



**INFINITE INDIA INVESTMENT MANAGEMENT  
PRIVATE LIMITED**

*Annual Accounts 2012-13*



---

## AUDITORS' REPORT

To  
The Members of  
Infinite India Investment Management Private Limited

### Report on the Financial Statements

- 1 We have audited the accompanying financial statements of **Infinite India Investment Management Private limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

### Management's Responsibility for the Financial Statements

- 2 Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and to provide a basis for our audit opinion

---

## Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the 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:
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

## Report on Other Legal and Regulatory Requirements

- 7 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 4 and 5 of the Order.
- 8 As required by section 227(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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the applicable Accounting Standards referred to in subsection (3C) of section 211 of the Act;
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

For **Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

Place: Mumbai  
Date: May 16, 2013

**Hasmukh B Dedhia**  
(Partner)  
F-33494

**Annexure referred to in paragraph 7 of the Our Report of even date to the Members of Infinite India Investment Management Private Limited on the accounts of the company for the year ended March 31, 2013**

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets have been physically verified by the management at reasonable interval. As informed, no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of its fixed assets during the year
- (ii) The Company does not hold any inventory during the year, hence clause (ii) of the Order is not applicable to the Company.
- (iii) The Company has neither taken nor granted loan to parties covered in Section 301 register maintained, hence clause (iii) of the Order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and rendering of services. Further, on the basis of examination of the books and records of the Company and according to the information and explanations given, and as per checking carried out in accordance with the auditing standards generally accepted in India, neither we have observed nor have we been reported of any continuing failure to correct major weakness in the internal control system relating to these areas
- (v) Based on the audit procedures applied and according to the information and explanations provided, there are no transactions which need to be entered in the register maintained under Section 301 of the Act.
- (vi) The Company has not accepted any deposits from public, hence clause (vi) of the Order is not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 for the products of the Company

(ix)(a) According to the records, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Cess and other material statutory dues applicable to it. There were no arrears of such statutory dues as at March 31, 2013 for a period of more than six months from the date they became payable.

We have been informed that investor education and protection fund, Employees' state insurance, Sales tax, Wealth tax, Custom duty and Excise duty are currently not applicable to the Company for the year under audit

(b) According to the information and explanations given, there are no dues of Income tax, Service tax and Cess, which have not been deposited on account of any dispute

We have been informed that Sales tax, Wealth tax, Custom duty and Excise duty are currently not applicable to the Company for the year under audit

(x) The Company does not have accumulated losses more than 50% of net worth at the end of financial year nor has incurred any cash loss in the current and immediate preceding financial year

(xi) The Company has not borrowed funds from financial institutions, banks or debenture holders; hence Clause 4(xi) of the Order is not applicable to the Company

(xii) According to the information and explanations given to us and based on the the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society, hence clause 4(xiii) of the Order is not applicable to the Company

(xiv) According to the explanations given the Company is not dealing or trading in shares, securities, debentures and other investments, hence clause 4(xiv) of the Order is not applicable to the Company

(xv) According to the information and explanations given, the Company has not raise given guarantee for loans taken by others from banks or financial institution

(xvi) According to the information and explanations given, the Company has not raised any term loans, hence clause 4(xvi) of the Order is not applicable to the Company

(xvii) According to the information and explanations given and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment

- (xviii) The Company has not made preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act
- (xix) According to the information and explanations given, the Company has not issued any debentures, hence clause 4(xix) of the Order is not applicable to the Company
- (xx) The Company has not raised any money through a public issue during the year
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have been informed of any such instance by the Management

**For Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

Place: Mumbai  
Date: May 16, 2013

**Hasmukh B Dedhia**  
(Partner)  
F-33494

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a Share Capital	2.1	16,000,000	16,000,000
b Reserves and Surplus	2.2	48,664,412	27,719,541
		64,664,412	43,719,541
<b>2 Non-current liabilities</b>			
a Long-term borrowings	2.3	-	424,697
b Long-term provisions	2.4	738,318	856,703
		738,318	1,281,400
<b>3 Current liabilities</b>			
a Trade payables	2.5	6,479,390	9,476,090
b Other current liabilities	2.6	9,731,407	6,845,984
c Short-term provisions	2.7	530,778	697,040
		16,741,575	17,019,114
<b>Total</b>		82,144,305	62,020,055
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
a <b>Fixed assets</b>	2.8		
Tangible assets		697,161	1,424,570
b Non current investments	2.9	20,368,749	368,749
c Deferred tax assets (net)	2.10	497,555	608,386
d Long-term loans and advances	2.11	5,437,231	7,620,317
		27,000,696	10,022,022
<b>2 Current assets</b>			
a Cash and bank balances	2.12	47,305,416	50,240,539
b Short-term loans and advances	2.13	7,284,741	795,693
c Other current assets	2.14	553,452	961,801
		55,143,609	51,998,033
<b>Total</b>		82,144,305	62,020,055
Significant accounting policies & notes to financial statements	1 & 2		

