

KJMC FINANCIAL SERVICES LTD.

NBFC : No. B-13.01633



September 13, 2016

To,
General Manager,
The Department of Corporate Services - CRD,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Dear Sir,

Ref.: Scrip Code 530235

Subject: Submission of 28th Annual Report of KJMC Financial Services
Limited for the Financial Year 2015-16.

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the soft copy of 28th Annual Report of the Company for the financial year 2015-16 duly approved and adopted by the members at the 28th Annual General Meeting of the company held on September 10, 2016.

Kindly take the same in your record.

Thanking you.

Yours faithfully,

For KJMC Financial Services Limited

Sankari Muthuraj
Company Secretary

Encl.: As above



KJMC
ADVICE MATTERS

KJMC FINANCIAL SERVICES LIMITED

28th
Annual Report
2015 - 2016

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Kartik Konar

COMPANY SECRETARY

Ms. Sankari Muthuraj

AUDITOR

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

BANKERS

HDFC Bank Limited
Union Bank of India

REGISTRAR & TRANSFER AGENT

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

REGISTERED OFFICE

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

GROUP BRANCH OFFICE

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

28TH ANNUAL GENERAL MEETING		
Date	:	Saturday, September 10, 2016
Time	:	10.45 a.m.
Venue	:	S. K. Somani Memorial Hall Hindi Vidya Bhawan, 79 - Marine Drive, "F" Road, Mumbai - 400 020

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NOTICE

Notice is hereby given that 28th Annual General Meeting of the Members of KJMC Financial Services Limited will be held on Saturday, September 10, 2016 at 10.45 a.m. at S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 79-Marine Drive, 'F' Road, Mumbai – 400 020, to transact the following businesses :-

ORDINARY BUSINESS:-

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Rajnesh Jain (DIN : 00151988), who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, as Auditors of the Company and to fix their remuneration.

"RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. K.S. Aiyar & Co., Chartered Accountants (Firm Registration No. 100186W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2017 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:-

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

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

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

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

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

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

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

(Sankari Muthuraj)
Company Secretary

Place: Mumbai

Date: August 10, 2016

NOTES:

- 1) The relative Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out at item 4 in the Notice is annexed.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution/ authority letter as applicable.
- 3) Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- 4) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 5) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- 6) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting (AGM).
- 7) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 8) The Register of Members and Share Transfer Books will remain closed from Wednesday, September 07, 2016 to Saturday, September 10, 2016 (both days inclusive) for the purpose of AGM.
- 9) Members whose shareholding is in the electronic mode are requested to direct change of correspondence address, e-mail

id and updates of savings bank account details to their respective Depository Participant(s).

- 10) Members are requested to address all correspondence to the Registrar and Share Transfer Agents, Bigshare Services Pvt. Ltd., E-2&3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai-400072, Tel. No.022-40430200, Fax No. 022-28475207, mail id : investor@bigshareonline.com.
- 11) Copies of the Annual Report, 2016 and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- 12) To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Bigshare Services Pvt. Ltd., / Depositories.
- 13) Members may also note that the Notice of the 28th AGM and the Annual Report 2016 will be available on the Company's website, www.kjmc.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication or have any other queries, may write to us at: investor.finance@kjmc.com.
- 14) The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company/RTA.
- 15) All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
- 16) The Company has appointed M/s. S. K Jain & Co., a firm of Company Secretaries in Practice, as a scrutinizer for conducting the e-voting and polling process at the ensuing AGM in a fair and transparent manner.
- 17) The scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 18) In the event of a poll at the meeting, please note that the members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules.
- 19) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 28th AGM of the Company scheduled to be held on September 10, 2016. The results along with the scrutinizer's report shall be placed on the Company's website www.kjmc.com, within two days of the passing of the resolutions at the 28th AGM of the Company and shall also be communicated to the stock exchanges.
- 20) Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM are furnished below. The Directors have furnished the requisite consents / declarations for their appointment/re appointment.

(I) Mr. Rajnesh Jain

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

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

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

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

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

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

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

For members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/mail) in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT".
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the "KJMC Financial Services Limited" on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

(xx) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

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

(B) The voting period begins on September 06, 2016 (10:00 a.m.) and ends on September 09, 2016 (05.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 03, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

(Sankari Muthuraj)
Company Secretary

Place: Mumbai
Date: August 10, 2016

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

ITEM NO. 4

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

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

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

1. Basic Salary:

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

2. Perquisites and allowances:

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

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

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

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

3. Valuation of perquisites:

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

4. Other terms:

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

5. Minimum Remuneration:

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

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

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

By Order of Board of Directors
For KJMC Financial Services Limited

(Sankari Muthuraj)
Company Secretary

Place: Mumbai

Date: August 10, 2016

DIRECTORS REPORT

To,

The Members of

KJMC Financial Services Limited

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

FINANCIAL RESULTS

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

(₹ in "000")

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

PERFORMANCE REVIEW

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

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

TRANSFER TO RESERVES

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

SHARE CAPITAL

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

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

DIVIDEND

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

RBI PRUDENTIAL NORMS

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

ALTERATION IN THE MAIN OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

NUMBER OF MEETINGS

a. Board Meeting

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

b. Audit Committee

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

c. Nomination and Remuneration Committee

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

d. Share Transfer and Stakeholders Relationship Committee

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

e. Credit and Investment Committee

During the year, Seven (7) Credit and Investment Committee Meetings were convened and held. The details pertaining to composition of Credit and Investment Committee and the attendance of the Credit and Investment Committee members are provided in the Corporate Governance Report, which forms part of this report.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

ADEQUACY OF INTERNAL CONTROL

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

PUBLIC DEPOSITS

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

AUDITORS

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

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

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S.K. Jain & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report is annexed and forms part of this report.

SUBSIDIARY AND ASSOCIATE COMPANIES

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

As on March 31, 2016, the Company has three wholly owned subsidiaries namely KJMC Asset Management Company Limited, KJMC Investment Trust Company Limited and KJMC Trading & Agency Limited and two associate companies namely KJMC Realty Private Limited and KJMC Platinum Builders Private Limited within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries and associates.

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

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.kjmc.com. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, www.kjmc.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

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

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

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

CORPORATE GOVERNANCE

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

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

EXTRACT OF ANNUAL RETURN

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

RELATED PARTY TRANSACTIONS

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

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

LISTING OF SHARES

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

PARTICULARS OF EMPLOYEES

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

- i. **The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2015-16;**

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

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

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

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

- iii. **The percentage increase in the median remuneration of employees in the financial year:** 5.90%
- iv. **The number of permanent employees on the rolls of Company as on March 31, 2016:** 8
- v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
- The average percentage increase in the salaries of employees other than managerial personnel in the financial year 2015-16 was around 9.5%. However, there was no increase in the salaries of Whole Time Director (Managerial Personnel) during the year. The increments given to employees are based on their potential, performance and contribution, which is also, benchmarked against applicable industry norms.
- vi. **Affirmation that the remuneration is as per the remuneration policy of the Company:**
- The Company affirms remuneration is as per the remuneration policy of the Company.
- vii. **There are no employees falling within the purview of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no such details, are required to be given.**

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Since the Company is a Financial Services Company, the details required under Section 134 of the Companies Act, 2013 are not applicable. However Company believes in conserving the natural resources and uses CFL and LED Lighting in the office premises which has low energy consumption.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

INSURANCE

The Company's assets have been adequately insured.

RISK MANAGEMENT

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

WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

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

ACKNOWLEDGMENT

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

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

For and on behalf of the Board of Directors

For KJMC Financial Services Ltd.
(Inderchand Jain)
Chairman

Place: Mumbai
Date: August 10, 2016

FORM AOC-1

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

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

Part "A": SUBSIDIARIES

(₹ in '000')

Sr. No.	1	2	3
Name of the subsidiary	KJMC Asset Management Company Ltd	KJMC Investment Trust Co Limited	KJMC Trading & Agency Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding Company (i.e. 1st April to 31st March)	Same as holding Company (i.e. 1st April to 31st March)	Same as holding Company (i.e. 1st April to 31st March)
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR
Share capital	102500	1500	1000
Reserves & surplus	(1444)	(70)	(7)
Total assets	101205	1688	1800
Total Liabilities	149	258	807
Investments	14000	Nil	500
Turnover	1066	16	42
Profit before taxation	(22)	35	(7)
Provision for taxation	10	1	Nil
Profit after taxation	(32)	34	(7)
Proposed Dividend	Nil	Nil	Nil
% of shareholding	100%	100%	100%
Country	India	India	India

PART "B": ASSOCIATES

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

(₹ in '000')

Name of Associates	KJMC Realty Pvt Ltd	KJMC Platinum Builders Pvt Ltd
1. Latest audited Balance Sheet Date	31-03-2016	31-03-2016
2. Shares of Associate held by the company on the year end		
No.	4000	65300
Amount of Investment in Associates	40	653
Extent of Holding %	24.02%	27.86%
3. Description of how there is significant influence	Holding more than 20% of Equity	Holding more than 20% of Equity
4. Reason why the associate is not consolidated	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	7231	16255
6. Profit / Loss for the year		
i. Considered in Consolidation	-	14
ii. Not Considered in Consolidation	(9)	-

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

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

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

Sachin A Negandhi
Partner
Membership No. 112888

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

Place: Mumbai
Dated: May 19, 2016

Place: Mumbai
Dated: May 19, 2016

Form No. AOC-2

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

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	KJMC Asset Management Company Ltd	Availing of professional services	Period from 01.06.2015 to 31.03.2016.	Aggregate value of transactions is ₹ 5 Lakhs	11.08.2015	-
2.	KJMC Share and Securities Ltd	Availing of services	Period from 01.06.2015 to 31.03.2016.	Aggregate value of transactions is ₹ 2.25 Lakhs	11.08.2015	-
3.	KJMC Capital Market Services Limited	Leave and License Agreement	10 years	Leasing of part of the premises bearing office no. 162, Atlanta, 16th Floor, Nariman Point, Mumbai-400021 against the interest free refundable security deposit upto Rs. One Crore	06.02.2016	One Crore as security deposit

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

(Inderchand Jain)
Chairman

Place: Mumbai
Date : August 10, 2016

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L99999MH1988PLC047873
ii.	Registration Date	29.06.1988
iii.	Name of the Company	KJMC Financial Services Limited
iv.	Category /Sub-Category of the Company	Public Company limited by shares
v.	Address of the Registered office and contact details	162, Atlanta, 16th Floor, Nariman Point, Mumbai - 400021. Tel.No. 022-40945500, Fax.No. 022-22852892 E-mail id: investor.financ@kjmc.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. E- 2 & 3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400072. Tel.No. 022-40430200, Fax.No. 022-28475207 E-mail id: investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary of the Company	% of shares	Applicable Section
1	KJMC Asset Management Company Limited	U74140MH1998PLC220222	Subsidiary	100	2(87)
2	KJMC Investment Trust Company Limited	U74899MH1998PLC213839	Subsidiary	100	2(87)
3	KJMC Trading & Agency Limited	U74900MH2015PLC268135	Subsidiary	100	2(87)
4	KJMC Realty Private Limited	U70102MH2008PTC183258	Associate	24.02	2(6)
5	KJMC Platinum Builders Private Limited	U45200MH2008PTC181980	Associate	27.86	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2006977	-	2006977	51.32	2006977	-	2006977	44.74	(6.58)
b) Central Govt	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	425000	-	425000	10.87	1000000	-	1000000	22.29	11.42
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any Other...	-	-	-	-	-	-	-	-	
Sub-total (A) (1):-	2431977		2431977	62.19	3006977	-	3006977	67.03	4.84
(2) Foreign	-	-	-	-	-	-	-	-	
a) NRIs - Individuals	-	-	-	-	-	-	-	-	
b) Other - Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	
e) Any Other...	-	-	-	-	-	-	-	-	
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2431977		2431977	62.19	3006977	-	3006977	67.03	4.84
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks / FI	-	65400	65400	1.67	-	65400	65400	1.46	(0.21)
c) Central / State Govt (s)	-	7050	7050	0.18	-	7050	7050	0.16	(0.02)
d) Venture Capital Funds	-	-	-	-	-	-	-	-	
e) Insurance Companies	-	-	-	-	-	-	-	-	
f) FIs	-	-	-	-	-	-	-	-	

g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	72450	72450	1.85	-	72450	72450	1.62	(0.23)
2. Non-Institutions									
a) Bodies Corp.	592074	20850	612924	15.67	591763	20850	612613	13.66	(2.01)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	257485	201831	459316	11.74	258696	200781	459477	10.24	(1.5)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	317600	15300	332900	8.51	317600	15300	332900	7.42	(1.09)
c) Others (specify)									
i) Non Resident Indians	523	-	523	0.01	623	-	623	0.01	-
ii) Clearing Members	50	-	50	0.00	100	-	100	0.002	-
iii) Directors & their Relatives & Friends	350	250	600	0.02	350	250	600	0.01	-
Sub-total (B)(2):-	1168082	238231	1406313	35.96	1169132	237181	1406313	31.35	(4.61)
Total Public Shareholding (B)=(B)(1)+(B)(2)	1168082	310681	1478763	37.81	1169132	309631	1478763	32.97	(4.84)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3600059	310681	3910740	100	4176109	309631	4485740	100	-

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Share holding at beginning of the year i.e. 01.04.2015			Share holding at the end of the year i.e. 31.03.2016			% change in share Holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Inder Chand Jain	1221354	31.23	0.00	1221354	27.23	0.00	(4)
2	I C Jain HUF	267065	6.83	0.00	267065	5.95	0.00	(0.88)
3	Mrs. Chanddevi Jain	151553	3.88	0.00	151553	3.38	0.00	(0.5)
4	Mr. Rajnesh Jain	122335	3.13	0.00	122335	2.73	0.00	(0.4)
5	Mr. Pankaj Jain	122335	3.13	0.00	122335	2.73	0.00	(0.4)
6	Mr. Girish Jain	122335	3.13	0.00	122335	2.73	0.00	(0.4)
7	KJMC Corporate Advisors (India) Ltd	425000	10.87	0.00	850000	18.95	0.00	8.08
8	KJMC Shares and Securities Limited	0	0	0	150000	3.34	0	3.34

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Mr. Inder Chand Jain	01.04.2015	1221354	31.23	1221354	31.23
		31.03.2016			1221354	27.23
2	I C Jain HUF	01.04.2015	267065	6.83	267065	6.83
		31.03.2016			267065	5.95
3	Mrs. Chanddevi Jain	01.04.2015	151553	3.88	151553	3.88
		31.03.2016			151553	3.38
4	Mr. Rajnesh Jain	01.04.2015	122335	3.13	122335	3.13
		31.03.2016			122335	2.73
5	Mr. Pankaj Jain	01.04.2015	122335	3.13	122335	3.13
		31.03.2016			122335	2.73
6	Mr. Girish Jain	01.04.2015	122335	3.13	122335	3.13
		31.03.2016			122335	2.73
7	KJMC Corporate Advisors (India) Ltd	01.04.2015	425000	10.87	425000	10.87
		27.05.2015	425000 equity shares allotted on conversion of 42500 0% CCPS		425000	18.95
		31.03.2016	Total		850000	18.95
8	KJMC Shares & Securities Limited	01.04.2015	0	0	0	0
		27.05.2015	150,000 Equity Shares Allotted on conversion of 15000 0% CCPS		150000	3.34
		31.03.2016	Total		150000	3.34

