



# **B.R SOBTI & CO.**

## **CHARTERED ACCOUNTANTS**

### **INDEPENDENT AUDITOR'S REPORT**

#### **To The Members of**

#### **JKB FINANCIAL SERVICES Limited**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of JKB FINANCIAL SERVICES Limited, Jawhar Nagar, Srinagar, Kashmir "The Company" which comprise the Balance Sheet as at March 31, 2024, the statement of Profit & Loss and Statement of Cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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 31st March, 2024, and its profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.







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### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: -

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.







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Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2024;

- (a) In the Case of Profit & Loss Statement for the period ended as at March 31, 2024:
- (b) In the case of Cash flow Statements for the year ended as at March 31, 2024.







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### **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 the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

**2.** As required by Section 143(3) of the Act, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow

dealt with by this Report are in agreement with the books of account

d. In our opinion, the Balance Sheet, and the Statement of Profit and Loss statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

e. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 274(1) (g) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements 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 does not have any pending litigations as at the close of the year;

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 which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend





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or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iv) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iv) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv) (b) of Rule 11(e) as provided above contain any material mis-statement.

v) The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

For B.R SOBTI & CO.  
CHARTERED ACCOUNTANTS

CA. Ishtiyag Ahmad  
(Partner)  
M No. 531986  
FRN 0000449N



Place: - Srinagar

Dated: - 29/04/2024

UDIN:- 24531986BKCSBA5005





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### **Annexure "A" to the Independent Auditor's Report**

**'Report on other legal and regulatory requirements' section of our report to the members of JKB FINANCIAL SERVICES LIMITED of date**

i) In respect of the Company's Property, Plant & Equipment:

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & equipment and Capital Work in Progress

(b) Some of the Property, Plant and Equipment and capital work-in-progress were physically verified during the year by the Management in accordance with a program of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment and capital work-in-progress at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the records, we report that, the company does not own any the immovable properties of land and buildings (other than the properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment and capital work-in-progress, are held in the name of the Company as at balance sheet date.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.

(e) To the best of our knowledge and according to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) No inventories are held by the company as on 31/03/2024 hence paragraph 3(ii) is not applicable to the company







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(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions and on the basis of security of Fixed Deposits; the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to information and explanation given to us, the company has not made Investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable

(iv) In our opinion and according to the information and explanation given to us, the Company has not entered into any transaction covered under Section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable

(v) According to the information and explanations given to us, the Company has not accepted any deposit or amount which are deemed to be deposit. Hence reporting under clause (v) of the order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, NPS, income-tax, sales- tax, service tax, and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities and there are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the day they became payable.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no statutory dues as mentioned in sub clause (a) which have not been deposited on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(x)







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On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or joint venture.

(x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year

(b) To the best of our knowledge, no report under subsection (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company. Accordingly Point no xii(a), b c is not applicable

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) in our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company

(xv) (a) According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

(b) Whether the Company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of







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India as per the Reserve Bank of India Act 1934 Not Applicable

(c) Whether the Company is a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India? If so, whether it continues to fulfil the criteria of a CIC and In case the Company is an exempted or unregistered CIC, whether it continues to fulfil such criteria- Not Applicable

(xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

### **Annexure B**

The Annexure referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of the company on the financial statements as of and for the year ended 31 March 2024.

#### **Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls with reference to financial statements of JKB Financial Services Limited as of 31<sup>st</sup> March, 2024 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 internal control with reference to financial statement 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 the company's 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







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financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statement.

### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that internal financial controls







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with reference to financial statements 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, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2024, 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.

### Annexure -C

Based on the verification of books of accounts of the company and according to information and Explanation given to us, report is given below on the Direction issued by the Comptroller and Auditor General of India in terms of Section 143 (5) of the Act:

S.No	Directions	Reply
1	Whether the company has system in place to process all the accounting Transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	During the course of our audit, we have observed that all accounting transactions have been routed through the back-office system. Financial statement are drafted on the basis of the data Extracted from the above mentioned back-office system. No Such transactions have been observed which have an impact on the integrity of the accounts along with financial implications proposed outside IT system
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the Company's inability to repay the loan? If Yes, the financial impact may be stated. Whether such cases are properly accounted for?	On the scrutiny of the books and explanations given by the company, we have not noticed any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions?	According to information and explanations given to us and based on our audit, the Company has not received any funds from Central/State Government or its agencies during the F.Y.2023-24







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Sector specific Sub-directions under section 143(5) of the Companies Act, 2013