As per our attached reports of even date

**For Khimji Kunverji & Co.**

Chartered Accountants

Firm registration no. 105146W

**For and on behalf of the Board**

**Hasmukh B. Dedhia**

Partner

Membership No. 33494

**Vishal Kampani**

Chairman

**P K Choksi**

Director

**Place : Mumbai**

**Date : 16 May, 2013**

**Place : Mumbai**

**Date : 16 May, 2013**

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	Current year Rupees	Previous year Rupees
<b>I. REVENUE FROM OPERATIONS</b>	<b>2.15</b>	62,745,124	56,761,565
<b>II. OTHER INCOME</b>	<b>2.16</b>	6,564,456	5,883,875
<b>III Total Revenue (I + II)</b>		69,309,580	62,645,440
<b>IV EXPENSES</b>			
Employee benefits expense	<b>2.17</b>	25,215,145	25,959,535
Finance costs	<b>2.18</b>	55,560	35,363
Depreciation and amortization expense	<b>2.8</b>	369,923	729,306
Other expenses	<b>2.19</b>	17,755,118	32,723,230
<b>Total expenses</b>		43,395,746	59,447,434
<b>V Profit before tax</b>		25,913,834	3,198,006
Tax expense			
Current tax		4,900,000	-
Deferred tax		110,830	(71,359)
(Excess)/ Short provision for tax in respect of earlier year (net)		(41,867)	-
		4,968,963	(71,359)
<b>VI Profit after tax for the year</b>		20,944,871	3,269,365
<b>VII Earnings per share</b>	<b>2.20</b>		
Basic & diluted		13.09	2.04
Significant accounting policies & notes to financial statements	<b>1 &amp; 2</b>		

As per our attached reports of even date

**For Khimji Kunverji & Co.**

Chartered Accountants

Firm registration no. 105146W

**For and on behalf of the Board**

**Hasmukh B. Dedhia**

Partner

Membership No. 33494

**Vishal Kampani**

Chairman

**P K Choksi**

Director

**Place : Mumbai**

**Date : 16 May, 2013**

**Place : Mumbai**

**Date : 16 May, 2013**

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED  
CASH FLOW STATEMENT**

In Rupees

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>A Cash flow from operating activities</b>		
Profit before tax	25,913,834	3,198,006
<b>Adjustment for:</b>		
Depreciation	369,923	729,306
(Profit)/loss on sale of investments	6,573	(1,156)
Provision for gratuity	(144,723)	108,318
Provision for/(reversal of) compensated absences	(139,924)	(198,597)
Dividend income	(1,687,981)	(3,504,399)
Interest income	(3,326,348)	(2,378,320)
Interest expense	55,560	35,363
Loss on sale of assets	14,252	10,864
(Profit) on sale of assets	(32,592)	-
<b>Operating profit before working capital changes</b>	<b>(4,885,260)</b>	<b>(5,198,621)</b>
<b>Adjustment for:</b>		
(Increase)/decrease in trade receivables	-	13,198,249
(Increase)/decrease in short-term loans and advances	(6,489,047)	6,782,232
(Increase)/decrease in other current assets	408,349	(943,637)
Increase/(decrease) in trade payables	(2,996,698)	(726,713)
Increase/(decrease) in other current liabilities	3,072,508	(10,493,917)
<b>Cash generated from/(used in) operations</b>	<b>(10,890,148)</b>	<b>2,617,592</b>
Direct taxes paid	(2,675,048)	95,631
<b>Net cash from/(used in) operating activities</b>	<b>(13,565,196)</b>	<b>2,713,224</b>
<b>B Cash flow from investing activities</b>		
Purchase of non-current investments - Others	(20,000,000)	(190,244)
Purchase of current investments - Others	(186,931,408)	(167,328,219)
Sale of non-current investments - Others	-	2,651
Sale of current investments - Others	186,931,408	167,328,219
(increase)/ decrease investment in Fixed Deposit- maturity of more than 3 months		
Purchase of fixed assets	(157,524)	(410,409)
Sale of fixed assets	10,740	-
Bank balances not considered/ consider as Cash and cash equivalents	1,900,000	(1,900,000)
Interest Income	3,326,348	2,378,320
(Profit)/loss on sale of investments	(6,573)	-
Dividend Income	1,687,981	3,504,399
<b>Net cash from/(used in) investment activities</b>	<b>(13,239,028)</b>	<b>3,384,717</b>
<b>C Cash flow from financing activities</b>		
Repayment of long-term borrowings	(89,173)	(41,554)
Interest paid	(55,560)	(35,363)
<b>Net cash from/(used in) financing activities</b>	<b>(144,733)</b>	<b>(76,917)</b>
<b>Net increase/(decrease) in Cash and cash equivalents</b>	<b>(1,035,123)</b>	<b>9,219,030</b>
Cash & cash equivalents (opening)	48,340,539	39,121,509
Cash & cash equivalents (closing)	47,305,416	48,340,539

**Notes**

- The cash flow statement has been prepared under the 'Indirect Method' set out in AS 3 - "Cash Flow Statement" notified in Companies (Accounting standards) Rules, 2006 (as amended).
- Previous year's figures have been regrouped and rearranged wherever necessary.

