SCHEDULE - 13		
OPERATING AND ADMINISTRATION EXPENSES		
Advertisement expenses	74,595	93,293
Audit committee fees	8,000	7,000
Auditors remuneration	74,453	74,453
Board meeting fees	84,000	-
Books and Periodicals	4,680	4,623
Business promotion expenses	111,415	58,337
Conveyance Expenses	238,613	446,933
Demat Charges (Investment)	14,283	15,329
Demat Charges (Custodian Charges)	455	-
Depository Service charges	32,486	5,319
Documentation Charges	5,114	-
Insurance Charges	12,773	33,978
Legal and Other Expenses	28,555	18,560
Listing Fees	121,430	27,184
Medical Expenses	17,186	15,512
Miscellaneous Expenses	335,602	166,719
Motor Car Expenses	12,607	20,595
Postage and Mailing Charges	38,219	39,736
Printing and Stationery	42,878	64,694
Professional and Legal Fees	394,037	532,716
Registrar and Transfer Charges	24,786	-
Repairs and Maintenance	-	-
- Building	73,745	5,727
- Others	20,912	25,118
Securities Transaction Tax	79,154	16,286
Stamping Charges	53,039	-
Subscription and Membership	12,500	58,652
Telephone	91,316	88,080
Tour and Travelling	59,130	46,014
Preliminary expenses written off	11,050	-
	2,077,012	1,864,858
SCHEDULE - 14		
FINANCIAL CHARGES		
Interest	495,790	908,626
Bank Charges and Commission	83,800	14,725
	579,590	923,351

SCHEDULE - 15

Significant Accounting Policies to the Consolidated Financial Statement:

I. Basis of Consolidation

a) Basis of Preparation

The consolidated financial statements are prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountant of India.

b) Principles of Consolidation

The consolidated financial statements have been prepared based on a line-by-line consolidation of the financial statement of KJMC Financial Services Limited and its subsidiaries. The details of subsidiary companies whose financial statements are consolidated are as under:

Name of Subsidiary	Country of Incorporation	Percentage of Ownership
KJMC Assets Management Company Limited	India	100%
KJMC Investment Trust Company Limited	India	100%

II. Summary of Group's Significant Accounting Policies:

1. Accounting Methodology

The financial statements are prepared on historical cost basis conforming to the statutory provisions. The Company adopts accrual system of accounting.

2. Revenue Recognition

Revenue is being recognised as and when there is reasonable certainty of its ultimate realisation and on completion of the assignment. .

a) Professional fees are accounted on accrual basis

b) Income from other operations

Income from other operations, which comprises of Interest on Loans and Intercompany Deposits, are accounted for on accrual basis.

c) Non Performing Assets

Income is not recognized in respect of Non-Performing Assets, if any, as per the guidelines for prudential norms prescribed by Reserve Bank of India (RBI).

d) Dividend

Dividend Income is recognized when the right to receive is established.

3. Foreign Currency Transactions

For Consolidation purpose transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transactions. Any income or expense on account of exchange difference on translation is recognised as income or expense, as the case may be, for the year.

4. Expenses:

a) Company provides for all expenses on accrual basis.

b) As per the guidelines for Prudential Norms prescribed by R.B.I., the Company makes provision against non-performing assets, if any.

5. Fixed Assets and Depreciation

Fixed Assets are stated at cost of acquisition less depreciation. Depreciation is provided under the written down value method, at the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.

6. Investments

As certified by the Management, all investments are intended to be held for a period of more than one year from the date on which such investments are made. Accordingly all investments are long-term investments and are valued at cost. The cost is determined on weighted Average Method.

7. Amortization of expenses

Preliminary and Share Issue expenses are amortized in accordance with Section 35 D of the Income Tax Act, 1961. Expenditure in respect of increase in Authorised Capital has been amortized over 10 years.

8. Stock in Trade

Stocks of shares are valued at cost or market value whichever is lower

9. Taxation

(i) Provision for Taxation is made on the basis of the Taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.

(ii) Deferred Tax resulting from "timing difference" between book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a certainty that the asset will be adjusted in future. Deferred tax on timing differences which reverse during the tax holiday is not recognized.

10. Employees Benefits:

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

ii) The company is exempted from Payment of Gratuity Act, 1972 in view of its strength of employees being less than threshold limit attracting the applicability of the said statute and as such no provision has been made for the said liability.

SCHEDULE – 16

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT:

- Contingent Liabilities not provided for in respect of :
Corporate Guarantees given to:
i) HDFC Bank for Rs. 300 Lacs
ii) Corporation Bank for Rs.200 Lacs
in respect of KJMC Capital Market Services Limited.
- The Company has not received any information from its vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the said Act have not been made.