S.No	Directions	Reply
1	Whether the company has complied with the directions issued by Reserve Bank of India for • Non- Banking Finance Companies (NBFC's) • Classification of non-performing assets; and • Capital adequacy norms for NBFCs.	Not Applicable
2	Whether the company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on mortgage assets. Further instances of undue delay in disposal of Seized units may be reported.	During the course of audit, we have noticed that the company has not given any loan during the F.Y.2023-24..
3	Whether the introduction of any scheme for settlement of dues and extension thereto complied with policy/ guidelines of the Company/ Government	According to the information and explanation given to us and based on the audits conducted by us, the company has not introduced any scheme of the central government for settlement of dues and extension of thereto
4	Comment on the confirmation of balance of trade receivable, trade payables, term Deposits, bank accounts and cash obtained.	As explained to us, balance confirmation for all bank accounts have been taken and the balance of trade receivables consists of DEMAT account charges of very large number of customers with the amount of each individual customer being very small. Hence, it is not possible to get balance confirmation from each small customer. <b>Balance Confirmations on account of Security deposits with NSE, BSE, , NSDL, have not been obtained with the remarks that the balances were lying from the date of registration of company and the balances have remained un changed over the years</b>







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5	Whether the Bank Guarantees have been revalidated in time	No bank guarantee is taken by the company.
6	Examine the system of effective utilization of Loans/ Grant-in-Aid/ Subsidy. List the cases of diversion of fund.	There is no such case of Loans/ Grant-in- Aid/ Subsidy
7	Examine the cost benefit analysis of the major capital expenditure/ expansion Including IRR and payback period.	According to the information and explanation given to us and upon examination of books of accounts, there was no major capital expenditure/expansion That was identified.
8	If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the company is in the electronic format, which of the area such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and the company has evolved proper security policy for data/ software/ hardware.	As per explanations given to us, almost all the areas have computerized by the company such as accounting, pay roll and the company has evolved proper security policy for data/software/ hardware.

For B R SOBTI & CO  
Chartered Accountants  
FRN 000449N



CA. Ishtiyaq Ahmad Wani  
Partner

Membership No. 531986

Place: Srinagar

Date: 29/04/2024

UDIN:- 24531986BKCSBA5005



# JKB FINANCIAL SERVICES LIMITED

Main Road, Jawahar Nagar, Srinagar.  
BALANCE SHEET AS AT 31ST MARCH, 2024.

Particulars	Note	Figures as on 31.03.2024	Figures as on 31.03.2023
		Amount in Lakhs	Amount in Lakhs
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	4,000.00	4,000.00
(b) Reserves and Surplus	2	353.03	89.02
		-	-
<b>(2) Share Application money pending allotment</b>	3	-	-
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Non Current liabilities	4	3.22	2.21
(d) Provision for employee benefits	5	13.00	-
		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	591.45	784.00
(b) Trade Payables	7	31.33	31.10
(c) Other Current Liabilities	8	3,013.43	701.77
(d) Short-Term Provisions	9	199.73	45.40
<b>Total Equity &amp; Liabilities</b>		<b>8,205.19</b>	<b>5,653.49</b>
		-	-
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	10	-	-
<b>1. Tangible Assets</b>			
(i) Gross Block		182.89	171.73
(ii) Depreciation		158.08	150.88
(iii) Net Block		24.81	20.85
<b>2. In- Tangible Assets</b>			
(i) Gross Block		68.40	65.90
(ii) Depreciation		65.91	65.36
(iii) Net Block		2.49	0.54
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	11	13.98	4.72
(d) Long term loans and advances (Security Deposits)	12	2,482.43	245.22
		-	-
<b>(2) Current Assets</b>			
(a) Trade Receivables	13	91.38	127.80
(b) Inventories		-	-
(c) Cash and cash equivalents	14	3,065.59	3,075.66
(d) Short-term loans and advances		-	-
(e) Other current assets	15	2,524.51	2,178.70
		-	-
<b>Total Assets</b>		<b>8,205.19</b>	<b>5,653.49</b>

## NOTES TO ACCOUNTS AND ACCOUNTING POLICIES

Notes referred to above and attached there to form an integral part of Balance Sheet

22

Syed Rais Maqbool  
Director

Mohammad Muzaffar Wani  
Director

Syed Aadil Bashir  
Managing Director

Ashiq Hussain Sheikh  
Chief Financial Officer

Mudassir Ahmad Padder  
Company Secretary

Place: Srinagar  
Date: 29/04/2024

This is the Balance Sheet referred to in our Report of even date.

FOR B R SOBTI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No.: 000449N

CA Ishtiyah Ahmad  
Membership No.: 531986  
Place: Srinagar  
Date: 29/04/2024





# JKB FINANCIAL SERVICES LIMITED

Main Road, Jawahar Nagar, Srinagar.

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2024.