* changes due to allotment of 575000 equity shares allotted on conversion of 57500 0% compulsory convertible preference shares into equity shares.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of G DRs and ADRs):

Sr. No	Top Ten Shareholders	Shareholding at the beginning of the year i.e. 01.04.2015		No. of Shares held at the end of the year i.e. 31.03.2016	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Rajesh Patni	125000	3.20	125000	2.79
2	Frontline Venture Services Private Limited	111370	2.85	111370	2.48
3	Oricon Properties Private Limited	106420	2.72	106420	2.37
4	Ravindra Kala	86400	2.21	86400	1.93
5	Optus Impex (P) Ltd	83350	2.13	83350	1.86
6	TCK Finance & Leasing Pvt Ltd	75000	1.92	75000	1.67
7	Dena Bank	64300	1.64	64300	1.43
8	Usha Kala	58250	1.49	58250	1.30
9	Apex Enterprises (India) Ltd	50000	1.28	50000	1.11
10	Yashodham Merchants Pvt Ltd	32450	0.83	32450	0.72

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholder's Name	Date	Shareholding at the beginning of the year i.e. 01.04.2015		Cumulative Shareholding during the year 2015-16	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Inder Chand Jain	01.04.2015	1221354	31.23	1221354	31.23
		31.03.2016			1221354	27.23
2	Rajnesh Jain	01.04.2015	122335	3.13	122335	3.13
		31.03.2016			122335	2.73
3	Girish Jain	01.04.2015	122335	3.13	122335	3.13
		31.03.2016			122335	2.73
4	Nitin V Kulkarni	01.04.2015	250	0.01	250	0.01
		31.03.2016			250	0.01
5	S. C. Aythora	01.04.2015	350	0.01	350	0.01
		31.03.2016			350	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in '000')

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. 01.04.2015			
i) Principal Amount	17,903	-	17,903
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	100	-	100
Total(i+ii+iii)	18,003	-	18,003
Change in Indebtedness during the financial year			
• Addition	105111	-	105111
• Reduction	(101230)	-	(101230)
Net Change	3881	-	3881
Indebtedness at the end of the financial year 31.03.2016			
i) Principal Amount	21784	-	21784
ii) Interest due but not paid			
iii) Interest accrued but not due	69	-	69
Total(i+ii+iii)	21853	-	21853

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Whole-time Directors : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. Rajnesh Jain (Whole Time Director)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,36,000/-	18,36,000/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	5,98,020/-	5,98,020/-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	_ as % of profit		
	_ others, specify...		
5.	Others - Contribution to provident fund	2,20,320/-	2,20,320/-
	Total(A)	26,54,340/-	26,54,340/-
	Ceiling as per section II of part II of schedule V of the Companies Act, 2013	84,00,000/- p.a.	

B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Mr. S. C. Aythora	Mr. Nitin Kulkarni	-	
•	Fee for attending board / committee meetings	25,000/-	25,000/-		50,000/-
•	Commission	Nil	Nil	-	Nil
•	Others, please specify	Nil	Nil	-	Nil
	Total (1)	25,000/-	25,000/-		50,000/-
2.	Other Non-Executive Directors	Inderchand Jain	Girish Jain	Aditi Jain	
•	Fee for attending board / committee meetings	20,000/-	17,000/-	12,000/-	49,000/-
•	Commission				
•	Others, please specify				
	Total (2)	20,000/-	17,000/-	12,000/-	49,000/-
	Total (B)=(1+2)	45,000/-	42,000/-	12,000/-	99,000/-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	₹ 1 lakh per meeting of the Board or Committee thereof.			

C. Remuneration to Key Managerial Personnel other than MD / MANAGER/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Kartik Konar	Ms. Sankari Muthuraj	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,66,300/-	5,78,048/-	9,44,348/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary Under section 17(3) of Income-tax Act, 1961	-	-	-
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	— as % of profit	Nil	Nil	Nil
	— others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	3,66,300/-	5,78,048/-	9,44,348/-

VII. PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES (Under the Companies Act):

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To,

The Members,
KJMC Financial Services Limited
 162, 16th Floor, Atlanta,
 Nariman Point, Mumbai-400021

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. KJMC Financial Services Limited** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper board processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in

Annexure 'I' for the Financial Year ended on 31st March, 2016 according to the provisions of:

- The Companies Act, 2013 and the Rules made there under for specified Sections notified and came into effect from 12th September, 2013 and Sections and Rules notified and came into effect from 1st April, 2014 and Section, Rules notified thereafter;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under (not applicable as the company has not availed any External commercial borrowings, has not received any Foreign Direct Investment & has not made any Overseas Direct Investment.)
- The following Regulations and Guidelines prescribed under the SEBI Act, 1992 are as follows:-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable as the Company has not introduced any such scheme during the financial year under review);
 - The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation 2015.
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable since the Company has not issued any Debt Securities);
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted / propose to delist its Equity Shares from any Stock Exchange during the financial year under review);

- h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not applicable as the Company has not brought back / propose to buy-back any of its securities during the financial year under review); and
- i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined Compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
- ii. The Listing Agreement entered into by the Company with BSE Limited. The Company has entered into new Listing Agreement with BSE Limited under Regulation 109 of SEBI (Listing Obligations and Disclosures Requirements, Regulations, 2015 on 16th December, 2015.

I have also examined the books, papers and returns filed and other records maintained by M/s. KJMC Financial Services Limited for the Financial Year ended on 31st March, 2016 according to the provisions of various other Laws applicable, including the Rules made thereunder, and amended from time to time, to the Company, as informed by the Company, details of which are mentioned in 'Annexure II'

We have also examined compliance with applicable Laws, Act, Rules, Regulations, Guidelines, Standards etc. complied by KJMC Asset Management Company Limited, M/s. KJMC Investment Trust Company Limited and M/s. KJMC Trading & Agency Company Limited, the wholly owned subsidiaries of the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis the Company has complied with the following norms applicable specifically to the Company:

- i. Regulatory Guidelines and Regulations issued by Reserve Bank of India (RBI) to Non Banking Finance Companies (NBFCs-ND) and Rules made thereunder;
- ii. SEBI (Mutual Funds) Regulation 1996 as amended from time to time (applicable to Wholly Owned Subsidiary Companies); (The Company has not issued any Scheme of Mutual Fund till date, therefore there are no compliances are require to be complied by the Company.)

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Director and Independent directors. No changes in the composition of the Board of Directors that took place during the period under review.

Adequate Notice is given to all Directors to schedule the Board Meetings, Committee Meetings, agenda and detailed Notes on Agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act and Profession Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc. except conversion of 57500 0% Compulsory Convertible Preference shares (CCPS) of Rs. 100/- each by issuing 5,75,000 Equity Shares of Rs. 10/- each.

Place: Mumbai
Date: 18/05/2016

Dr. S. K. Jain
Practicing Company Secretary
FCS No.:1473
C P No.: 3076

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2015.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer & Stakeholder Relationship Committee and Credit & Investment Committee along with Attendance Register held during the Financial Year under report.
4. Minutes of General Body Meetings held during the Financial Year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors /Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

Place: Mumbai
Date: 18/05/2016

Dr. S. K. Jain
Practicing Company Secretary
FCS No.:1473
C P No.: 3076

ANNEXURE - II

List of applicable laws to the Company

1. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder;
2. Maternity Benefits Act, 1961 and the rules made thereunder;
3. Professional Tax Act, 1975;
4. Employees' Provident Fund Act, 1952 and Miscellaneous Provisions act 1952 and the rules made thereunder;
5. Bombay Stamp Act, 1958;
6. Negotiable Instruments Act, 1881
7. Labour Laws as applicable to the Company.
8. The Bombay Shops and Establishments Act, 1948

Place: Mumbai
Date: 18/05/2016

Dr. S. K. Jain
Practicing Company Secretary
FCS No.:1473
C P No.: 3076

To
The Members,
KJMC Financial Services Limited.
162, 16th Floor, Atlanta, Nariman Point,
Mumbai – 400021.

My Secretarial Audit Report of Even date is to be read along with this letter.

Management's Responsibility

It is the responsibility of the management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

My responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.

Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company

Place: Mumbai
Date: 18/05/2016

Dr. S. K. Jain
Practicing Company Secretary
FCS No.:1473
C P No.: 3076

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

The financial statements for the year have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI), the Accounting Standards prescribed by the Institute of Chartered Accountants of India and the Generally Accepted Accounting Principles in India.

Management accepts responsibility for the integrity and objectivity of these financial reported statements. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner and reasonably present our state of affairs, profits and cash flows for the year.

INDIAN ECONOMY

The growth of GDP accelerated to 7.6% in 2015-16. This was possible notwithstanding the contraction of global exports by 4.4% compared to 7.7% growth in world exports during the last three years. The International Monetary Fund has hailed India as a 'bright spot' amidst a slowing global economy. As per the World Economic Forum, India's growth is 'extraordinarily high' in 2015-16. This has been accomplished despite of very unfavorable conditions, inherited low growth of an economy, high inflation and zero investor confidence in Government's capability to govern. These difficulties and challenges were converted into opportunities.

NBFC SECTOR

NBFCs have been playing a very important role both from the macro economic perspective and the structure of the Indian financial system. NBFCs are the preferred alternatives to the conventional banks as a financial intermediary for meeting various financial requirements of a business enterprise, as they provide a hassle free credit. A sales driven approach and quick & efficient service offered by NBFC without complex formalities make them a better alternative to traditional banks. To withstand the competition, NBFCs need to constantly innovate in terms of their product as well as improve their operational efficiencies.

BUSINESS AND INDUSTRY REVIEW

Your Company is a NBFC registered with the RBI to carry out NBFC activities under Section 45(IA) of the Reserve Bank of India Act, 1934 and it is engaged primarily in the business of investing / trading in securities and advancing loans. The Company is also involved in providing fund based financial services and funding solutions to the Indian Corporate, institutions, SME's etc.

Your Company also focuses on capital market related lending products & others like:

- i. Margin Funding
- ii. IPO funding
- iii. Stressed asset financing
- iv. NPA Buyouts etc.

Over the years it has promoted other subsidiaries for other business activities.

BUSINESS OUTLOOK

The primary securities market seems to have come out of its lull during the financial year 2015-16. Both the total number of issues and the resources mobilized from the primary securities market have gone up. IPOs and public debt issues have contributed to this performance more than rights issues.

Volatility in the equity markets would continue to present the investors with good opportunities to further invest. Your Company continue to remain positive on the long-term outlook on the Indian equity markets on the back of strong macro parameters, improving growth outlook and benign inflation and believes to invest in equities in line with their risk profile.

Your Company will increase its product base as far as raising resources and deploying them in safe and profitable manner particularly in shares/securities of real estate companies and lending to MSME's where there is a vast development scope of profitable business.

RISKS AND CONCERNS

The Company is exposed to specific risks that are inherent to its business model and the environment within which it operates. The Company manages these risks by maintaining a conservative yet aggressive profile and by following prudent business and risk practices.

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.

OPPORTUNITIES AND THREATS

Opportunities:

With the macroeconomic improvement in the outlook of the Indian economy and growth prospects with a improved and normal monsoon forecast rural growth is expected to get a boost further investment in the infrastructure & road projects, aided by easing of crude oil prices, the Auto industry is expected to grow with larger income in the city due to the implementation of OROP and seventh pay Commission leaving a larger income in the hands of both the rural and urban consumers, consumer durable industry is expected to get a fillip and an opportunity for NBFC to meet the bridging finance thro ties up. This should present your Company with more opportunities in the area of ;

- leveraging Corporate Relationship
- Margin Funding to Consumers, traders and manufacturing units
- Investing in equity of growing concerns

Threats:

- Retention of human capital as also attraction of fresh talent will be a challenge.
- Regulatory changes
- Volatile Economic Environment in Europe & Slowing down in China

ADEQUACY OF INTERNAL CONTROLS

Your Company has in place, an adequate internal control and internal audit system managed by qualified and experienced people. Main objective of the system is to safeguard the Company's assets against loss through unauthorised use and pilferage, to ensure that all transactions are authorised, recorded and reported correctly and timely, to ensure various compliances under statutory regulations and corporate policies are made on time and to figure out the weaknesses persisting in the system and suggest remedial measure for the same. The Company has continued its efforts to align all its processes and controls with best practices in these areas.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Your Company has senior qualified professionals in the areas of operations and is looking at fresh recruitment to support the growth and diversification of business ie planned. Getting fresh talent is a critical input to ensure and equip the organization to deliver a wide variety of products and services to growing customer base of your Company. It is our endeavor 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.

CAUTIONARY STATEMENT

Management discussion and analysis report contains Statements which are forward looking based on assumptions. Actual results may differ from those expressed or implied due to risk and uncertainties which have been detailed in this report. Several factors as listed in this report could make significant difference to the Company's operations. Investors, therefore, are requested to make their own independent judgments and seek professional advice before taking any investment decisions.

REPORT ON CORPORATE GOVERNANCE

Pursuant to regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions are not applicable to your Company as the Company's paid up equity share capital does not exceed ₹ 10 Crores and net worth does not exceed of ₹ 25 Crores as on March 31, 2016. However your Company ensures compliance with all the relevant and applicable laws and the report on Corporate Governance is given below to maintain highest standards of Corporate Governance.

1. COMPANY'S PHILOSOPHY ON CODE OF 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 stakeholders. The responsibility for maintaining high standards of Governance lies with your Company's Board of Directors and various Committees of the Board, which are empowered to monitor implementation of the best Corporate Governance practices including making necessary disclosures within the framework of legal and regulatory provisions and Company conventions besides its employees.

Your Company is committed to ensure that the Company's Board of Directors continued to be constituted as per the provisions of Companies Act, 2013, 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. 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. In addition the Company has appointed Compliance / Nodal officer for matters relating to RBI & Companies Act, etc.

2. BOARD OF DIRECTORS

(a) Composition & Meetings:

The composition of the Board complies with the provisions of the Companies Act, 2013. As on March 31, 2016 the Board consists of six Directors comprising of three Non-Executive Directors including a woman Director, two Independent Directors and one Executive Director. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Chairman of the company is Non-Executive Director.

The Board met Four (4) times during the year on May 27, 2015, August 11, 2015, November 06, 2015 and February 06, 2016 and the gap between two meetings did not exceed the statutory period laid down by the Companies Act, 2013 and the Secretarial Standard-1 issued by the Institute of Company Secretaries of India i.e. one hundred twenty days. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2016 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India.

Number of directorships and committee chairmanships / memberships held by Director as on March 31, 2016.