3. Auditors Remuneration

	31 st March, 2010	31 st March, 2009
a) Audit Fees	63,423	35,848
b) Tax Audit Fees	11,030	11,030
Total	74,453	46,878

4. Earnings Per Share:

Particulars	31-3-2010	31-3-2009
(a) Profit/(Loss) after Tax	16,57,998	28,95,895
(b) The weighted average Number of Equity Share (Nos.)	31,18,808	30,59,440
(c) Face value (Rs.)	10	10
(d) Earnings per Share (Basic)	0.17	0.58
(e) Earnings per Share (Diluted)	0.17	0.57

- Earnings in Foreign Currency Rs. NIL (Rs. NIL)
Expenditure in Foreign Currency Rs. NIL (Rs. NIL)
Managerial remuneration included in the Profit & Loss Account are Rs. NIL (Rs. NIL)
KJMC FINANCIAL SERVICES LIMITED [Notes to Consolidated Accounts 2009-2010]

6. Related party disclosures under Accounting Standard -18:

Other parties with whom the company has entered into transactions during the year

List of related parties

a) Associates

- KJMC Global Market (India) Limited
- KJMC Shares and Securities Limited
- KJMC Capital Market Services Limited
- KJMC Credit Marketing Limited
- KJMC Commodities Market India Limited

b) Key Management Personnel

- Mr. Rajnesh Jain
- Mr. Girish Jain

c) Enterprises over which key management personnel is able to exercise significant influence

- Inderchand Jain (HUF)
- Puja Impex Private Limited

Transactions during the year with related party

(Rs. in Lacs)

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personnel		Enterprises over which key management personnel is able to exercise significant influence	
		31-03-2010	31-03-2009	31-03-2010	31-03-2009	31-03-2010	31-03-2009
1	Advance against expenses	54.91	51.40	-	-	104.50	-
2	Loans and Advances given	-	577.24	-	-	-	122.01
3	Loan Received	-	367.12	-	-	-	122.01
4	Sale of Shares	-	577.24	-	-	-	-
5	Purchase of Shares	7.50	25.00	-	-	-	-
6	Issue of Warrants	-	-	-	-	-	30.09
Outstanding as at year end							
1	Net Receivables	64.80	260.44	-	-	104.50	-
2	Net Payables	438.50	296.33	-	-	-	1.77

7. The management has identified the Company's operations with a single business segment of non banking financial operations in India. All the assets of the Company are located in India.

8. Additional information pursuant to provision of Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act has not been given, as it is not practicable to compile the same.

As per our report of even date attached For and on behalf of the Board of Directors

For BATLIBOI & PUROHIT

Chartered Accountants

FRN No.101048W

R. D. HANGEKAR
Partner

RAJNESH JAIN
Director

GIRISH JAIN
Director

AKANKSHA MOTA
Company Secretary

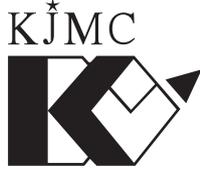
Membership No.30615

Place :Mumbai

Date : 27th May, 2010

Place : Mumbai

Date : 27th May, 2010



KJMC FINANCIAL SERVICES LIMITED

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

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I/We hereby record my/our presence at the Twenty Second Annual General Meeting of the Company at S.K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, F Road, Mumbai - 400 020 at 3.30 p.m. on Saturday, 25th September, 2010.

Name of the Member attending (in Block Letters)

Signature

Full Name of the First Joint-holder (To be filled-in if the first named holder does not attended the meeting)

Signature

Name of the Proxy (To be filled-in if the Proxy Form has been duly deposited with the Company)

Membership Folio No. _____

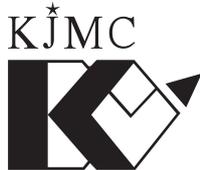
DP.ID* _____

No. of Share held _____

Client Id* _____

* Application for investors holding shares in electronic form

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KJMC FINANCIAL SERVICES LIMITED

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

PROXY FORM

I/We, _____ of

_____ being a Member(s) of the above named
Company hereby appoint Shri/Smt _____ of _____

_____ of failing him
Shri/Smt. _____ of _____ as my/

our proxy to vote for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company at Saturday, 25th September, 2010 and any adjournment thereof.

Membership Folio No. _____

DP.ID* _____

No. of Share held _____

Client Id* _____

Signed this _____ day of _____ 2010.

Affix
Re. 1/-
Revenue
Stamp

BOOK - POST/U.P.C.

If undelivered, please return to :

KJMC



KJMC Financial Services Limited

Registered Office :

168, Atlanta, 16th Floor,

Nariman Point, Mumbai - 400 021.