S. No.	Particulars	Note	Figures for Period Ended Mar 2024	Figures for Period Ended Mar 2023	Figures for Quarter Ended Mar 2024	Figures for Quarter Ended Mar 2023
			Amount in Lakhs	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs
I	Revenue from Operations	16	1,326.55	941.81	444.87	248.39
II	Other Income	17	188.02	104.59	42.82	45.91
III	<b>Total Income (I + II)</b>		<b>1,514.57</b>	<b>1,046.40</b>	<b>487.69</b>	<b>294.30</b>
IV	<b>Expenses:</b>					
	Employee Benefit Expense	18	789.83	533.35	228.80	150.90
	Financial Costs		18.71	52.44	1.61	12.59
	Commission Paid to J&K Bank	19	28.21	10.12	7.70	3.60
	Depreciation and Amortization Expense & Written offs	20	7.75	9.27	2.34	2.40
	Other Administrative Expenses	21	319.04	274.05	92.91	69.81
	<b>Total Expenses (IV)</b>		<b>1,163.54</b>	<b>879.24</b>	<b>333.37</b>	<b>239.29</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>351.03</b>	<b>167.16</b>	<b>154.32</b>	<b>55.01</b>
VI	Exceptional Items		-	-	-	-
VII	Profit before extraordinary items and tax (V - VI)		<b>351.03</b>	<b>167.16</b>	<b>154.32</b>	<b>55.01</b>
VIII	Extraordinary Items		-	-	-	-
IX	Profit before tax (VII - VIII)		<b>351.03</b>	<b>167.16</b>	<b>154.32</b>	<b>55.01</b>
X	<b>Tax expense:</b>					
	(1) Current tax		58.59	27.90	25.76	15.21
	(2) MAT Credit Entitlement		37.68	18.22	16.70	-
	(3) Deferred Tax Expense / (Income)		(9.26)	0.38	(2.31)	(0.04)
XI	Profit(Loss) from the period from continuing operations	(IX-X)	<b>264.01</b>	<b>120.66</b>	<b>114.17</b>	<b>39.84</b>
XII	Profit/(Loss) from discontinuing operations		-	-	-	-
XIII	Tax expense of discounting operations		-	-	-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-	-	-
XV	Profit/(Loss) for the period (XI + XIV)		<b>264.01</b>	<b>120.66</b>	<b>114.17</b>	<b>39.84</b>
XVI	Earning per equity share:					
	(1) Basic (Annualised)		0.66	0.38	1.14	0.40
	(2) Diluted (Annualised)		0.68	0.38	1.14	0.40

## NOTES TO ACCOUNTS AND ACCOUNTING POLICIES

22

Notes referred above and attached thereto form an integral part of Profit & Loss Statement

Syed Rais Maqbool  
Director

Mohammad Muzzafar Wani  
Director

Syed Aadil Bashir  
Managing Director

Ashiq Hussain Sheikh  
Chief Financial Officer

Mudassir Ahmad Padder  
Company Secretary

Place: Srinagar  
Date: 29/04/2024

This is the Profit & Loss Statement referred to in our Report of even date.

FOR B R SOBTI & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 000449N

CA Ishtiyaq Ahmad  
Membership No.: 531986  
Place: Srinagar  
Date: 29/04/2024





# JKB FINANCIAL SERVICES LIMITED

Main Road, Jawahar Nagar, Srinagar.

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2024.

Particulars	Period Ended 31st Mar 2024	Period Ended 31st Mar 2023
	Amount in Lakhs	Amount in Lakhs
<b>Cash Flow Operating Activities</b>		
Net Profit After Tax	264.01	120.66
<b>Adjustments for</b>		
1) Depreciation	7.75	9.27
2) Preliminary Expenses	-	-
3) Other Income	(188.02)	(104.59)
Deferred Tax (Credited To P&L Account)	(9.26)	0.38
Operating Profit Before Working Capital Change	74.48	25.72
<b>Change in Working Capital</b>		
Trade & Other Receivables (Increase) / Decrease	(309.39)	(326.16)
Trade & Other Payables Increase / (Decrease)	2,287.68	(323.97)
Net Cash Generated from Operations (A)	2,052.77	(624.41)
<b>Cash Flow Investing Activities</b>		
(Increase) / Decrease In Fixed assets	(13.66)	(4.92)
Other Income	188.02	104.59
(Increase) / Decrease in Security Deposits	(2,237.20)	153.05
Net cash flow from investing activities (B)	(2,062.84)	252.72
<b>Cash Flow Financing Activities</b>		
Increase in Equity Share capital	-	2,000.00
Net Cash Flow Financing Activities (C)	-	2,000.00
<b>Net Increase/ Decrease In Cash and Cash Equivalents (A+B+C)</b>	<b>(10.07)</b>	<b>1,628.31</b>
Opening Cash & Cash Equivalents	3,075.66	1,447.35
Closing Cash & Cash Equivalents	3,065.59	3,075.66

Syed Bais Maqbool  
Director

Mohammad Muzzafar Wani  
Director

Syed Aadil Bashir  
Managing Director

Ashiq Hussain Sheikh  
Chief Financial Officer

Mudassir Ahmad Padder  
Company Secretary

Place: Srinagar  
Date: 29/04/2024

This is the Cash Flow Statement referred to in our Report of even date.