Name of the Director	Category	Number of Board meetings during the year 2015-16		Whether attended last AGM held on September 19, 2015	Number of directorships in other Public Companies	Number of committee positions held in other public companies	
		Held	Attended			Chairman	Member
Mr. Inderchand Jain (Chairman) DIN:00178901	Promoter & Non Executive Director	4	4	Yes	4	2	1
Mr. Rajnesh Jain DIN:00151988	Promoter & Executive Director	4	4	Yes	6	-	5
Mr. Girish Jain DIN:00151673	Promoter & Non Executive Director	4	4	No	7	-	4
Mr. S.C. Aythora DIN:00085407	Independent Director	4	4	Yes	9	1	3
Mr. Nitin Kulkarni DIN: 02297383	Independent Director	4	4	Yes	2	4	1
Mrs. Aditi Jain DIN : 00152373	Promoter & Non Executive Director	4	3	Yes	2	-	-

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies.

(b) 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. 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

The audit committee of the Company is constituted in accordance with the Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

(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 terms of reference of the audit committee have been specified in writing by the Board of Directors of the Company in accordance with section 177 (4) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(b) Composition & Meetings:

The Committee met four (4) times during the year on May 27, 2015, August 11, 2015, November 06, 2015 and February 06, 2016 and the gap between two meetings did not exceed one hundred twenty days. The necessary quorum was present for all the meetings.

The composition of the audit committee and the details of meetings attended by its members are given below:

Name of Director	Category	No. of meetings during the financial year 2015-16	
		Held	Attended
Mr. S. C. Aythora	Chairman – Independent Director	4	4
Mr. Nitin Kulkarni	Independent Director	4	4
Mr. Inderchand Jain	Non Executive Director	4	4

The audit committee invites executives, as it considers appropriate particularly the head of the finance function, representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the audit committee.

The previous Annual General Meeting (AGM) of the Company was held on September 19, 2015 and was attended by Mr. S.C. Aythora, Chairman of the audit committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in accordance with the Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

(a) Terms of Reference:

The terms of the reference of the Committee are to review and recommend compensation payable to the Executive Directors. The Committee also ensures the Compensation Policy of the Company and Performance Oriented Scheme for Senior Managers.

The role of the committee has been defined as per section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(b) Composition & Meetings:

The Committee met one (1) time during the year on May 27, 2015. The necessary quorum was present at the meeting.

The composition of the Nomination & Remuneration Committee and the details of meetings attended by its members are given below:

Name of Director	Category	No. of meetings during the financial year 2015-16	
		Held	Attended
Mr. S. C. Aythora	Chairman – Independent Director	1	1
Mr. Nitin Kulkarni	Independent Director	1	1
Mr. Girish Jain	Non-Executive Director	1	1

(c) Remuneration Policy:

The Nomination and Remuneration Committee is fully empowered to determine/approve and revise, subject to necessary approvals, the remuneration of managerial personnel after taking into account the financial position of the Company, trends in the industry, qualifications, experience and past remuneration, etc.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

The Independent Director shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board /Committee meetings.

A Non Executive Directors shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

Board Governance, Nomination and Remuneration Committee recommend the remuneration for the Whole Time Director, Senior Management and Key Managerial Personnel. The payment of remuneration to Executive Directors is approved by the Board and Shareholders.

(d) Details of sitting fees paid to the Directors for the year ended March 31, 2016:

A Non Executive Directors are paid sitting fees of ₹ 4000/- for every meeting of the Board of Directors and ₹ 1000/- for every meeting of the Audit Committee and Nomination & Remuneration Committee.

An Independent Directors are paid sitting fees of ₹ 4000/- for an Independent Directors Meeting.

The remuneration by way of sitting fees for attending Board, Audit Committee, Independent Directors and Nomination & Remuneration Committee Meetings paid to Non Executive Directors are as follows:

(Amount in ₹)

Name of Director	Sitting Fees			
	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Independent Directors Meeting
Mr. S.C. Aythora	16000	4000	1000	4000
Mr. Nitin Kulkarni	16000	4000	1000	4000
Mr. Inderchand Jain	16000	4000	-	-
Mr. Girish Jain	16000	-	1000	-
Mrs. Aditi Jain	12000	-	-	-

(e) Details of remuneration paid to the Executive Directors for the year ended March 31, 2016:

(Amount in ₹)

Name of Director	Salary Basic and allowances	Benefits perquisites	Contribution to provident fund	Total	Service contract / Notice period
Mr. Rajnesh Jain	18,36,000	5,98,020	2,20,320	26,54,340	Three years contract w.e.f. 11th August, 2014.

(f) Details of equity shares of the Company held by the Directors as on March 31, 2016 are given below:

Name	Number of equity shares
Mr. Inderchand Jain	1221354
Mr. Rajnesh Jain	122335
Mr. Girish Jain	122335
Mr. S. C. Aythora	350
Mr. Nitin Kulkarni	250

5. SHARE TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE

The Share Transfer and Stakeholders Relationship Committee of the Company is constituted in accordance with the Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The role and functions of the Share Transfer and Stakeholders Relationship Committee are the effective redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. The Committee overviews the steps to be taken for further value addition in the quality of service to the investors.

During the year, one (1) complaint was received from shareholder and has been attended/resolved. As on March 31, 2016, no investor grievance has remained unattended/ pending for more than thirty days. The Board has delegated the powers to approve transfer of securities allotted by the Company to this Committee. As on March 31, 2016, no transfer was pending.

The Committee is headed by Mr. Inderchand Jain, Non-Executive Director and consists of the members as stated below. During the year ended on March 31, 2016, Nine (9) meetings were convened and held on April 07, 2015, April 24, 2015, June 26, 2015, August 28, 2015, November 13, 2015, November 20, 2015, January 15, 2016, February 23, 2016 and March 04, 2016.

The composition of the Share Transfer and Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of Director	Category	No. of meetings during the financial year 2015-16	
			Held	Attended
1.	Mr. Inderchand Jain	Chairman (Non-Executive Director)	9	8
2.	Mr. Nitin Kulkarni	Member (Independent Director)	9	9
3.	Mr. Rajnesh Jain	Member (Executive Director)	9	8
4.	Mr. Girish Jain	Member (Non-Executive Director)	9	9

Name, designation and address of Compliance Officer:

Ms. Sankari Muthuraj

Company Secretary and Compliance Officer

KJMC Financial Services Limited

162, Atlanta, 16th Floor,

Nariman Point, Mumbai 400 021

Telephone: 022-40945500 Ext: 105

Fax: 91 22 22852892

E-mail: investor.finance@kjmc.com

6. CREDIT AND INVESTMENT COMMITTEE

In addition to the above referred Committees which are mandatory under the Companies Act 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under the SEBI Guidelines, the Board of Directors has constituted Credit and Investment committee for considering and approving the proposals of investing the funds of the Company and to grant loan or give guarantee or provide security in respect of loans. The committee comprises of Mr. Inderchand Jain, Chairman, Mr. Girish Jain and Mr. Rajnesh Jain as the members of the Committee.

Credit and Investment Committee met Seven (7) times during the year on July 14, 2015, November 10, 2015, December 18, 2015, January 07, 2016, January 20, 2016 and February 03, 2016 and February 29, 2016.

The composition of the Credit and Investment Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of Director	Category	No. of meetings during the financial year 2015-16	
			Held	Attended
1.	Mr. Inderchand Jain	Chairman - Non-Executive Director	7	7
2.	Mr. Girish Jain	Non-Executive Director	7	7
3.	Mr. Rajnesh Jain	Executive Director	7	7

7. INDEPENDENT DIRECTORS MEETING

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold atleast one meeting in a year without the presence of Non Independent Directors and members of the management. All the independent directors shall strive to be present at such meeting.

The independent directors in their meeting shall, inter alia-

- review the performance of non-independent directors and the board of directors as a whole;
- review the performance of the chairperson of the listed entity, taking into account the views of executive directors and nonexecutive directors;
- assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Independent Directors met 1 (one) time during the year on March 29, 2016 and attended by all Independent Directors i.e. Mr. S C Aythora and Mr. Nitin Kulkarni

8. GENERAL BODY MEETINGS:

i. (a) Annual General Meeting:

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

Year	AGM	Location	Date	Time
2014-15	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	19/09/2015	12.15 P.M.
2013-14**	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	27/09/2014	10.45 A.M.
2012-13*	AGM	S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai	28/09/2013	10.45 A.M.

(b) Extra Ordinary General Meeting:

No extraordinary general meeting of the members was held during the year 2014-15.

ii. Special resolutions:

*Special Resolution u/s 81(1A) of the Companies Act, 1956 for preferential allotment of 3,50,000 equity shares to the promoters of the Company were passed in the AGM held on September 28, 2013.

** Special Resolutions u/s 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and rules made there under for appointment of Mr. Rajnesh Jain (DIN:00151988) as Whole-time Director of the Company, for a period of 3 (three) years with effect from 11th August, 2014 were passed in AGM held on September 27, 2014.

iii. Postal Ballot:

The Company successfully completed the process of obtaining approval of its Members on the following special resolution through Postal Ballot on March 28, 2016:

- Special Resolution u/s 13 of Companies Act, 2013 read with rules made there under for alteration of the Main Object Clause of the Memorandum of Association of the Company.

Voting Pattern and Procedure for Postal Ballot:

- The Board of Directors of the Company at its meeting held on February 06, 2016, had appointed Mr. Surjan Singh Rauthan, Proprietor of M/s. S.S. Rauthan & Associates, Company Secretaries, as the Scrutinizer for conducting voting process through e-voting and postal ballot.
- The Company had completed the dispatch of the Postal Ballot Notice dated February 06, 2016 together with the Explanatory Statement on February 25, 2016, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members as on February 12, 2016.
- The voting under the postal ballot was kept open from February 26, 2016 (10:00 Hours) and ended on March 26, 2016 (17:00 Hours) (either physically or through electronic mode).
- Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
- The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- All postal ballot forms received up to the close of 17:00 hrs on March 26, 2016 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- On March 28, 2016, Mr. Inderchand Jain, Chairman announced the following results of the postal ballot as per the Scrutinizer's Report:

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Physical Postal Ballots	352782	352777	99.99	5	0.01
Votes cast through Electronic Mode	3007027	3007027	100	0	0
Total	3359809	3359804	99.99	5	0.01

No special resolution proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

9. DISCLOSURES

- None of the transactions with any of the related party are in conflict with the interest of the Company at large. The board has approved a policy for related party transactions which has been uploaded on the Company's website.
- The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other Statutory Authorities.
- The Company has adopted Whistle Blower Policy/Vigil Mechanism for Directors and Employees to report concerns about unethical behavior. No person has been denied access to the audit committee. The said policy has been also put up on the website of the Company.
- The Company has also adopted policy for Determination of Materiality of Events and Information and Policy on Preservation of Documents. The said policies have been also put up on the website of the Company.

10. MEANS OF COMMUNICATION

The Company has promptly reported all material information including quarterly results to BSE Limited, where the Company's securities are listed. The quarterly, half-yearly and annual results of the Company are published in national and regional newspapers in India which include Free Press Journal and Nav Shakti. The Company also sends the financial results to the Stock Exchange immediately after its approval by the Board. These results are simultaneously posted on the website of the Company. 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.

11. GENERAL SHAREHOLDER'S INFORMATION

i. Annual General Meeting scheduled to be held:

Date : September 10, 2016
Time : 10.45 a.m..
Venue : S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 'F' Road, Marine Lines, Mumbai – 400 020.

ii. Financial year:

The Company follows the period of April 01 to March 31, as the Financial Year. Tentative Financial calendar for the financial year 2016-17 is as under:

Financial Reporting for the Financial Year 2016-17	Tentative month of reporting
Un-audited Financial Results for the quarter ending June 30, 2016	On or before August 13, 2016
Un-audited Financial Results for the half year ending September 30, 2016	On or before November 14, 2016
Un-audited Financial Results for the quarter ending December 31, 2016	On or before February 14, 2017
Audited Financial Results for the year ending March 31, 2017	On or before 30th May 30, 2017

iii. Book Closure:

The Register of Members and Share Transfer Books will remain closed from Wednesday, September 07, 2016 to Saturday, September 10, 2016 (both days inclusive) for the purpose of AGM.

iv. Dividend Payment Date

No dividend recommended on the Equity Shares of the Company.

v. Listing of Equity Shares on Stock Exchanges:

Equity Shares of the Company are listed on BSE Limited, Mumbai (BSE). Annual listing fee for the financial year 2015-2016 has been paid to the BSE Limited, Mumbai.

vi. Stock Code:

(i) BSE Limited, Mumbai (BSE): B-530235

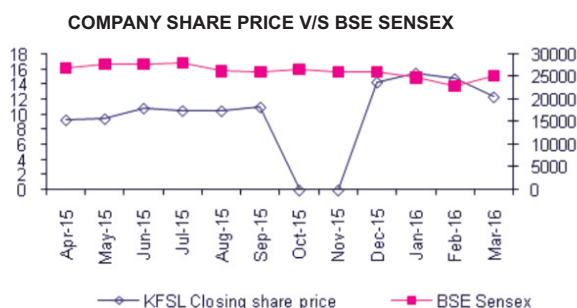
(ii) ISIN - INE533C01018

vii. Stock Price Data:

Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2015 to March, 2016 are as under:

Month	BSE Limited (BSE)	
	High (₹)	Low (₹)
April, 2015	11.93	9.31
May, 2015	9.77	9.00
June, 2015	11.43	9.89
July, 2015	10.99	9.09
August, 2015	10.50	10.01
September, 2015	11.55	10.50
October, 2015	-	-
November, 2015	-	-
December, 2015	14.30	11.55
January, 2016	15.50	15.01
February, 2016	14.75	14.75
March, 2016	14.05	12.35

viii. Performance of the share price of the Company in comparison to the BSE Sensex:



ix. Registrar & Transfer Agent:

Bigshare Services Pvt. Ltd., E-2 &3, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka, Andheri (East), Mumbai – 400072, Tel.No.022-4043 0200, Fax No. 022-2847 5207, email id: investor@bigshareonline.com.

x. Share Transfer System:

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

xi. Shareholding as on March 31, 2016:

a. Distribution of shareholding as on March 31, 2016.

Range in rupees	Number of Shareholders	% of Total Holders
Upto 5000	3604	96.70
5001 to 10000	39	1.05
10001 to 20000	24	0.64
20001 to 30000	6	0.16
30001 to 40000	7	0.19
40001 to 50000	8	0.21
50001 to 100000	11	0.30
100001 and above	28	0.75
TOTAL	3727	100

b. Shareholding pattern as on March 31, 2016

The shareholding of different categories of the shareholders as on March 31, 2016 is given below:

Category	Number of shares	Percentage %
Promoter and Promoters Group	3006977	67.03
Directors, their Relatives	600	0.01
Central / State Govt (s)	7050	0.16
Bodies Corporate	612613	13.66
Financial Institutions/Banks	65400	1.46
Foreign Investors (FIIs/NRIs/ OCBs/ Foreign Bank/ Foreign Corporate Bodies)	623	0.01
others	792477	17.67
TOTAL	4485740	100

xii. De-materialisation of Shares

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from January 29, 2001 as per notification issued by the Securities & Exchange Board of India (SEBI). As on March 31, 2016, out of total Equity Capital 4485740 Equity Shares, 4176109 Equity Shares representing 93.10 % of the total Equity Shares are held in de-materialized form with NSDL and CDSL.

xiii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs /ADRs or any Warrants in the past and hence as on March 31, 2016, the Company does not have any outstanding GDRs /ADRs or any Warrants.