As per our attached reports of even date

**For Khimji Kunverji & Co.**

Chartered Accountants

Firm registration no. 105146W

**For and on behalf of the Board**

**Hasmukh B. Dedhia**

Partner

Membership No. 33494

**Place : Mumbai**

**Date : 16 May, 2013**

**Vishal Kampani**

Chairman

**Place : Mumbai**

**Date : 16 May, 2013**

**P K Choksi**

Director

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1 SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and are in compliance with material aspect of the applicable Accounting Standards notified under Companies (Accounting Standards) Rules 2006 (as amended), the relevant provisions of the Companies Act, 1956 ("the Act"). Except otherwise mentioned, the accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**b. Use of estimates**

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised.

**c. Revenue recognition**

Revenue is recognised at the point when there is reasonable certainty of its ultimate realisation/collection.

The Company earns revenues in the nature of management fees on funds under management and advisory fees income which are recognized based on contractual arrangement. Income is recognized net of service tax.

Dividend income on investments is accounted for when the company's right to receive dividend is established.

Interest income is recognized on accrual basis.

**d. Fixed assets and depreciation**

**Owned tangible assets**

Tangible fixed assets are stated at original cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Depreciation on tangible fixed assets is provided, on a pro-rata basis for the period of use, on the Straight Line Method (SLM), based on rates as per management's estimate of useful life of the fixed assets, or at the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher, as per the following table:

<b>Asset</b>	<b>Useful Life</b>
Furniture	10 years
Office equipment	5 years
Computers	5 years
Leasehold Improvements	10 years or lease period whichever is lower

Assets costing Rs. 5,000/- or less are fully depreciated in the year of acquisition.

**Owned intangible assets**

Intangible fixed assets are stated at cost of acquisition or internal generation, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of the intangible assets is allocated over the best estimate of its useful life on a straight line basis.

The Company capitalises software and related implementation costs where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over management estimate of its useful life not exceeding 5 years.

**Leased assets**

Assets acquired under finance lease are accounted for at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. At the end of lease term, asset will revert back to the lessor; hence they are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

---

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

At the Balance sheet date, assets held for disposal are valued at Written Down Value (WDV) or Net Realizable Value (NRV), whichever is lower.

**e. Impairment of assets**

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the profit and loss account.

**f. Investments**

Investments are classified as non-current/ long-term or current. Non-current/ long-term investments are carried at cost, however, provision for diminution in the value of non-current/ long-term investments is made to recognise a decline, other than temporary, in the value of investments. The provision for diminution in the value of the quoted long-term investments is made to recognise the decline at lower of cost or market value, determined on the basis of the quoted prices of individual investment. Provision for diminution in the value of unquoted non-current/ long-term investments is made as per the Management's estimate. Current investments are carried at lower of cost or fair value.

**g. Employee Benefits**

**Defined contribution plan**

The Company makes defined contribution to the provident fund, which is recognized in the profit and loss account on an accrual basis.

**Defined benefit plan**

The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss account as income or expense respectively. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields on the date of balance sheet on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**Short term employee benefits**

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related services are rendered.

**h. Taxation**

Tax expense comprises current tax and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

Deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that apply substantively as on the date of balance sheet. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

Deferred tax assets, in case of unabsorbed losses and unabsorbed depreciation, are recognised only if there is virtual certainty that such deferred tax asset can be realised against future taxable profits.

**i. Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit and loss account.

**j. Operating leases**

Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating leases and lease rentals thereon are charged to the profit and loss account.

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**k. Foreign currency transactions**

Transactions in foreign currency are recorded at rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the profit and loss account. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction.

**l. Provisions, contingent liabilities and contingent assets**

Contingent Liabilities are possible but not probable obligations as on the balance sheet date, based on the available evidence. Provisions are recognised when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent assets are not recognised in the financial statements.