FOR B R SOBTI & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 000449N



CA Ishtiyah Ahmad  
Membership No. : 531986

Place: Srinagar  
Date: 29/04/2024



# JKB FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2024

## Note 1: Share Capital

S. No.	Particulars	Amount in Lakhs	Amount in Lakhs
		Period Ended Mar'24	Period Ended Mar'23
1	<b>AUTHORIZED CAPITAL</b> 4,00,00,000 Equity Shares of Rs. 10/- each.	4,000.00	4,000.00
		4,000.00	4,000.00
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> 400,00,000 Equity Shares of Rs. 10/- each.	-	-
		4,000.00	4,000.00
	<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>

## Note 2: Reserve & Surplus

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
1	Capital Reserve		
2	Revaluation Reserve		
3	Other Reserve		
4	Surplus (Profit & Loss Account)	-	(31.64)
	Balance brought forward from previous year	89.02	(31.64)
	Less: Tax on Regular Assessment Paid	-	-
	Add: Profit for the period	264.01	120.66
	<b>Total</b>	<b>353.03</b>	<b>89.02</b>

## Note 3: Share Application Money pending Allotment

S. No.	Capital Reserve	Period Ended Mar'24	Period Ended Mar'23
1	200,00,000 Equity Shares of Rs. 10/- each.	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

## Note 4: Other Non Current Liabilities

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
1	Client Deposits (NSDL)	2.25	2.06
2	Client Deposits (CDSL)	0.10	0.10
3	Retention Money	0.87	0.04
	<b>Total</b>	<b>3.22</b>	<b>2.21</b>

## Note 5: Provision for employee benefits

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
1	Provision for employee benefits	13.00	-
	<b>Total</b>	<b>13.00</b>	<b>-</b>

## Note 6: Short-Term Borrowing

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
1	Line of Credit Account (CC-995)	1.45	-
2	Secured Overdraft	590.00	784.00
	<b>Total</b>	<b>591.45</b>	<b>784.00</b>

## Note 7: Trade Payables

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
1	Total outstanding dues of micro enterprises and small enterprises	-	-
2	Total outstanding dues of creditors other than micro enterprises and small enterprise	31.33	31.10
	<b>Total</b>	<b>31.33</b>	<b>31.10</b>

## Note 8: Other Current Liabilities

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
1	Holding Company A/c	11.60	2.00
2	Client Control A/C	2,388.84	622.48
3	Stamp Charges JK	-	-
4	Stamp Duty Payable	0.16	0.26
5	Securities Transaction Tax	-	34.49
6	TDS Payable	3.68	1.41





7	TDS on GST Payments	1.02	0.82
8	GST Payable	20.43	8.53
9	Education Cess Payable	-	-
10	Higher Education Cess Payable	-	-
11	Krishi Kalyan Cess Payable	-	-
12	Expenses Payable	45.54	26.95
13	Other Client Payable	0.48	0.48
14	Other Current Liabilities	0.30	0.89
15	Exchange Obligation Account	539.55	-
16	SEBI TOT Charges	1.83	3.46
	<b>Total</b>	<b>3,013.43</b>	<b>701.77</b>

**Note 9: Short Term Provisions**

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
1	Audit Fee Payable	1.35	1.50
2	Provision for Tax Audit & Certification	0.93	1.00
3	Provision for Income Tax	58.59	27.90
4	Provision on account of wage revision	114.00	-
5	Provision on account of Doubtful debt	24.86	15.00
	<b>Total</b>	<b>199.73</b>	<b>45.40</b>





# JKB FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MAR, 2024.

Note 10:

## I. Fixed Assets

S. No.	Particulars	Gross Block				Depreciation				Net Block	
		Value at the beginning of the Year	Addition during the Year	Adjustment during the Year	Value as at End of the Year	Value at the beginning of the Year	Addition during the Year	Adjustment during the Year	Value as at End of the Year	WDV as on 31-03-2023	WDV as on 31-03-2024
I	<b>Tangible Assets</b>										
1.	Computers	97.77	3.70	-	101.47	94.68	2.70	-	97.38	3.09	4.09
2.	Furniture Fixture	35.33	0.75	-	36.08	28.41	1.85	-	30.26	6.92	5.82
3.	Library Books	0.25	0.06	-	0.31	0.21	0.06	-	0.27	0.04	0.04
4.	Mobile Phones	1.75	1.35	-	3.10	1.74	0.27	-	2.01	0.01	1.09
5.	Plant & Machinery	36.63	6.14	3.23	39.54	25.84	2.32	-	28.16	10.80	11.39
6.	Electrical Installation	-	2.39	-	2.39	-	0.00	-	0.00	-	2.38
	Sub-Total	171.73	14.39	3.23	182.89	150.88	7.20	-	158.08	20.85	24.81
II	<b>Intangible Assets</b>										
1.	Software	65.90	2.50	-	68.40	65.36	0.55	-	65.91	0.54	2.49
	Sub-Total	65.90	2.50	-	68.40	65.36	0.55	-	65.91	0.54	2.49
	<b>Total</b>	237.63	16.89	3.23	251.29	216.24	7.75	-	223.99	21.39	27.30





# JKB FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD  
ENDED 31ST MARCH, 2024.

## Note 11: Deferred Tax

S. No.	Particulars	Amount in Lakhs	Amount in Lakhs
		Period Ended Mar'24	Period Ended Mar'23
1	Deferred Tax Asset	13.98	4.72
2	Deferred Tax Liability	-	-
	<b>Deferred Tax Asset (NET)</b>	<b>13.98</b>	<b>4.72</b>

## Note 12: Long Term Loans and Advances

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
	<b>Security Deposit &amp; Margin Deposits</b>		
	<u>Secured, Considered Good :</u>		
1	NSE	150.00	150.00
2	BSE	1.25	1.25
3	CDSL	5.00	5.00
4	NCCL	-	-
5	NSDL-STP	0.10	0.10
6	HCL COMNET	3.00	3.00
7	Additional Surveillance Deposit	2.53	0.10
8	Security Deposits-Others	0.14	0.14
9	Additional Base Capital	2,272.46	-
10	MAT Credit Entitlement	47.95	85.63
	<b>Total</b>	<b>2,482.43</b>	<b>245.22</b>

## Note 13: Trade Receivables

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
1	Bills Receivable Demat (TO)		
2	<u>Demat Receivables:</u>		
	Outstanding for less than 6 months	31.29	49.83
	Outstanding for more than 6 months - Considered good	35.24	53.12
	Outstanding for more than 6 months - Considered Doubtful	24.86	24.86
		0	0
	<b>Total</b>	<b>91.38</b>	<b>127.80</b>

## Note 14: Cash & Cash Equivalent

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
	<b>Bank Balance</b>		
1	HDFC BSE CM Settlement A/c (CA10249)	5.58	6.54
2	HDFC NSE CM Client A/c (CA123)	-	0.20
3	HDFC NSE F&O Client A/c (CA106)	-	0.20
4	HDFC NSE F&O Settlement A/c (CA5428)	83.60	48.32
5	HDFC BSE CM Client A/c (CA140)	-	0.10
6	HDFC NSE Business A/c (CA116)	-	0.68
7	HDFC BSE F&O Client A/c (CA133)	0.10	0.10
8	HDFC BSE F&O Settlement A/c (CA1726)	0.11	0.07
9	HDFC BSE MFSS Settlement A/c (CA11483)	-	0.20
10	HDFC NSE MFSS Settlement A/c (CA15937)	-	0.20
11	HDFC NSE CM Settlement A/c (CA13873)	225.23	70.42
12	HDFC NSE Exchange Dues A/c (CA10337)	6.32	3.96
13	Current A/c (CA0042)	35.70	46.56
14	FSC Branch Expenditure A/c	2.34	0.53
15	FSC Branch Income A/c	0.23	0.08





S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
16	JKBFSL Mutual Fund Income A/c (CA0104)	-	-
17	JKB Recruitment Bank A/c	-	-
18	Head Office Income A/c (CA0092)	20.28	0.15
19	JKBFSL Client A/c (CA0102)	4.79	7.04
20	JK Bank Dividend A/C (CA27863)	-	0.10
21	JKBFSL MTF Account	-	0.05
22	E-Payment of Taxes A/c	2.56	1.41
23	JKB Inter-Co. Adjustment Account	0.00	0.00
24	CLIENT DOWN STREAMING ACCOUNT	-	-
25	Fixed Deposit with J&K Bank	-	-
	(a) Unencumbered and Free	-	-
	(b) Held as security against SOD	1,100.00	1,000.00
26	Fixed Deposit with HDFC Bank	-	-
	(a) Unencumbered and Free	-	-
	(b) Held as security against Exchanges	1,578.75	1,888.75
	<b>Total</b>	<b>3,065.59</b>	<b>3,075.66</b>