The Company had issued 45000, 0% Compulsory Convertible Preference Shares (CCPS) in the financial year 2014-15. The details of outstanding CCPS as on March 31, 2016 are as under:

Particulars	45000 CCPS
Date of approval by shareholders through Postal Ballot	19.03.2015
Date of allotment of CCPS	25.03.2015
No. of CCPS issued	45000
No. of CCPS already converted during F.Y. 2015-16	15000
No. of CCPS outstanding as on March 31, 2016.	30000

The resultant equity shares on conversion shall rank pari-passu with the existing equity shares of the company in all respects.

xiv. Plant Locations:

In view of the nature of the Company's business viz. finance services, the Company operates from offices in Mumbai-India.

xv. Address for correspondence:

KJMC Financial Services Limited
162, Atlanta, 16th Floor,
Nariman Point, Mumbai - 400 021.
Tel: 022-40945500 Fax: 022-22852892
Email: investor.finance@kjmc.com

12. OTHER INFORMATION**i. Prevention of Insider Trading Code:**

As per regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the "Code of practices and procedures for fair disclosure of unpublished price sensitive information" and "Code of conduct to regulate, monitor and report trading by insiders".

All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code.

ii. CEO/CFO Certification

Whole Time Director/Chief Financial Officer (CFO) have issued certificate as specified in Part B of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 for the financial year ended March 31, 2016 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the financial year ended on March 31, 2016.

Place : Mumbai

Date : August 10, 2016

Rajnish Jain

Whole Time Director

Independent Auditor's Report**To The Members of KJMC Financial Services Limited****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **KJMC Financial Services Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 21.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date : May 19, 2016

Annexure 'A' to the Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the standalone financial statements for the year ended on March 31, 2016, of **KJMC Financial Services Limited**)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The Company does not have inventory. Accordingly, clause 3 (ii) of the Order is not applicable.
- (iii) The Company had granted an unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) In our opinion, the terms and conditions on which the loan had been granted to the company listed in the register maintained under Section 189 were not, prima facie, prejudicial to the interest of the Company.
 - (b) the schedule of repayment of principal and payment of interest had been stipulated and the repayment of the principal amount and the interest were regular;
 - (c) There is no overdue amount in respect of loan granted to such company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given, investments made, guarantees and security given by the Company.
- (v) The Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, with regard to the deposits accepted from the public are not applicable to the Company.
- (vi) We are informed that the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013, which has been relied upon.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of above which were outstanding, as at March 31, 2016 for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanations given to us, dues in respect of income tax which have not been deposited with appropriate authorities on account of disputes are as under:

Name of the Statute	Nature of dues	Amount not deposited (₹ in thousands)	Assessment Year to which it relates	Forum where dispute is pending
Income Tax Act	Income Tax	400	2012-13	CIT(A)
		391	2013-14	

- (viii) Based on our audit procedure and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to financial institution or bank. The Company does not have any outstanding debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds by the Company or on the Company by any of its officers or employees noticed or reported during the course of our audit.

- (xi) According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, pursuant to the provisions of section 192 of the Companies Act, 2013, the Company has not entered into any non-cash transactions with directors or persons connected with him/her.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

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

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date : May 19, 2016

Annexure - B to the Independent Auditor's Report of even date on the Financial Statements of KJMC Financial Services Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KJMC Financial Services Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and

testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date : May 19, 2016

BALANCE SHEET AS AT MARCH 31, 2016

CIN No.: L99999MH1988PLC047873

(₹ in '000')

PARTICULARS	NOTE NO.	As at 31.03.2016	As at 31.03.2015
(I) EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	47,857	47,857
(b) Reserves and Surplus	3	100,064	93,752
Non-Current Liabilities			
(a) Long Term Borrowings	4	371	826
(b) Other Long Term Liabilities	5	72,755	74,755
(c) Long Term Provision	6	147	-
Current Liabilities			
(a) Short Term Borrowings	7	21,015	16,666
(b) Other Current Liabilities	8	1,389	1,271
(c) Short Term Provisions	9	13	24
TOTAL		243,611	235,151
(II) ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		3,662	4,716
(b) Non-Current Investments	11	216,419	201,988
(c) Deferred Tax Assets (Net)	12	14,641	14,496
(d) Long-term Loans and Advances	13	3,857	3,665
Current Assets			
(a) Cash and Bank Balances	14	498	619
(b) Short-term Loans and Advances	15	4,534	9,667
TOTAL		243,611	235,151

Significant Accounting Policies and Notes to Accounts
The above notes are integral part of the financial statements

1 to 30

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

Sachin A Negandhi
Partner
Membership No. 112888
Place : Mumbai
Date : 19-05-2016

**For and on behalf of the Board of Directors
KJMC Financial Services Limited**

I.C.Jain
Chairman
DIN: 00178901

Rajnish Jain
Whole Time Director
DIN: 00151988

Kartik Konar
Chief Financial Officer
Place : Mumbai
Date : 19-05-2016

Sankari Muthuraj
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

CIN No.: L99999MH1988PLC047873

(₹ in '000')

PARTICULARS	NOTE NO.	For the year ended 31.03.2016	For the year ended 31.03.2015
Revenue from Operations	16	21,857	12,525
Other Income	17	619	854
Total Revenue		22,476	13,379
Expenses:			
Employee Benefits Expenses	18	5,756	4,151
Finance Costs	19	2,054	1,642
Depreciation and Amortization Expenses	10	1,355	1,905
Other Expenses	20	7,144	4,591
Total Expenses		16,309	12,289
Profit Before Tax		6,167	1,090
Tax Expense:			
(1) Current tax		-	-
(2) Deferred tax		(145)	(1,193)
(3) MAT Credit		-	-
(4) Prior period Taxes		-	472
		(145)	(721)
Profit for the Year		6,312	1,811
Earnings per Equity Share: (₹)			
(1) Basic		1.43	0.48
(2) Diluted		1.32	0.39

Significant Accounting Policies and Notes to Accounts
The above notes are integral part of the financial statements

1 to 30

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

Sachin A Negandhi
Partner
Membership No. 112888
Place : Mumbai
Date : 19-05-2016

For and on behalf of the Board of Directors
KJMC Financial Services Limited

I.C.Jain
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Rajnesh Jain
Whole Time Director
DIN: 00151988

Kartik Konar
Chief Financial Officer
Place : Mumbai
Date : 19-05-2016

Sankari Muthuraj
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

CIN No.: L99999MH1988PLC047873

(₹ in '000')

PARTICULARS		For the year ended 31.03.2016	For the year ended 31.03.2015
A	Net Profit Before Tax and Extraordinary Items	6,167	1,090
	Adjustment for:		
	Depreciation	1,355	1,905
	Reversal of Provision of Standard/Sub -Standard Assets	(11)	(69)
	Provision for Standard Assets	-	24
	Interest and Financial Charges	2,054	1,642
	Operating Profit Before Working Capital Changes	9,565	4,592
	Changes in Working Capital :		
	(Increase)/Decrease in Loans and Advances	5,132	(10,710)
	(Increase)/Decrease in Other current and non current assets	-	84
	(Increase)/Decrease in Investments	(14,431)	(19,041)
	Increase/(Decrease) in Trade Payable and Other Liabilities	223	226
	(Increase)/ Decrease in Working Capital	(9,077)	(29,441)
	Cash generated from Operations	488	(24,849)
	Direct Taxes Paid (Net of Refund)	(192)	(131)
	Cash Flow Before Extraordinary Items	297	(24,980)
	Extraordinary Items	-	-
	Net Cash flow from Operating Activities	297	(24,980)
B	Cash Flow from Investment Activities		
	Purchase of Fixed Assets	(301)	(23)
	Net Cash Flow from Investing Activities	(301)	(23)
C	Cash Flow From Financing Activities		
	Long Term Loan Repaid-Secured	(411)	(372)
	Short Term Loan Taken-Secured	36,007	18,000
	Short Term Loan Repaid-Secured	(31,658)	(31,296)
	Inflow/(Outflow) of Security Deposit	(2,000)	29,000
	Issue of 0% Compulsorily Convertible Preference Shares	-	11,250
	Interest and Financial Charges	(2,054)	(1,642)
	Net Cash Flow from Financing Activities	(116)	24,940
	Net Increase in Cash and Cash Equivalents	(121)	(64)
	Cash and Cash Equivalents at the beginning of the Year *	618	682
	Cash and Cash Equivalents at the close of the Year *	498	619
*	Cash and Cash Equivalents comprise of :		
	Cash in hand	291	344
	Balance in current account	207	275
	Total	498	619

Note : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements.

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

Sachin A Negandhi
Partner
Membership No. 112888
Place : Mumbai
Date : 19-05-2016

For and on behalf of the Board of Directors
KJMC Financial Services Limited

I.C.Jain
Chairman
DIN: 00178901

Kartik Konar
Chief Financial Officer
Place : Mumbai
Date : 19-05-2016

Rajesh Jain
Whole Time Director
DIN: 00151988

Sankari Muthuraj
Company Secretary

NOTE TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Company Overview:

KJMC Financial Services Limited is a flagship company of the KJMC Group domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in non banking financial operations without accepting public deposits and is regulated by the provisions of Reserve Bank of India Act, 1934.

Note -1

SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made which 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/ materialized.

c. Investments

i) **Current Investments:** Current investments are valued at the lower of cost arrived on weighted average basis or fair value.

ii) **Non Current Investments:** A provision is made for diminution other than temporary in nature. These are intended to be held for a period of more than one year from the date of the investment and are valued at cost. The cost is determined on weighted average method basis.

d. Fixed Assets and Depreciation:

(i) Tangible Fixed Assets:

Tangible Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost of capitalization and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation is provided under the written down value method, at the rates and in the manner prescribed under Schedule II of the Companies Act, 2013.

(ii) Intangible Fixed Assets:

Intangible Fixed Assets are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are recognized at cost less accumulated amortization. Intangible assets are amortized systematically on straight line basis over its useful life of 3 years.

e. Taxation:

Tax expense comprises of current and deferred tax. Current Income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

f. Revenue Recognition:

Revenue from Professional fees & Consultancy charges, Income from Brokerage & interest on loans and Inter Corporate Deposits and lease rent are recognized as and when there is reasonable certainty of its ultimate realization and on completion of the assignment.

Non Performing Assets:

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

Dividend:

Dividend Income is recognized when the Company's right to receive is established by the reporting date.

g. Foreign Currency Transactions

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transactions.

Foreign currency denominated monetary assets & liabilities outstanding at the year end are translated at the year end exchange rate and unrealized exchange gain or loss is recognized in the Statement of Profit and Loss.

Realized exchange gain/loss on foreign transactions during the year is recognized in the Statement of Profit and Loss.

h. Derivative Transactions:

In accordance with the ICAI announcement, derivatives contract are marked to market on a portfolio basis, and the loss if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit & Loss.

i. Stock in Trade:

Stocks of shares are valued at the lower of cost arrived on weighted average basis or fair value.

j. 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.

iii) Leave Encashment is not provided for on actuarial basis in view of the employees being less than 10 and the same is charged on actual basis.

k. Provisions, Contingent Liabilities & Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past event and it is probable that there will be outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

l. Earnings per Share:

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the Weighted Average Number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the Weighted Average Number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(₹ in '000')

Particulars	As at 31.03.2016	As at 31.03.2015
Note - 2: Share Capital		
Authorised:		
3,50,00,000 (Previous Year: 3,50,00,000) Equity Shares of ₹ 10/- each	350,000	350,000
85,000 (Previous Year: 85,000) Redeemable Preference shares of ₹ 100/- each	8,500	8,500
1,15,000 (Previous Year: 1,15,000) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each	11,500	11,500
13,00,000 (Previous Year: 13,00,000) Preference Shares of ₹ 100/- each	130,000	130,000
	500,000	500,000
Issued,Subscribed and Paid up:		
44,85,740 (Previous Year: 39,10,740) Equity Shares of ₹ 10/- each fully paid up	44,857	39,107
30,000 (Previous Year: 87,500) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each fully paid up	3,000	8,750
(0% Compulsorily Convertible Preference Shares of ₹ 100/- are convertible within Eighteen months from the date of allotment.)		
	47,857	47,857

Additional Information:

(a) Reconciliation of Shares outstanding at the beginning and at the end of the year

(₹ in '000')

Equity Shares of ₹ 10 each	2015-16		2014-15	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	3,910,740	39,107	3,485,740	34,857
Add: Issued during the year	-	-	-	-
Add: Shares Issued out of conversion of Preference shares during the year	575,000	5,750	425,000	4,250
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,485,740	44,857	3,910,740	39,107

0% Compulsorily Convertible Preference Shares of ₹ 100 each	2015-16		2014-15	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	87,500	8,750	85,000	8,500
Add: Shares Issued during the year	-	-	45,000	4,500
Less: Shares converted to Equity Shares during the year	57,500	5,750	42,500	4,250
Shares outstanding at the end of the year	30,000	3,000	87,500	8,750

(b) Terms and Rights attached to Equity Shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms and Rights attached to Preference Shares:

The Company has issued only one class of Preference Shares, namely 0% Compulsorily Convertible Preference Shares having par value of ₹ 100 each per share. No voting rights are attached to Preference Shares. On conversion of these Preference Shares into Equity Shares, the shareholder shall be entitled to one vote per share. One Preference Share is convertible into Ten Equity Shares.

45,000 0% Compulsorily Convertible Preference Shares issued in the Financial Year 2014-15 out of which 15000 0% CCPS are converted in the Financial year 2015-16 and balance are convertible into Equity Shares within eighteen months from the date of allotment i.e. 25th March, 2015.