**Note 15: Other Current Assets**

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23
1	Exchange Obligation Account	0.75	89.34
2	Interest Receivable	20.16	20.29
3	Additional Margin Deposit (BSE)	10.00	10.00
4	<u>Advance Income Tax/TDS</u>	-	-
	a) On Commission	-	-
	b) On Interest on FDR's	14.22	11.28
	c) Advance Income Tax	-	-
	d) Advance Income Tax (2021-22)	-	-
	e) Advance Income Tax (2022-23)	-	44.00
	f) Advance Income Tax (2023-24)	68.00	-
5	Electronic Cash Ledger	-	-
6	Advance to Suppliers	1.60	1.60
7	Advance to Staff	3.63	5.89
8	Client Control A/C (Dr)	2,385.93	1,980.79
9	PDD Sgr.	0.14	0.14
10	Other Receivables	10.01	6.89
11	Prepaid Expenses/Advance (Others)	10.07	8.48
	<b>Total</b>	<b>2,524.51</b>	<b>2,178.70</b>





# JKB FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD  
ENDED 31ST MARCH, 2024.

## Note 16: Income from operations

S. No.	Particulars	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs	Amount in Lakhs
		Period Ended Mar'24	Period Ended Mar'23	Qtr. Ended Mar'2024	Qtr. Ended Mar'2023
1	Brokerage Income A/C	770.37	510.58	255.20	126.70
2	Demat Income A/c	172.87	121.02	71.42	35.93
3	Other Depository Income A/c	0.01	0.02	0.01	-
4	DP Pool Charges A/c	-	0.37	-	-
5	Pay In Delay Charges A/c	285.24	255.82	87.64	68.30
6	Mutual Fund Commission	97.72	54.00	30.39	17.46
7	Profit on Sale / Disposal of Fixed Assets	-	-	-	-
8	Other Receipts	-	-	-	-
8	Commission on sale of Bank Products	0.33	-	0.21	-
	<b>Total</b>	<b>1,326.55</b>	<b>941.81</b>	<b>444.87</b>	<b>248.39</b>

## Note 17: Other Income

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23	Qtr. Ended Mar'2024	Qtr. Ended Mar'2023
1	Interest Earned on FDR's	177.38	101.94	38.81	45.52
2	Other Receipts	10.64	2.65	4.02	0.39
	<b>Total</b>	<b>188.02</b>	<b>104.59</b>	<b>42.82</b>	<b>45.91</b>

## Note 18: Employment Benefit Expenses

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23	Qtr. Ended Mar'2024	Qtr. Ended Mar'2023
1	Salary A/C	467.09	397.50	120.00	110.78
2	Managerial Remuneration (MD) A/C	34.12	25.38	10.69	8.04
3	Salary (Staff on Deputation)	13.59	29.65	5.35	4.52
4	Performance Linked Incentives	47.88	20.19	17.59	8.44
5	Employer Contribution to NPS	47.46	36.95	12.27	11.27
6	Employee Reimbursement Expenses	32.30	23.68	8.59	7.84
7	Provision For Wage Revision	114.00	-	44.00	-
8	Long term employee benefits	13.00	-	3.00	-
9	Leave encashment expense	19.54	-	7.00	-
10	Employee Life Insurance Premium	0.84	-	0.31	-
	<b>Total</b>	<b>789.83</b>	<b>533.35</b>	<b>228.80</b>	<b>150.90</b>

## Note 19: Commission to J&K Bank

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23	Qtr. Ended Mar'2024	Qtr. Ended Mar'2023
1	Commission paid to J&K Bank on Account Opening	11.68	3.15	2.22	1.31
2	Commission paid to J&K Bank on Mutual Fund Sale	16.53	6.97	5.48	2.29
	<b>Total</b>	<b>28.21</b>	<b>10.12</b>	<b>7.70</b>	<b>3.60</b>

## Note 20: Depreciation & Amortized Cost

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23	Qtr. Ended Mar'2024	Qtr. Ended Mar'2023
1	Depreciation A/c	7.75	9.27	2.34	2.40
2	Preliminary Expenses W/O	-	-	-	-
	<b>Total</b>	<b>7.75</b>	<b>9.27</b>	<b>2.34</b>	<b>2.40</b>

## Note 21: Administrative Expenses

S. No.	Particulars	Period Ended Mar'24	Period Ended Mar'23	Qtr. Ended Mar'2024	Qtr. Ended Mar'2023
1	Membership & Subscription Fee	24.83	20.50	8.88	4.66
2	Rent, Rates & Taxes	45.01	37.92	10.87	5.23
3	Communication & Connectivity Cost	14.82	22.72	4.77	6.86
4	Legal & Professional Charges	5.41	10.55	1.88	2.58
5	Bank Commission & Other Charges	0.20	0.13	0.08	0.03
6	Travelling & Conveyance Expenses	6.67	7.52	1.63	0.86
7	Power & Fuel	14.46	11.47	4.22	3.65
8	Directors Fees, Allowances and Expenses	0.90	1.35	0.15	0.15
9	Stationary & Printing	2.18	1.84	0.63	0.31
10	Payment to Auditors	5.29	5.74	1.70	1.69
11	Office Upkeep & Maintenance Expenses	21.09	17.47	6.21	5.01
12	Wages to outsourced Employees	32.09	-	8.46	-
13	Repairs & Maintenance	6.70	1.54	5.09	0.71
14	Other Administrative Expenses	46.79	41.39	18.63	12.70
15	Postage & Telephone	1.88	2.46	0.47	0.76
16	NSE/BSE Charges	1.21	1.23	0.00	0.29
17	Hospitality & Entertainment (incl. B/L)	6.26	4.01	1.66	1.06
18	Insurance	0.40	0.53	0.10	0.17
19	Training & Certification	0.42	3.82	-	0.48
20	Front / Back-Office Hosting Charges	72.57	66.87	17.47	17.61
21	Provision for Doubtful Debts	9.86	15.00	-	5.00
	<b>Total</b>	<b>319.04</b>	<b>274.05</b>	<b>92.91</b>	<b>69.81</b>







**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR PERIOD  
ENDED MARCH 31<sup>ST</sup>, 2024.**

**NOTE 22**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A. ACCOUNTING METHODOLOGY**

The financial statements are prepared and presented under historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('GAAP') and in compliance with the Accounting Standards ('AS') specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, and the guidelines issued by the Securities and Exchange Board of India to the extent applicable.

**B. USE OF ESTIMATES**

The preparation of financial statements in conformity with Accounting Standards and Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognized in the period in which the results get known/materialised.

**C. REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured following accrual basis and in compliance to the provisions of AS-9 issued by ICAI.

**FIXED ASSETS**

Fixed assets are stated at historical cost, which comprises of purchase consideration and other directly attributable cost of bringing an asset to its working condition for the intended use, less accumulated depreciation.

**D. DEPRECIATION**

- a) Tangible Assets: - Depreciation is provided on Written Down Value (WDV) Method in the manner prescribed in the Schedule II of the Companies Act, 2013 and for calculating the rates of depreciation and useful life of the assets as mentioned in the Part C of the said Schedule is taken into consideration. Any variation from the given useful life in the schedule will be reported in the notes to accounts.
- b) Intangible Assets: - The provision of the Accounting Standards for the time being in force is applied i.e. as per AS-26.

**E. IMPAIRMENT OF ASSETS**

In accordance with AS-28 on 'Impairment of Assets' prescribed by the Companies (Accounting Standard) Rules, 2006 where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of







such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the statement of Profit and Loss whenever the carrying amount of such assets exceeds its recoverable amount. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the assets restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized.

**F. INVESTMENT**

Investments shall be classified into long term and current investments. Long-term investments if any are carried at cost and provision is made to recognize any decline in the value, other than temporary, in the value of such investments. Current investments if any are carried at the lower of the cost or fair value/market value and provision is made to recognize any decline in the carrying value of the investments.

**G. RETIREMENT BENEFITS**

**i) Short Term Benefits:**

Short Term employee benefits are charged to revenue in the year in which the related services is rendered.

**ii) Long Term Employee Benefits:**

The accounting of long-term employees benefits will be done strictly as per AS-15 (Revised 2005) issued by the Institute of Chartered Accountants of India.

**H. TAXATION**

Provision for current income tax is made based on the estimated taxable income for the year in accordance with the Income Tax Act, 1961. Deferred tax resulting from timing differences between accounting income and taxable income is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual/reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.