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(d) Details of Shareholders holding more than 5% shares of the Company:

Equity Shares of ₹ 10 each	As at 31-03-2016		At at 31-03-2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Inder Chand Jain	1,221,354	27.23%	1,221,354	31.23%
KJMC Corporate Advisors (I) Ltd.	850,000	18.95%	425,000	10.87%
I. C. Jain HUF	267,065	5.95%	267,065	6.83%
0% Compulsorily Convertible Preference Shares of ₹ 100 each				
KJMC Corporate Advisors (India) Ltd.	10,000	33.33%	52,500	60.00%
KJMC Shares & Securities Ltd.	9,500	31.67%	24,500	28.00%
Chand Devi Jain	10,500	35.00%	10,500	12.00%

(₹ in '000')

Particulars	As at 31.03.2016	As at 31.03.2015
Note - 3 : Reserves and Surplus		
Securities Premium Reserve		
As per last balance sheet	14,410	7,660
Add : Received during the year	-	6,750
Less: Deduction during the year	-	-
Closing Balance	14,410	14,410
General Reserve :		
As per last balance sheet	2,373	2,328
Add : Addition during the year	158	45
Less: Deduction during the year	-	-
Closing Balance	2,531	2,373
Capital Redemption Reserve :		
As per last balance sheet	49,900	49,900
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	49,900	49,900
Special Reserve		
As per last balance sheet	7,119	6,757
Add : Addition during the year	1,263	362
Less : Deduction during the year	-	-
Closing Balance	8,382	7,119
Surplus/(Deficit) in the statement of profit and loss		
Balance brought forward from last year	19,950	18,754
Less :		
Fixed Assets not having remaining useful life as on 1st April, 2014	-	(208)
Add:		
Profit for the Year	6,312	1,811
Amount available for appropriation	26,261	20,357
Less : Appropriations		
a) Proposed Preference Share Dividend	-	-
b) Tax on Proposed Preference Dividend	-	-
a) Special Reserve *	1,263	362
b) General Reserve	158	45
Balance carried forward	24,841	19,950
Total	100,064	93,752

* 20% of the Net Profit After Tax is transferred to Special Reserve as required u/s 45IC of RBI Guidelines, 1934.

(₹ in '000')

Particulars	Non-Current Maturities		Current Maturities	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Note - 4: Long Term Borrowings				
Term Loans:				
From Banks (Secured):	-	-	-	-
From other (Secured):				
Vehicle Loan	371	826	454	411
(Refer Additional Information below)				
Amount disclosed under the head "Other Current Liabilities"			(454)	(411)
(Refer Note-8)				
NET AMOUNT	371	826	-	-

Additional Information:

Vehicle Loan

Particulars	Amount of Loan (₹ In '000)	Interest rate % p.a	Installment Amount (₹ In '000)	No. of Outstanding Installments as on date
Secured by vehicle bought under loan and repayable in 59 Equated monthly installments	2007	9.96	43	21

(₹ in '000')

Particulars	As at 31.03.2016	As at 31.03.2015
Note - 5: Other Long Term Liabilities (Unsecured)		
Security Deposits from Related Parties :	72,755	74,755
	72,755	74,755
Note - 6: Long Term Provision		
Provision for Ex- Gratia	147	-
	147	-
Note - 7: Short Term Borrowings		
Cash credit from bank repayable on demand (Secured) (Cash credit from bank is secured against equitable mortgage of premises belonging to the Company and a related party and Corporate Guarantee given by the related party. The cash credit is repayable on demand and carries interest @ Base Rate + 3.00%.) (Refer Note - 27)	12,458	15,666
Loan from NBFC (Secured) (Loans secured against pledge of shares bearing an interest rate of 11.75%, repayable on demand.) - (Refer Note -11)	-	1,000
Loan from NBFC (Secured) (Loans secured against pledge of shares bearing an interest rate of 11.00%, repayable on demand.) - (Refer Note -11)	8,557	-
	21,015	16,666
Note - 8: Other Current Liabilities		
Current Maturities of Long Term Borrowings (Refer Note - 4)	454	411
Statutory Dues	202	91
Others	733	769
Total	1,389	1,271
Note - 9: Short Term Provisions		
Contingent Provision against Standard/Sub - Standard Assets	13	24
Total	13	24

Note - 10 : Fixed Assets -Tangible

(₹ in '000')

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.2015	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As on 31.03.2016	As on 01.04.2015	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
Building	10,849	-	-	10,849	7,502	611	-	8,113	2,736	3,347
Computers	10	257	-	267	10	117	-	127	140	-
Furniture & Fixtures	6,646	-	-	6,646	6,467	48	-	6,515	132	180
Office Equipments	2,140	44	-	2,184	2,058	65	-	2,123	61	82
Vehicles	2,792	-	-	2,792	1,685	514	-	2,199	593	1,107
Total (A)	22,437	301	-	22,738	17,721	1,355	-	19,076	3,662	4,716
Previous Year	22,414	23	-	22,437	15,516	2,205	-	17,721	4,716	

Fixed Assets - Intangible

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.2015	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As on 31.03.2016	As on 01.04.2015	Provided during the year	Deductions/ Adjustments during the year	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
Computer Software	36	-	-	36	36	-	-	36	-	-
Total (B)	36	-	-	36	36	-	-	36	-	-
Previous Year	36	-	-	36	30	6	-	36	-	
Total (A+B)	22,473	301	-	22,774	17,757	1,355	-	19,112	3,662	4,716
Previous Year	22,450	23	-	22,473	15,546	2,211	-	17,757	4,716	-

(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2016		As at 31.03.2015	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	Note - 11 : Non-Current Investments					
	Non- Trade-Quoted Investment in Equity Shares					
1	Allcargo Logistics Ltd	10	5,000	785	-	-
2	Amtek Auto Ltd	2	12,500	558	-	-
3	B L Kashyap & Son Ltd	5	82,072	1,168	-	-
4	Bajaj Finserv Ltd	2	-	-	250	330
5	Dhanuka Agritech Ltd	10	-	-	4,500	894
6	Dynamatic Technologies Ltd	2	-	-	35	51
7	EssDee Aluminium Ltd	2	5,000	897	-	-
8	Essel Propack Ltd.	10	-	-	9,000	655
9	Everest Kanto Cylinder Ltd	10	-	-	2,000	344
10	Federal - Mogul Goetze (India) Ltd	10	-	-	2,000	395
11	Finolex Cables Ltd	2	-	-	28,000	1,492
12	FirstSource Solution Ltd	10	5,000	191	-	-
13	Global Offshore Services Ltd	10	-	-	3,657	322
14	Hotline Glass Ltd	2	37,549	0	37,549	0
15	IL&FS Engineering and Construction Company Ltd	10	-	-	2,000	80
*16	JBF Industries Ltd	10	6,500	1,536	-	-
17	JHS Svendgaard Laboratories Ltd	10	50,000	714	-	-
18	KDL Biotech Ltd.	10	10	0	10	0
19	Menon Pistons Ltd	10	51,100	6,633	-	-
20	Multi Commodity Exchange Ltd.	10	-	-	1,000	759
21	Muthoot Finance Ltd	10	-	-	25,000	4,767
22	N2N Technologies Limited	10	5,000	261	-	-
23	Omkar Speciality Chemicals Ltd	10	4,500	862	5,000	426
24	Pennar industries Ltd	10	-	-	2,500	117
**25	Poly Medicure Ltd. (Share)	10	634,895	77,422	613,083	68,659
26	Polylink Polymers (I) Ltd	10	61,411	495	-	-

(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2016		As at 31.03.2015	
			Qty (Nos)	Amount	Qty (Nos)	Amount
27	Quick Heal Technologies Ltd	1	21,320	6,894	-	-
28	Radha Madhav Corporation Ltd	10	-	-	20,498	525
29	Reliance Infrastructure Ltd	10	-	-	1,150	1,625
30	Sanghi Industries Ltd	10	-	-	1,865	115
31	Shasun Pharmaceuticals Ltd	5	-	-	28,000	3,034
32	Shree Ram Urban Infrastructure Ltd	10	4,701	240	-	-
33	Shree Vindhya Paper Mills Ltd	10	1	0	1	0
34	SRF Ltd	10	225	289	-	-
**35	Styrolution ABS (India) Ltd	10	2,000	778	3,378	1,314
36	Ujaas Energy Ltd	2	-	-	20,000	629
37	Zicom Elect Sec Sys Ltd	10	3,100	241	-	-
	SUB-TOTAL (A)			99,964		86,533
	Non-Trade -Unquoted Investment in Equity Shares					
A	In Subsidiaries					
1	KJMC Asset Management Co.Limited	10	10,250,000	113,263	10,250,000	113,263
2	KJMC Investment Trust Co.Limited	10	150,000	1,500	150,000	1,500
3	KJMC Trading & Agency Limited	10	100,000	1,000		
				115,763		114,763
B	In Associates					
1	KJMC Platinum Builders Private Limited	10	65,300	653	65,300	653
2	KJMC Realty Private Limited	10	4,000	40	4,000	40
				693		693
C	In other companies					
1	Prime Pictures Limited	10	25,000	-	25,000	-
				-		-
	SUB - TOTAL (B)			116,456		115,456
	TOTAL (A + B)			216,419		201,988
	Aggregate amount of quoted Investment			99,964		86,533
	Aggregate Market Value of quoted Investment			197,863		343,770
	Aggregate amount of unquoted Investment			116,456		115,456
	Aggregate provision for diminution in value of investments			Nil		Nil

* These Investments are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 7)

** 120,000 Shares of Poly Medicure Ltd & 1900 Shares of Styrolution ABS (India) Ltd are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 7)

(₹ in '000')

Particulars	As at 31.03.2016	As at 31.03.2015
Note - 12: Deferred Taxation		
Deferred Tax Assets		
Business Loss	2,910	2,910
Unabsorbed Depreciation	409	409
Unabsorbed Long Term Capital Loss	11,388	11,388
	14,707	14,707
Deferred Tax Liability		
Fixed Assets	66	211
	66	211
Deffered tax Asset/(Liability)-Net	14,641	14,496

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(₹ in '000')

Particulars	As at 31.03.2016	As at 31.03.2015
Note 13 : Long Term Loans and Advances		
Advances recoverable in cash or kind or for value to be received Unsecured, considered good	2	2
Security Deposits Unsecured, considered good	1,529	1,529
Advance Income Tax Less: Provision for Taxation	2,253 (1,035)	2,061 (1,035)
MAT credit Entitlement	1,108	1,108
Total	3,857	3,665

(₹ in '000')

Particulars	As at 31.03.2016	As at 31.03.2015
Note - 14: Cash and Bank Balances		
Cash and Cash Equivalents		
Cash in Hand	291	344
Balance with Banks		
- In Current Accounts	207	275
Total	498	619
Note - 15: Short Term Loans and Advances		
Advances recoverable in cash or kind or for value to be received Unsecured, considered good	74	67
Related Parties :		
- Unsecured		
Loans to Related Party	800	4,100
Others		
Loan to Employee	147	-
Loans to Others (Unsecured)	3,513	5,500
Total	4,534	9,667
Note -16: Revenue from Operations		
Interest Income	1,478	919
Profit on Sale of Investments, Futures & Options (Net)	13,971	8,352
Dividend Income	6,408	1,504
Bad Debts Recovered	-	1,750
	21,857	12,525
Note - 17: Other Income		
Compensation for Use of Office & Common Facilities	600	785
Reversal of Provision of Standard/Sub -Standard Assets	11	69
Other	8	-
	619	854

(₹ in '000')

Particulars	As at 31.03.2016	As at 31.03.2015
Note -18: Employee Benefit Expenses		
Salaries	5,233	3,838
Contribution / provisions to provident, Gratuity and other provisions.	386	254
Staff welfare expenses	137	59
Total	5,756	4,151
Note 19: Finance Costs		
Interest to other	1,044	360
Interest to Bank	980	1,159
Bank Charges	30	123
Total	2,054	1,642
Note 20: Other Expenses		
Advertisement	104	105
Auditors Remuneration (for break up refer below)	128	118
Brokerage	-	150
Business Promotion Expenses	317	81
Contingent Provision against Standard Asset	-	24
Electricity Expenses	285	38
Infrastructural Support service Expenses	312	307
Insurance Expenses	307	52
Legal Fees	49	33
Listing Fees	225	112
Miscellaneous Expenses	516	406
Motor Car Expenses	110	113
Office Maintenance & Utility Expenses	400	313
Postage & Telegram	77	153
Printing & Stationery	209	286
Processing Fees	-	112
Professional & Consul. Fees Exp	1,129	375
Rent	1,800	600
Repairs & Maintenance (Others)	199	265
Subscription & Membership	113	33
Travelling Expenses	864	915
Total	7,144	4,591
As Statutory Auditor		
As Audit Fees	30	50
For Taxation matters	10	10
For Limited Review	68	45
For reimbursement of expenses/Service Tax	20	13
	128	118

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

21. Contingent Liabilities:

Claims against the Company not acknowledged as debt

There is income tax demand of ₹ 400/- & ₹ 391/- in respect of income tax for assessment year 2012-13 & assessment year 2013-14 against which appeal has been filed with CIT (A). The management expects matter to be decided in favor of the Company in the appellate process. The management accordingly believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations.

22. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ NIL (Previous Year ₹ NIL)

23. "Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006. As per requirement of Section 22 of Micro, Small & Medium Enterprises (Development) Act, 2006 following information is disclosed:"

As per requirement of Section 22 of Micro, Small & Medium Enterprises (Development) Act, 2006 following information is disclosed:

(₹ '000's)

Sr. No	Particulars	31.03.2016	31.03.2015
(i)	Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
(ii)	Interest due on (i) above remaining unpaid	Nil	Nil
(iii)	Amounts paid beyond the appointed day during the accounting year	Nil	Nil
(iv)	Interest paid on (iii) above	Nil	Nil
(v)	Interest due and payable on (iii) above	Nil	Nil
(vi)	Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii)	Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

24. Earnings in Foreign Currency - ₹ Nil (₹ Nil).

Expenditure in Foreign Currency - C.Y ₹ 693 ('000') (P.Y ₹ 843 (in '000')).

25. Obligations on long-term, non-cancellable operating leases

The lease rentals charged during the period and the obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

(₹ '000's)

Particulars	Year Ended	
	31.03.2016	31.03.2015
Lease rental recognized during the year	1,800	600
Lease obligation Payable		
Within one year of the balance sheet date	1,200	1800
Due in a period between one year and five years	-	1200

26. Earnings per Share:

(₹ '000's)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Net Profit / (Loss) after Taxation (₹ in '000')	6,312	1,811
Less : Preference Dividend and Tax thereon (₹)	Nil	Nil
Net Profit/(Loss) for calculation of EPS (₹ in '000')	6,312	1,811
The weighted average Number of Equity Share (Nos.)- (Basic)	4,399,096	3,781,699
The weighted average Number of Equity Share (Nos.)- (Diluted)	4,785,740	4,656,699
Face Value (₹)	10	10
Earnings Per Share (Basic)	1.43	0.48
Earnings Per Share (Diluted)	1.32	0.39

27. Related party disclosures under Accounting Standard 18:

List of related parties

1) Parties where control exists

Wholly owned subsidiary Companies

: KJMC Asset Management Company Limited.
KJMC Investment Trust Company Limited.
KJMC Trading & Agency Limited.

2) Other parties

(a) Key Management Personnel

Rajnish Jain - Whole Time Director.
Kartik Konar - Chief Financial Officer.
Sankari Muthuraj - Company Secretary.

(b) Relatives of Whole Time Director

Inderchand Jain - Father
Chanddevi Jain - Mother
Girish Jain - Brother
Shraddha Rajnish Jain - Wife

(c) Enterprises over which key management personnel and relatives are able to exercise significant influence .