**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR PERIOD ENDED MARCH 31ST, 2024.**

**II. NOTES TO THE FINANCIAL STATEMENTS**

1. *The operating income of the company amounting ₹ 1326.55 Lakhs includes Equity brokerage income ₹ 770.37 Lakhs, Interest on MTF & CNC products ₹ 285.24 Lakhs, Depository Income of ₹ 172.87 Lakhs, Mutual Fund commission ₹ 97.72 Lakhs and commission on bank products ₹ 0.33 Lakhs. The company is operating as a Stock Broker of NSE (Cash & F&O) and BSE (Cash & F&O) and as Depository Participants of CDSL and NSDL Depositories and distributor of third party products.*
2. *Trade receivables includes ₹ 60.09 lakhs, being outstanding from the DP Clients, which are outstanding for more than six months. Out of the given outstanding ₹ 35.24 lakhs are fully secured & are considered good by the management, remaining ₹ 24.86 lakhs are considered as doubtful which have been fully provided in the financials.*
3. *₹ 9.86 Lakh has been created as provision for doubtful debts (AMC) in the financials during the Financial Year ending 31<sup>st</sup> March 2024 and the doubtful AMC amounting to ₹ 24.86 lakhs has been fully provided in the books.*
4. *During the period ended March 2024, the company has made provision of ₹ 114.00 lacs towards wage revision as per the revised fitment issued by the IBA effective from November 2022. The same has been accounted for as "Provision for Wage Revision" under Note 18 Employment Benefit Expense.*
5. *Given the initial phase following confirmation of employees, long-term employment benefits of ₹ 13.00 lakhs (Gratuity) and Leave encashment of ₹ 19.53 Lakhs has been provided on an ad-hoc basis. However, it is imperative to emphasize that these benefits will be systematically provided in accordance with the stipulated Accounting Standards (AS) from the next fiscal after taking into consideration the actuarial valuation.*
6. *The deferred tax asset (Net) of ₹ 13.98 lakhs as shown in the Balance Sheet includes DTA of ₹ 4.93 lakhs on Fixed Assets, ₹ 3.62 lakhs on Gratuity, ₹ 5.43 lakhs on leave salary and net Deferred Tax of ₹ (9.26 lakhs) recognised in the Profit and Loss Account is calculated as per the provisions of AS-22 (Accounting for taxes on income).*







Creation of DTA/Reversal of DTL	Amount in Lakhs
On Fixed Assets	4.93
On Provision for Gratuity	3.62
On Provision for Leave Salary	5.43
Sub Total	13.98
<b>Reversal of DTA</b>	
Deferred Tax reversed on adjustment of C/f Business Loss	0.00
Deferred Reversal of DTL	0.00
Net Deferred Tax recognized in P&L A/C	(9.26)

7. Segment Reporting: - The Company operates in a single business segment and hence no disclosure is being made.
8. Previous year figures are regrouped and rearranged wherever required.
9. The payment to auditor includes ₹ 1.5 lakhs (Plus taxes) as statutory audit fee, ₹ 1.00 lakhs as tax audit and ₹ 2.79 lakhs/- (Plus taxes) for internal audit fee, Concurrent Certification fee & system/cyber audit.

10. Related Parties Disclosures

a) Relationships: Holding Company – The Jammu & Kashmir Bank Ltd.

b) Key Management Personnel:-

Mr. Baldev Prakash	Chairman
Mr. Syed Rais Maqbool	Director
Mr. Mohammad Muzzafar Wani	Director
Mr. Nisar Ahmad Zargar	Director
Mr. Syed Aadil Bashir	Managing Director
Mr. Ashiq Hussain Sheikh	Chief Financial Officer
Mr. Mudassir Ahmad Padder	Company Secretary

c) Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31<sup>st</sup> March, 2024.

Items/Related Party	J&K Bank Ltd. Amt. in Lakhs
Deposits/Balance in Bank Accounts	1165.91
Loans/Credit facilities availed	591.45
Interest /Commission Paid	46.92







Interest /Commission Received	74.90
Reimbursement of Revenue Expenditure	41.50
Disbursement on behalf of JKBFSL (Salary of deputed staff)	13.59
Managing Director's Remuneration	34.12

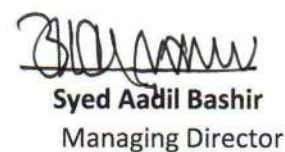
## 11. The

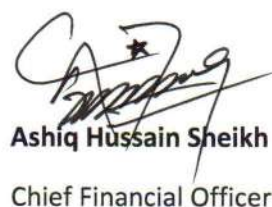
earnings considered in ascertaining the Company's Earnings per share (EPS) comprise net Profit/Loss after Taxation. The number of shares used in computing basic and diluted EPS is the weighted average number of shares outstanding during the year.

Description	Period Ending 31.13.2024 In lakhs	Period Ending 31.03.2023 In Lakhs
Profit/ (Loss) after taxation	264.01	120.66
Weighted average Number of equity Shares outstanding	400	400
Basic and Diluted earnings per share (annualised) in Rupees. (face- value ₹10/- per share)	0.66	0.38

  
**Syed Rais Maqbool**  
 Director

  
**Mohammad Muzzafar Wani**  
 Director

  
**Syed Aadil Bashir**  
 Managing Director

  
**Ashiq Hussain Sheikh**  
 Chief Financial Officer

  
**Mudassir Ahmad Padder**  
 Company Secretary

In terms of our report of even date annexed

**FOR B. R. SOBTI & CO.**  
**CHARTERED ACCOUNTANTS**

Firm Reg. No.: 000449N

CA Ishtiyaq Ahmad

Membership No. : 531986

Place: Srinagar

Date: 29/04/2024