KJMC Corporate Advisors (India) Limited KJMC Credit Marketing Limited
KJMC Shares and Securities Limited KJMC Capital Market Services Limited
KJMC Commodities Market India Limited Puja Trades & Investments Pvt Ltd (Formerly known as Puja Impex Private Limited)
Prathamesh Enterprises Private Limited

(d) Associates

KJMC Platinum Builders Private Limited KJMC Realty Private Limited

Related Parties Transactions :

(₹ in 000's)

Sr. No.	Nature of Transactions with related parties	Party where control exists		Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/ relatives are able to exercise significant influence	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1	Interest Income Prathmesh Enterprises Pvt Ltd KJMC Trading & Agency Ltd Rajnesh Jain	- 20 -	- - -	- - -	- - -	- - 119	- - -	222 - -	395 - -
2	Interest Paid KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	-	190	-
3	Board Meeting Fees Inderchand Jain Aditi Jain Girish Jain	- - -	- - -	- - -	- - -	20 12 17	- - -	- - -	- - -
4	Salary and Perquisites Rajnesh Jain	-	-	-	-	2,654	1,474	-	-
5	Deposit Repaid KJMC Asset Management Company Ltd KJMC Capital Market Services Ltd Inderchand Jain	60 - -	60 - -	- - -	- - -	- - 100	- - -	- 2,000 -	- - -
6	Deposit Given KJMC Asset Management Company Ltd KJMC Investment Trust Co. Ltd	- -	300 300	- -	- -	- -	- -	- -	- -
7	Deposit Received KJMC Asset Management Company Ltd Inderchand Jain KJMC Investment Trust Co. Ltd	60 - -	29,360 - 300	- - -	- - -	- 100 -	- - -	- - -	- - -
8	Loan given to Borrower Rajnesh Jain KJMC Trading & Agency Ltd Kartik Konar (Against Salary) Prathmesh Enterprises Pvt Ltd	- 800 - -	- - - -	- - - -	- - - -	7,100 - 200 -	- - - -	- - - 4,000	- - - 17,050
9	Repayment of Loan by Borrower Rajnesh Jain Kartik Konar (Against Salary) Prathmesh Enterprises Pvt Ltd	- - -	- - -	- - -	- - -	7,100 60 -	- - -	- - 8,100	- - 12,950
10	Loan taken KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	-	9,450	-
11	Loan Repaid KJMC Platinum Builders Pvt Ltd	-	-	-	-	-	-	9,450	-
12	Rent Income KJMC Capital Market Services Ltd KJMC Corporate Advisors (India) Ltd	- -	- -	- -	- -	- -	- -	570 30	760 25
13	Rent Paid KJMC Capital Market Services Ltd	-	-	-	-	-	-	274	274
14	Brokerage Charges KJMC Capital Market Services Ltd	-	-	-	-	-	-	120	471
15	Depository Charges KJMC Capital Market Services Ltd	-	-	-	-	-	-	34	25
16	Service Received KJMC Asset Management Company Ltd KJMC Shares and Securities Limited	500	-	-	-	-	-	225	-
17	Reimbursement of Expenses Paid KJMC Corporate Advisors (India) Ltd	-	-	-	-	-	-	10	205
18	Reimbursement of Expenses Received KJMC Investment Trust Co. Ltd KJMC Trading & Agency Ltd	4 67	- -	- -	- -	- -	- -	- -	- -
19	Issue of 0% Compulsorily Convertible Preference Shares KJMC Corporate Advisors (India) Ltd KJMC Shares and Securities Limited Chanddevi Jain	- - -	- - -	- - -	- - -	- - -	- - -	- - -	2,500 6,125 2,625

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Related Parties Transactions :

(₹ in 000's)

Sr. No.	Nature of Transactions with related parties	Party where control exists		Associates		Key Management Personal & their Relatives		Enterprises over which key management personnel/ relatives are able to exercise significant influence	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
20	Net Receivables KJMC Trading & Agency Ltd (Loan) Prathmesh Enterprises Pvt Ltd (Loan) Kartik Konar (Loan Against Salary)	800 - -	- - -	- - -	- - -	- - 140	- - -	- - -	4,100 - -
21	Net Payables KJMC Capital Market Services Ltd (Security Deposit) KJMC Asset Management Company Ltd (Security Deposit)	- 62,755	- 62,755	- -	- -	- -	- -	10,000 -	12,000 -
22	Balances in Investment in Associates KJMC Realty Private Limited KJMC Platinum Builders Private Limited	- -	- -	40 653	40 653	- -	- -	- -	- -
23	Security and Corporate Guarantee given by Puja Impex Pvt. Ltd.	-	-	-	-	-	-	30,000	30,000

28. 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		(₹ In 000's)	
Liabilities side :		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		--
	Unsecured		--
	(other than falling within the meaning of public deposits)		--
	(b) Deferred Credits		--
	(c) Term Loans	825	--
	(d) Inter-corporate loans and borrowing		--
	(e) Commercial Paper		--
	(f) Other Loans (specify nature)		--
	Secured Loans against office premises	12,458	-
	Secured Loans against Shares	8,557	-
2	Asset Side :	Amount outstanding (₹ in 000's)	
	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured		-
	(b) Unsecured		4,313
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		
4.	Break-up of Investments:		(₹ in '000')
	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	99,964
	(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	116,456
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-

5.	Borrower group-wise classification of assets financed as in (2) and (3) above :	Amount Net of Provisions		
	Category	Secured	Unsecured	Total
	1. Related Parties	-	-	-
	(a) Subsidiaries	-	800	800
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	-	3,513	3,513
6.	Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value / Breakup or fair value or NAV		Book Value (Net of Provisions)
	1. Related Parties	115,763		115,763
	(a) Subsidiaries	-		-
	(b) Companies in the same group	693		693
	(c) Other related parties	197,863		99,964
	2. Other than related parties	314,319		216,419
	Total	314,319		216,419
	Other information			
	Particulars	Amount		
	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	-		

29 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.

30 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 K.S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No: 100186W

Sachin A Negandhi

Partner

Membership No. 112888

Place : Mumbai

Date : 19-05-2016

For and on behalf of the Board of Directors

KJMC Financial Services Limited

I.C.Jain

Chairman

DIN: 00178901

Kartik Konar

Chief Financial Officer

Place : Mumbai

Date : 19-05-2016

Rajnesh Jain

Whole Time Director

DIN: 00151988

Sankari Muthuraj

Company Secretary

Independent Auditor's Report**To The Members of KJMC Financial Services Limited****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of KJMC Financial Services Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the Disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

The financial statements of two subsidiaries and two associates have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion and report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates, is based solely on the reports of the other auditors.

- (a) We did not audit the financial statements of two subsidiary whose financial statements reflect total assets of ₹ 103005(thousands) as at March 31, 2016, total revenues of ₹ 1608 (thousands) and net cash outflows amounting to ₹ 67(thousands) for the year ended on that date, as considered in the consolidated financial statements.
- (b) The consolidated financial statements also include the Group's share of profit of ₹ 14(thousands) for the year ended March 31, 2016 in two associates, whose financial statements have not been audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associate companies, none of the directors of the holding company, subsidiaries and associate companies is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its Associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's Report) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer note 24 to the consolidated financial statements.
 - ii. The Group and its associate companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate companies

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

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: May 19, 2016

Annexure 'A' to the Independent Auditor's Report of even date on the consolidated financial statements of KJMC Financial Services Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in Para (g) on Report on Other Legal and Regulatory Requirements in our report.**

In conjunction with our audit of the consolidated financial statements of the KJMC Financial Services Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of KJMC Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and its associates wherein such audit of the internal financial controls over financial reporting for the subsidiaries and associates was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, its subsidiaries and associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiaries and associate companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were generally operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiaries and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Sachin A. Negandhi
Partner
Membership No.: 112888

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016
CIN No.:L99999MH1988PLC047873 (₹ in '000')

PARTICULARS	NOTE NO.	As At 31.03.2016	As At 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	47,857	47,857
(b) Reserves and Surplus	3	98,438	92,118
Non-Current Liabilities			
(a) Long Term Borrowings	4	371	826
(b) Other Long-Term Liabilities	5	10,247	12,247
(c) Long Term Provision	6	147	-
Current Liabilities			
(a) Short-Term Borrowings	7	21,015	16,666
(b) Other Current Liabilities	8	1,556	1,408
(c) Short-Term Provisions	9	13	24
TOTAL		179,644	171,146
(II) ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		3,662	4,716
(ii) Intangible Assets		-	-
(iii) Goodwill on Consolidation		10,763	10,763
(b) Non-Current Investments	11	101,052	87,107
(c) Deferred Tax Assets (net)	12	14,641	14,496
(d) Long-Term Loans and Advances	13	28,259	28,145
(e) Other Non-Current Assets	14	40	1,400
Current Assets			
(a) Current Investments	15	14,000	13,908
(b) Cash and Bank Balances	16	2,283	931
(c) Short-Term Loans and Advances	17	4,936	9,671
(d) Other Current Assets	18	8	9
TOTAL		179,644	171,146

Significant Accounting Policies
and Notes to Accounts

1 to 32

The above notes are integral part of the financial statements

As per our report of even date attached

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

Sachin A Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : 19-05-2016

For and on behalf of the Board of Directors
KJMC Financial Services Limited

I.C.Jain
Chairman
DIN: 00178901

Rajesh Jain
Whole Time Director
DIN: 00151988

Kartik Konar
Chief Financial Officer
Place : Mumbai
Date : 19-05-2016

Sankari Muthuraj
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016
CIN No.:L99999MH1988PLC047873 (₹ in '000')

PARTICULARS	NOTE NO.	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
Revenue from Operations	19	22,959	13,821
Other Income	20	737	979
Total Income		23,696	14,800
Expenses:			
Employee Benefits Expenses	21	7,003	4,683
Finance Costs	22	2,054	1,642
Depreciation and Amortization Expenses	10	1,355	1,921
Other Expenses	23	7,112	5,041
Total Expenses		17,524	13,287
Profit before Tax		6,172	1,513
Tax Expense:			
(1) Current tax		7	41
(2) Deferred tax		(145)	(1,193)
(3) MAT credit Entitlement		28	(40)
(4) Prior Period Taxes		(23)	456
		(133)	(736)
Profit /(Loss) before Share in Associates' profit / Loss		6,305	2,249
Less: Profit/(Loss) in Share of Associates		14	(56)
Profit for the year		6,319	2,193
Earnings per equity share: (₹)			
(1) Basic		1.44	0.58
(2) Diluted		1.32	0.47

Significant Accounting Policies
and Notes to Accounts

1 to 32

The above notes are integral part of the financial statements

As per our report of even date attached

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

Sachin A Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : 19-05-2016

For and on behalf of the Board of Directors
KJMC Financial Services Limited

I.C.Jain
Chairman
DIN: 00178901

Rajesh Jain
Whole Time Director
DIN: 00151988

Kartik Konar
Chief Financial Officer
Place : Mumbai
Date : 19-05-2016

Sankari Muthuraj
Company Secretary

**CONSOLIDATED CASH FLOW FOR THE YEAR
ENDED MARCH 31, 2016**

CIN No.:L99999MH1988PLC047873

(₹ in '000')

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	6,172	1,513
Adjustment for:		
Depreciation	1,355	1,921
(Profit)/Loss on Sale of Investments	(1,082)	(1,296)
Reversal of Provision of Standard/Sub - Standard Assets	(11)	(69)
Provision for Standard Assets	-	24
Interest and Financial Charges	2,054	1,642
Prior period Items	-	13
Interest Income	(118)	(125)
	-	-
Operating Profit Before Working Capital Changes	8,370	3,623
Changes in Working Capital		
(Increase)/Decrease in Loans and Advances	4,408	(39,471)
(Increase)/Decrease in Other current and non current assets	(49)	74
(Increase)/Decrease in Investments	(14,631)	9,159
Increase/(Decrease) in Trade Payable and Other Liabilities	251	278
	-	-
(Increase)/ Decrease in Net Current Assets	(10,021)	(29,960)
Cash generated from Operations	(1,651)	(26,337)
Direct taxes paid (Net of refund)	(188)	(140)
	-	-
Cash Flow Before Extraordinary Items	(1,839)	(26,477)
Extraordinary Items	-	-
Net Cash flow from Operating Activities	(1,839)	(26,477)
Cash Flow from Investment Activities		
Purchase of Mutual fund & other Investments	(330)	(300)
Investment in Partnership	(500)	-
Redemption of Mutual Fund & Sale of other Investments	454	300
Profit on sale of Mutual Fund (Subsidiary)	1,066	1,288
Inflow from Fixed Deposits Maturity	1,400	-
Purchase of Fixed Assets	(301)	(23)
Interest Income	118	125
	-	-
Net Cash Flow from Investing Activities	1,907	1,390
Cash Flow From Financing Activities		
Long Term Loan Repaid-Secured	(411)	(372)
Short Term Loan Taken-Secured	37,608	18,000
Issue of Share Capital	1,000	-
Short Term Loan Given	(1,200)	-
Short Term Loan Repaid-Secured	(31,659)	(31,296)
Inflow/(Outflow) of Security Deposit	(2,000)	29,000
Issue of 0% Compulsorily Convertible Preference Shares	-	11,250
Interest and Financial Charges	(2,054)	(1,642)
	-	-
Net Cash Flow from Financing Activities	1,284	24,940
Net Increase in Cash and Cash Equivalents	1,352	(147)
Cash and Cash Equivalents at the beginning of the Year *	931	1,078
Cash and Cash Equivalents at the close of the Year *	2,283	931
* Cash and Cash Equivalents comprise of :		
Cash in hand	319	351
Balance in current account	384	580
In Deposit Accounts with Less than 12 months ¹	1,580	-
	-	-
Total	2,283	931

Note:-

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements.

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

For and on behalf of the Board of Directors
KJMC Financial Services Limited

I.C.Jain
Chairman
DIN: 00178901

Rajesh Jain
Whole Time Director
DIN: 00151988

Sachin A Negandhi
Partner
Membership No. 112888

Kartik Konar
Chief Financial
Officer

Sankari Muthuraj
Company Secretary

Place : Mumbai
Date : 19-05-2016

Place : Mumbai
Date : 19-05-2016

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2016**

Company Overview:

KJMC Financial Services Limited is a flagship company of the KJMC Group domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in non banking financial operations without accepting public deposits and is regulated by the provisions of Reserve Bank of India Act, 1934.

Note No. : 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard 21 (Consolidated Financial Statements).

1.2 Principle 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 KJMC Assets Management Company Limited and KJMC Investment Trust Company Limited & KJMC Trading & Agency Limited. The effect of intercompany transactions and balances are eliminated in consolidation.

The excess of the cost to the Company of its investment in subsidiary over the Company's portion of equity of the subsidiary as at the date on which investment in subsidiary is made, is recognized in the financial statement as Goodwill. The excess of Company's share of equity and reserve of the subsidiary over the cost of acquisition is treated as Capital Reserve.

Investment in Associate Companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in Company's share of net assets of the Associate. The carrying amount of investment in Associate Companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for investment individually.

1.3 Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made which 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/ materialized.

1.4 Investments

Current Investments: Current investments are valued at the lower of cost arrived on weighted average basis or fair value.

Non Current Investments: A provision is made for diminution other than temporary in nature. These are intended to be held for a period of more than one year from the date of the investment and are valued at cost. The cost is determined on weighted average method basis.

1.5 Fixed Assets and Depreciation

(i) Tangible Fixed Assets:

Tangible Fixed Assets are stated at cost, net off accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing cost of capitalization and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation is provided under the written down value method, at the rates and in the manner prescribed under Schedule II of the Companies Act, 2013.

(ii) Intangible Fixed Assets:

Intangible Fixed Assets are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are recognized at cost less accumulated amortization. Intangible assets are amortized systematically on straight line basis over its useful life of 3 years.

1.6 Taxation

Tax expense comprises of current and deferred tax. Current Income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.7 Revenue Recognition:

Revenue from Professional fees & Consultancy charges, Income from Brokerage & interest on loans and Inter Corporate Deposits and lease rent are recognized as and when there is reasonable certainty of its ultimate realization and on completion of the assignment.

Non Performing Assets

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

Dividend:

Dividend Income is recognized when the Company's right to receive is established by the reporting date.

1.8 Foreign Currency Transactions

Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transactions.

Foreign currency denominated monetary assets & liabilities outstanding at the year end are translated at the year end exchange rate and unrealized exchange gain or loss is recognized in the Statement of Profit and Loss.

Realized exchange gain/loss on foreign transactions during the year is recognized in the Statement of Profit and Loss.

1.9 Derivative Transactions:

In accordance with the ICAI announcement, derivatives contract are marked to market on a portfolio basis, and the loss if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit & Loss.

1.10 Stock in Trade:

Stocks of shares are valued at the lower of cost arrived on weighted average basis or fair value.

1.11 Employee Benefits:

- Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.
- 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.
- Leave Encashment is not provided for on actuarial basis in view of the employees being less than 10 and the same is charged on actual basis.

1.12 Provisions, Contingent Liabilities & Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past event and it is probable that there will be outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

1.13 Earnings per Share:

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(₹ in '000')		
Particulars	For the 31.03.2016	For the 31.03.2015
Note - 2: Share Capital		
Authorised:		
Amount of Shares: 3,50,00,000 (Previous Year: 3,50,00,000) Equity Shares of ₹ 10/- each	350,000	350,000
85,000 (Previous Year: 85,000) Redeemable Preference shares of ₹ 100/- each	8,500	8,500
1,15,000 (Previous Year: 1,15,000) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each	11,500	11,500
13,00,000 (Previous Year: 13,00,000) Preference Shares of ₹ 100/- each	130,000	130,000
	500,000	500,000
Issued and Subscribed :		
44,85,740 (Previous Year: 39,10,740) Equity Shares of ₹ 10/- each fully paid up	44,857	39,107
30,000 (Previous Year: 87,500) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each fully paid up	3,000	8,750
	47,857	47,857
Paid up:		
44,85,740 (Previous Year: 39,10,740) Equity Shares of ₹ 10/- each fully paid up	44,857	39,107
30,000 (Previous Year: 87,500) 0% Compulsorily Convertible Preference Shares of ₹ 100/- each fully paid up	3,000	8,750
	47,857	47,857

(₹ in '000')

Reconciliation of Shares outstanding at the beginning and at the end of the year

Equity Shares of ₹ 10 each	2015-16		2014-15	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	3,910,740	39,107	3,485,740	34,857
Add: Issued during the year	-	-	-	-
Add: Shares Issued out of conversion of Preference shares during the year	575,000	5,750	425,000	4,250
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,485,740	44,857	3,910,740	39,107

0% Compulsorily Convertible Preference Shares of ₹ 100 each	2015-16		2014-15	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	87,500	8,750	85,000	8,500
Add: Shares Issued during the year	-	-	45,000	4,500
Less: Shares converted to Equity Shares during the year	57,500	5,750	42,500	4,250
Shares outstanding at the end of the year	30,000	3,000	87,500	8,750

(b) Terms and Rights attached to Equity Shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms and Rights attached to Preference Shares:

The Company has issued only one class of Preference Shares, namely 0% Compulsorily Convertible Preference Shares having par value of ₹ 100 each per share. No voting rights are attached to Preference Shares. On conversion of these Preference Shares into Equity Shares, the shareholder shall be entitled to one vote per share. One Preference Share is convertible into Ten Equity Shares.

45,000 0% Compulsorily Convertible Preference Shares issued in the Financial Year 2014-15 out of which 15,000 0% CCPS are converted in the Financial year 2015-16 and balance are convertible into Equity Shares within eighteen months from the date of allotment i.e. 25th March, 2015.

(d) Details of Shareholders holding more than 5% shares in the Company:

Equity Shares of ₹ 10 each	As at 31 March 2016		As at 31 March 2015	
	No of Shares	Amount	No of Shares	Amount
Inder Chand Jain	1,221,354	27.23%	1,221,354	31.23%
KJMC Corporate Advisors (I) Ltd.	850,000	18.95%	425,000	10.87%
I. C. Jain HUF	267,065	5.95%	267,065	6.83%

0% Compulsorily Convertible Preference Shares of ₹ 100 each	As at 31 March 2016		As at 31 March 2015	
	No of Shares	Amount	No of Shares	Amount
KJMC Corporate Advisors India) Ltd.	10,000	33.33%	52,500	60.00%
KJMC Shares & Securities Ltd.	9,500	31.67%	24,500	28.00%
Chand Devi Jain	10,500	35.00%	10,500	12.00%

Particulars	As At 31.03.2016	As At 31.03.2015
Note - 3: Reserves and Surplus		
Securities Premium Account :		
As per last balance sheet	14,410	7,660
Add : Received during the year	-	6,750
Less: Deduction during the year	-	-
Closing Balance	14,410	14,410
General Reserve :		
As per last balance sheet	2,373	2,327
Add : Addition during the year	158	45
Less: Deduction during the year	-	-
Closing Balance	2,531	2,373
Capital Redemption Reserve :		
As per last balance sheet	49,900	49,900
Add : Addition during the year	-	-
Less: Deduction during the year	-	-
Closing Balance	49,900	49,900
Special Reserve :		
As per last balance sheet	7,119	6,757
Add : Addition during the year	1,263	362
Less : Deduction during the year	-	-
Closing Balance	8,382	7,119
Surplus/(Deficit) in the statement of profit and loss :		
Balance brought forward from last year	18,317	16,739
Less:		
Fixed Assets not having remaining useful life as on 1st April, 2014	-	(208)
Add:		
Profit for the period	6,319	2,193
Amount available for appropriation	24,636	18,724
Less : Appropriations		
a) Special Reserve *	1,263	362
b) General Reserve	158	45
Balance carried forward	23,215	18,317
Total	98,438	92,118

* 20% of the Net Profit After Tax is transferred to Special Reserve as required u/s 45 IC of RBI Guidelines, 1934.

Particulars	Non-Current Maturities		Current Maturities	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Note - 4: Long Term Borrowings				
Term Loans				
From Bank (Secured):	-	-	-	-
From other (Secured):				
Vehicle Loan	371	826	454	411
(Refer Additional Information below)				
Amount disclosed under the head "Other Current Liabilities" (Refer Note-8)			(454)	(411)
NET AMOUNT	371	826	-	-

Additional Information:

Vehicle Loan

Particulars	Amount of Loan (₹ In '000)	Interest rate % p.a	Installment Amount (₹ In '000)	No. of Outstanding Installments as on date
Secured by Vehicle bought under loan and repayable in 36 Equated monthly installments	2007	9.96	43	21

Particulars	As At 31.03.2016	As At 31.03.2015
	(₹ in '000')	(₹ in '000')
Note 5: Other Long Term Liabilities (Unsecured)		
Security Deposits		
Others	10,247	12,247
	10,247	12,247
Note - 6: Long Term Provision		
Provision for Ex- Gratia	147	-
	147	-

Note -10: Fixed Assets -Tangible

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2015	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31.03.2016	AS at 01.04.2015	Provided during the year	Deductions/ Adjustments during the year	AS at 31.03.2016	AS at 31.03.2016	AS at 31.03.2015
Building	10,849	-	-	10,849	7,502	611	-	8,113	2,736	3,347
Furniture & Fixture	6,646	-	-	6,646	6,467	48	-	6,515	131	180
Computers	61	257	-	318	60	117	-	177	141	1
Office Equipments	2,140	44	-	2,184	2,058	65	-	2,123	61	82
Vehicles	2,792	-	-	2,792	1,685	514	-	2,199	593	1,107
Total (A)	22,488	301	-	22,789	17,772	1,355	-	19,127	3,662	4,716
Previous year	22,465	23	-	22,488	15,551	2,221	-	17,772	4,716	-
Fixed Assets - Intangible										
Computer Software	36	-	-	36	36	-	-	36	-	-
Total (B)	36	-	-	36	36	-	-	36	-	-
Previous year	36	-	-	36	36	-	-	36	-	-
Total (A+B)	22,524	301	-	22,825	17,808	1,355	-	19,162	3,662	4,716
Previous year	22,501	23	-	22,524	15,587	2,221	-	17,808	4,716	-

Sr No.	Particulars	FV (₹)	As at 31.03.2016		As at 31.03.2015	
			Qty (Nos)	Amount	Qty (Nos)	Amount
	Note - 11 : Non-Current Investments					
	Non-Trade -Quoted					
	Investment in Equity Shares					
1	Allcargo Logistics Ltd	2	5,000	785	-	-
2	Amtek Auto Ltd	2	12,500	558	-	-
3	B L Kashyap & Son Ltd	1	82,072	1,168	-	-
4	Bajaj Finserv Ltd	5	-	-	250	330
5	Dhanuka Agritech Ltd	2	-	-	4,500	894
6	Dynamatic Technologies Ltd	10	-	-	35	51
7	EssDee Aluminium Ltd	10	5,000	897	-	-
8	Essel Propack Ltd	2	-	-	9,000	655
9	Everest Kanto Cylinder Ltd	2	-	-	2,000	344
10	Federal Mogul Goetze (India) Ltd	10	-	-	2,000	395
11	Finolex Cables Ltd	2	-	-	28,000	1,492
12	FirstSource Solution Ltd	10	5,000	191	-	-
13	Global Offshore Services Ltd	10	-	-	3,657	322
14	Hotline Glass Ltd	10	37,549	0	37,549	0
15	IL&FS Engineering and Construction Company Ltd	10	-	-	2,000	80
*16	JBF Industries Ltd	10	6,500	1,536	-	-
17	JHS Svendgaard Laboratories Ltd	10	50,000	714	-	-
18	KDL Biotech Ltd.	10	10	0	10	-
19	Menon Pistons Ltd	10	51,100	6,633	-	-
20	Multi Commodity Exchange Ltd.	10	-	-	1,000	759
21	Muthoot Finance Ltd	10	-	-	25,000	4,767
22	N2N Technologies Limited	10	5,000	261	-	-
23	Om Metals & Infraprojects Ltd	1	-	-	5,000	426
24	Omkar Speciality Chemicals Ltd	1	4,500	862	-	-
25	Pennar Industries Ltd	5	-	-	2,500	117
**26	Poly Medicure Ltd. (Share)	10	634,895	77,422	613,083	68,659

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(₹ in '000')

Sr No.	Particulars	FV (₹)	As at 31.03.2016		As at 31.03.2015	
			Qty (Nos)	Amount	Qty (Nos)	Amount
27	Polylink Polymers (I) Ltd	5	61,411	495	-	-
28	Quick Heal Technologies Ltd	10	21,320	6,894	-	-
29	Radha Madhav Corporation Ltd	10	-	-	20,498	525
30	Reliance Infrastructure Ltd	10	-	-	1,150	1,625
31	Sanghi Industries Ltd	10	-	-	1,865	115
32	Shasun Pharmaceuticals Ltd	2	-	-	28,000	3,034
33	Shree Ram Urban Infrastructure Ltd	10	4,701	240	-	-
34	Shree Vindhya Paper Mills Ltd	10	1	0	1	0
35	SRF Ltd	10	225	289	-	-
**36	Styrolution ABS (India) Ltd	10	2,000	778	3,378	1,314
37	Ujaas Energy Ltd	1	-	-	20,000	629
38	Zicom Elect Sec Sys Ltd	10	3,100	241	-	-
	SUB-TOTAL (A)			99,964		86,533
	Non-Trade -Unquoted					
	Investment in Equity Shares					
A	In Associates					
1	KJMC Platinum Builders Private Limited	10	65,300	589	65,300	574
2	KJMC Realty Private Limited	10	4,000	-	4,000	-
3	KJMC Investment Co	-	-	500	-	-
				1,089		574
B	In other companies					
	1 Prime Pictures Limited	10	25,000	-	25,000	-
	SUB-TOTAL (B)			1,089		574
	TOTAL (A + B)			101,052		87,107
Aggregate amount of quoted Investment				99,964		86,533
Aggregate Market Value of quoted Investment				197,863		343,770
Aggregate amount of unquoted Investment				1,089		574
Aggregate provision for diminution in value of investments				NIL		NIL

* These Investments are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 7)

** 120,000 Shares of Poly Medicare Ltd & 1900 Shares of Styrolution ABS (India) Ltd are Pledged as security for Loan from Non-Banking Financial Company (Refer Note - 7)

(₹ in '000')

Particulars	As At 31.03.2016	As At 31.03.2015
Note - 12: Deferred Taxation		
Deferred Tax Asset		
Business Loss	2,910	2,910
Unabsorbed Depreciation	409	409
Unabsorbed Long Term Capital Loss	11,388	11,388
	14,707	14,707
Deferred Tax Liability		
Fixed Assets	66	211
	66	211
Deferred tax Asset/(liability)-Net	14,641	14,496
Note 13 : Long Term Loans and Advances		
Advances recoverable in cash or kind or for value to be received	2	2
Unsecured, considered good		
Security Deposits		
Unsecured, considered good	25,729	25,929
Advance Income Tax	2,499	2,117
Less: Provision for Taxation	(1,116)	(1,076)
MAT credit Entitlement	1,145	1,173
Total	28,259	28,145
Note 14 : Other Non Current Assets		
Other Bank Balances	-	1,400
- In Deposit Accounts with more than 12 months' maturity (Refer Note - 16)		
Other	40	-
	40	1,400

(₹ in '000')

Particulars	As at 31.03.2016		As at 31.03.2015	
	Qty (Nos)	Amount	Qty (Nos)	Amount
Note - 15: Current Investments				
Non Trade-Quoted				
Investment in Mutual Funds				
1 SBI Premier Liquid Fund	5,918	14,000	6,309	13,800
2 HDFC Liquid Fund	-	-	4,179	108
TOTAL		14,000		13,908
Aggregate amount of quoted Investment		14,000		13,908
Aggregate Market Value of quoted Investment		14,062		13,967
Aggregate amount of unquoted Investment		NIL		NIL
Aggregate provision for diminution in value of investments		NIL		NIL

(₹ in '000')

Particulars	As At 31.03.2016	As At 31.03.2015
Note - 16: Cash and Bank Balances		
Cash & Cash Equivalents		
Cash in Hand	319	351
Balance with Banks		
- In Current Accounts	384	580
	703	931
Other Bank Balances		
- On Deposit Accounts		
With Less than 12 month's maturity	1,580	-
With more than 12 month's maturity	-	1,400
Amount disclosed under the head (Refer Note - 14)	-	(1,400)
	2,283	931
Note 17: Short Term Loans and Advances		
Advances recoverable in cash or kind or for value to be received	76	71
Unsecured, considered good		
Related Parties :		
- Unsecured		
Loans to Related Party	1,200	4,100
Others	-	-
Loan to Employees	147	-
Loans to Others (Unsecured)	3,513	5,500
	4,936	9,671
Note 18: Other Current Assets		
Others		
Accrued Interest	8	9
	8	9
Note 19: Revenue from Operations		
Interest Income	1,484	919
Profit on Sale of Investments, Futures & Options (Net)	15,067	9,648
Bad Debts Written Back	-	1,750
Dividend Income	6,408	1,504
	22,959	13,821
Note 20: Other Income		
Reversal of Provision of Standard/Sub -Standard Assets	11	69
Compensation for Use of Office & Common Facilities	600	785
Interest Income	118	123
Other	8	2
	737	979

(₹ in '000')

Particulars	As At 31.03.2016	As At 31.03.2015
Note 21: Employee Benefit Expenses		
Salaries	6,465	4,365
Contribution / provisions to provident, Gratuity and other provisions.	386	255
Staffwelfare Expenses	152	63
	7,003	4,683
Note 22: Finance Costs		
Interest to other	1,044	360
Interest to Bank	980	1,159
Bank Charges	30	123
	2,054	1,642
Note 23: Other Expenses		
Advertisement	104	105
Auditors Remuneration (for break up refer below)	174	158
Brokerage	-	150
Business Promotion Expenses	317	81
Electricity Expenses	285	38
Infrastructural Support Service Expenses	312	307
Insurance Expenses	307	52
Legal Expenses	49	33

(₹ in '000')

Particulars	As At 31.03.2016	As At 31.03.2015
Listing Fees	225	112
Miscellaneous expenses	649	535
Motor Car Expenses	110	113
Office Maintenance & Utility Expenses	400	313
Postage & Telegram	77	153
Printing & Stationery	209	286
Processing Fees	-	112
Professional Fees	639	380
Provision for Standard Assets	-	24
Rent	1,800	600
Repairs & Maintenance (Others)	200	265
Subscription & Membership	363	283
Travelling Expenses	892	941
	7,112	5,041
As Auditor		
As Statutory Auditor	81	86
For Taxation matters	10	10
For Limited Review	67	45
For reimbursement of expenses/Service Tax	16	17
	174	158

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

24. Contingent Liabilities

Claims against the Company not acknowledged as debt

There is income tax demand of ₹ 400 (in '000') & ₹ 392 (in '000') in respect of income tax for assessment year 2012-13 & assessment year 2013-14 against which appeal has been filed with CIT (A). The management expects matter to be decided in favor of the Company in the appellate process. The management accordingly believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations.

25. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ NIL (Previous Year ₹ NIL)

26. Earnings per Share:

Particulars	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Net Profit / (Loss) after Taxation (₹ in '000)	6,321	2,192
Less : Preference Dividend and Tax thereon	-	-
Net Profit/(Loss) for calculation of EPS (₹ in)	6,321	2,192
The weighted average Number of Equity Share (Nos.)- (Basic)	43,97,521	37,81,699
The weighted average Number of Equity Share (Nos.)- (Diluted)	47,85,740	46,56,699
Face value (₹)	10	10
Earnings per Share (Basic)	1.44	0.58
Earnings per Share (Diluted)	1.32	0.47

27. Earnings in Foreign Currency ₹ Nil (₹ Nil)

Expenditure in Foreign Currency C.Y. ₹ 693 ('000') P.Y. ₹ 843('000')

28. Related party disclosures under Accounting Standard 18:

List of related parties

a) Key Management Personnel

Rajnesh Jain (Whole Time Director)
Kartik Konar – Chief Financial Officer
Sankari Muthuraj – Company Secretary

b) Relatives of Whole Time Director

Inderchand Jain - Father
Chanddevi Jain - Mother
Girish Jain - Brother
Shraddha Rajnesh Jain - Wife

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

KJMC Corporate Advisors (India) Limited	KJMC Capital Market Services Limited
KJMC Shares and Securities Limited	KJMC Credit Marketing Limited
KJMC Commodities Market India Limited	Puja Trades & Investments Pvt Ltd (Formerly Known as Puja Impex Private Limited)
KJMC Mutual Fund	Prathmesh Enterprises Private Ltd

d) Associates

KJMC Platinum Builders Private Limited	KJMC Realty Private Limited
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28TH ANNUAL REPORT 2015-2016

Transactions during the year with related parties

(₹ in 000's)

Sr. No.	Nature of Transactions with related parties	Associates		Key Management Personnel and their Relatives		Enterprises over which key management personnel/relatives are able to exercise significant influence	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1	Interest Income Prathmesh Enterprises Pvt Ltd Rajnish Jain KJMC Investment Co	- - -	- - -	- 119 -	- - -	222 - 28	395 - -
2	Interest Expenses KJMC Platinum Builders Pvt Ltd	-	-	-	-	190	-
3	Board Meeting Fees Inderchand Jain Aditi Jain Girish Jain	- - -	- - -	20 12 7	- - -	- - -	- - -
4	Salary and Perquisites Rajnish Jain	-	-	2,654	1,474	-	-
5	Deposit Received Inderchand Jain	-	-	100	-	-	-
6	Deposit Repaid Inderchand Jain KJMC Capital Market Services Ltd Puja Trades & Investments Pvt Ltd	- - -	- - -	100 - -	- - -	- 2,000 200	- - 200
7	Loan given to Borrower Rajnish Jain Kartik Konar (Against Salary) Prathmesh Enterprises Pvt Ltd KJMC Investment Co	- - - -	- - - -	7,100 200 - -	- - - -	- - 4,000 1,200	- - 17,050 -
8	Repayment of Loan by Borrower Rajnish Jain Kartik Konar Prathmesh Enterprises Pvt Ltd	- - -	- - -	7,100 60 -	- - -	- - 8,100	- - 12,950
9	Loan Taken KJMC Platinum Builders Pvt Ltd	-	-	-	-	9,450	-
10	Loan Repaid KJMC Platinum Builders Pvt Ltd	-	-	-	-	9,450	-
11	Rent Income KJMC Capital Market Services Ltd KJMC Corporate Advisors (India) Ltd	- -	- -	- -	- -	570 30	760 25
12	Rent Paid KJMC Capital Market Services Ltd	-	-	-	-	312	307
13	Brokerage Charges KJMC Capital Market Services Ltd	-	-	-	-	-	471
14	Depository Charges KJMC Capital Market Services Ltd	-	-	-	-	34	25
15	Service Received KJMC Shares and Securities Limited	-	-	-	-	225	-
16	Reimbursement of Expenses Paid KJMC Corporate Advisors (India) Ltd	-	-	-	-	16	209
17	Issue of 0% Compulsorily Convertible Preference Shares KJMC Corporate Advisors (India) Ltd KJMC Shares and Securities Limited Chanddevi Jain	- - -	- - -	- - -	- - -	- - -	2,500 6,125 2,625
18	Balances in Investment in Associates KJMC Platinum Builders Pvt. Ltd. KJMC Realty Pvt. Ltd.	653 40	653 40	- -	- -	- -	- -
19	Net Receivables Prathmesh Enterprises Pvt Ltd (Loan) Kartik Konar (Loan Against Salary) Puja Trades & Investments Pvt Ltd (Security Deposit) KJMC Investment Co (Loan)	- - - -	- - - -	140 - - -	- - - -	- - 24,200 1,200	4,100 - 24,400 -
20	Net Payables KJMC Capital Market Services Ltd (Security Deposit) KJMC Mutual Fund (Loan)	- -	- -	- -	- -	10,000 246	12,000 246
21	Security and Corporate Guarantee given by Puja Trades & Investments Pvt Ltd (Refer Note No. 7)	-	-	-	-	30,000	30,000

29. List of Subsidiaries considered in the consolidated financial statements are:

Sr. No.	Name of Subsidiary	Country of Incorporation	Ownership Interest	
			31.03.2016	31.03.2015
1.	KJMC Asset Management Company Limited	India	100%	100%
2.	KJMC Investment Trust Company Limited	India	100%	100%
3.	KJMC Trading & Agency Ltd	India	100%	NA

30. Additional information:

(₹ in 000's)

Name of the Entity	Net Assets , i.e. , total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Parent : KJMC Financial Services Ltd	101.11	1,47,921	99.89	6312
Subsidiaries -				
Indian				
1 KJMC Asset Management Co Ltd	69.08	101,056	(0.51)	(32)
2 KJMC Investment Trust Co Ltd	0.98	1,430	0.54	34
3 KJMC Trading & Agency Ltd	0.68	993	(0.11)	(7)
Minority interest in all subsidiaries	-	-	-	-
Associates (Investment as per the equity method) –				
Indian				
KJMC Platinum Builders Pvt Ltd	-	-	-	14
Joint Ventures	-	-	-	-

31. 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.
32. 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 K.S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No: 100186W

Sachin A Negandhi

Partner

Membership No. 112888

Place : Mumbai

Date : 19th May 2016

For and on behalf of the Board of Directors

KJMC Financial Services Limited

I.C.Jain

Chairman

DIN: 00178901

Rajnesh Jain

Whole Time Director

DIN: 00151988

Kartik Konar

Chief Financial Officer

Place : Mumbai

Date : 19th May 2016

Sankari Muthuraj

Company Secretary

KJMC FINANCIAL SERVICES LIMITED

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

PROXY

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L99999MH1988PLC047873
 Name of the Company : KJMC FINANCIAL SERVICES LIMITED
 Registered office : 162, 16th Floor, Atlanta, Nariman Point, Mumbai- 400021
 Name of the member (s) : _____
 Registered address : _____
 Email ID : _____
 Folio No/Client ID/DP ID : _____

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

(1) Name : _____ Address : _____
 Email Id : _____ Signature : _____ or failing him
 (2) Name : _____ Address : _____
 Email Id : _____ Signature : _____ or failing him
 (3) Name : _____ Address : _____
 Email Id : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the company, to be held on Saturday, September 10, 2016 at 10.45 a.m. at Mumbai- S. K. Somani Memorial Hall, Hindi Vidya Bhawan, 79 - Marine Drive, "F" Road, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	Ordinary Business		
1.	Adoptions of Standalone and Consolidated Financial Statements for the financial year ended March 31, 2016 and the Directors' and Auditors' Reports thereon.		
2.	Re-appointment of Mr. Rajnesh Jain, (DIN: 00151988), who liable to retire by rotation.		
3.	Ratification of Appointment of M/s. K.S. Aiyar & Co., Chartered Accountants, as Statutory Auditors and fix their remuneration.		
	Special Business		
4.	Revision in the remuneration of Mr. Rajnesh Jain, (DIN: 00151988), Whole Time Director of the Company, w.e.f. April 01, 2016.		

Signed this _____ day of _____ 2016

Affix
Rupee.1
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

**KJMC FINANCIAL SERVICES LIMITED**

Registered Office : 162, Atlanta, 16th Floor, Nariman Point, Mumbai - 400 021.

ATTENDANCE

(To be handed over at the entrance of the Meeting Hall)

28th Annual General Meeting - September 10, 2016

I hereby record my presence at the 28TH ANNUAL GENERAL MEETING of the company held on Saturday, September 10, 2016 at 10.45 a.m. at S.K. Somani Memorial Hall, Hindi Vidya Bhawan, 79 - Marine Drive, "F" Road, Mumbai - 400 020.

Full name of Member (IN BLOCK LETTERS)

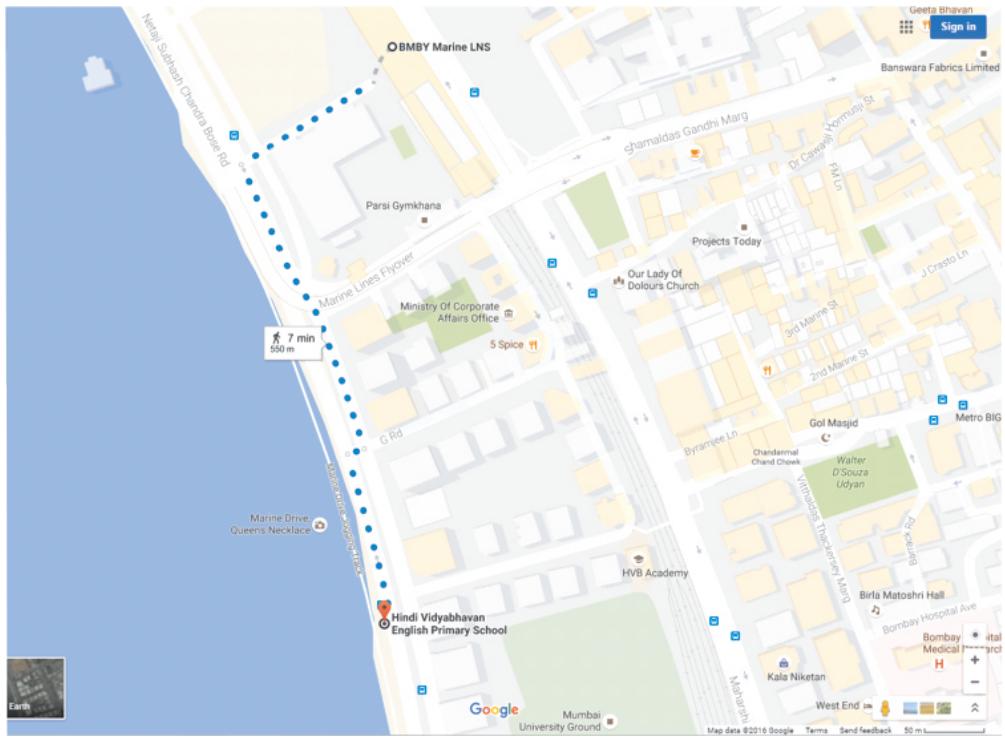
Reg.Folio No./Demat ID

No. of shares held

Full name of Proxy (IN BLOCK LETTERS)

.....
Member's / Proxy Signature**REQUEST TO MEMBERS**

Members are requested to send their question(s), if any, to the Company Secretary/Chief Financial Officer at the Registered Office of the Company, on or before September 05, 2016, so that the answers/details can be kept ready at the Annual General Meeting.





To,



KJMC
ADVICE MATTERS

If Underlivered Please Return To:

KJMC FINANCIAL SERVICES LIMITED

Registered Office: 162, Atlanta, 16th Floor,
Nariman Point, Mumbai – 400 021.

Tel : 91-22-22832350, 22885201, 4094 5500

Fax : 91-22-22852892

Email : investor.finance@kjmc.com, Website : www.kjmc.com