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

**2.1 SHARE CAPITAL**

	(In Rupees)	
	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
<b>Authorised</b>		
35,00,000 (previous year 35,00,000) Equity Shares of Rs. 10/- each	35,00,000	35,00,000
	<u>35,00,000</u>	<u>35,00,000</u>
<b>Issued, Subscribed and Paid-up</b>		
16,00,000 (previous year 16,00,000) Equity Shares of Rs. 10/- each fully paidup	16,00,000	16,00,000
	<u>16,00,000</u>	<u>16,00,000</u>
<b>Total</b>	<u>16,00,000</u>	<u>16,00,000</u>

**Note a.**

The Company has only one class of shares referred to as equity shares having a Face Value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

**Note b.**

Particulars	Equity Shares			
	As at 31.03.2013		As at 31.03.2012	
	Number	Rupes	Number	Rupes
Shares outstanding at the beginning of the year	1,600,000	16,00,000	1,600,000	16,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,600,000	16,00,000	1,600,000	16,00,000

**Note c.**

Out of Equity shares issued by the Company, shares held by each shareholder including its holding company, ultimate holding company and their subsidiaries/associates, holding more than 5 percent shares specifying the number of shares held are as below:

Particulars	Nature of Relationship	As at 31.03.2013		As at 31.03.2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares:</b>					
JM Financial Limited	Holding Company	1,600,000	100	1,600,000	100

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

**2.2 RESERVES AND SURPLUS**

	As at 31.03.2013 Rupees	(In Rupees) As at 31.03.2012 Rupees
<b>a. Securities premium account</b>	31,800,000	31,800,000
<b>b .Surplus / (deficit) in profit and loss account:</b>		
Opening balance	(4,080,459)	(7,349,824)
(+) Profit for the year	20,944,871	3,269,365
Closing balance	16,864,412	(4,080,459)
<b>Total</b>	<b>48,664,412</b>	<b>27,719,541</b>

**2.3 LONG-TERM BORROWINGS**

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
<b>Secured:</b>		
<b>Long term maturities of finance lease obligations</b> (Secured by way of hypothecation of vehicles)	–	424,697
<b>Total</b>	<b>–</b>	<b>424,697</b>

**2.4 LONG-TERM PROVISIONS**

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
For employee benefits - gratuity	738,318	856,703
<b>Total</b>	<b>738,318</b>	<b>856,703</b>

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.5 TRADE PAYABLES**

	(In Rupees)	
	As at 31.03.2013 Rupees	
	As at 31.03.2012 Rupees	
Trade Payables		
* Total outstanding dues to Micro, Small and Medium Enterprises	–	–
* Total outstanding dues to creditors other than Micro, Small and Medium Enterprises	6,479,390	9,476,090
<b>Total</b>	<b>6,479,390</b>	<b>9,476,090</b>

**2.6 OTHER CURRENT LIABILITIES**

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
Short term maturities of finance lease obligations (Secured by way of hypothecation of vehicles)	–	187,085
Payable to employees	9,275,324	5,700,000
Statutory dues	456,083	958,899
<b>Total</b>	<b>9,731,407</b>	<b>6,845,984</b>

**2.7 SHORT-TERM PROVISIONS**

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
For employee benefits - compensated absences	478,884	618,808
For employee benefits - gratuity	51,894	78,232
<b>Total</b>	<b>530,778</b>	<b>697,040</b>

\* The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any relating to amounts repaid as at the year end together with interest paid / payable as required under the said Act have not been given

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.8 FIXED ASSETS**

(in Rupees)

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01-Apr-12	Additions	Deductions / Adjustments	As at 31-Mar-13	As at 01-Apr-12	For the period	Deductions / Adjustments	As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
<b><u>i) TANGIBLE ASSETS:</u></b>										
<b>Owned Assets:</b>										
Office Equipments	943,470	3,209	-	946,679	867,810	53,951	-	921,761	24,918	75,660
Computers	1,590,079	154,315	983,737	760,657	1,201,224	134,002	958,746	376,480	384,176	388,855
Furniture & Fixtures	737,425	-	-	737,425	376,565	72,793	-	449,358	288,067	360,860
<b>Leased Assets:</b>										
Vehicles (note)	653,336	-	653,336	-	54,142	109,177	163,318	-	-	599,194
<b>Total</b>	<b>3,924,310</b>	<b>157,524</b>	<b>1,637,073</b>	<b>2,444,761</b>	<b>2,499,741</b>	<b>369,923</b>	<b>1,122,064</b>	<b>1,747,599</b>	<b>697,161</b>	<b>1,424,570</b>
Previous Year	5,591,161	1,063,745	2,730,596	3,924,310	4,490,165	729,306	2,719,732	2,499,740	1,424,570	-

Note: Vendor has lien over the assets taken on lease.

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.9 NON CURRENT INVESTMENTS**

(In Rupees)

	As at 31.03.2013		As at 31.03.2012	
	Nos. of Units/ Shares	Rupees	Nos. of Units/ Shares	Rupees
<b>TRADE INVESTMENTS</b>				
<b>(a) Investment in Venture capital fund units (at cost)</b> <b>(refer note 2 below)</b>				
Unquoted:				
JM Financial Property Fund I - Class B units (Face value in current year Rs. 10,000 and in previous year Rs.10,000) (Paid -up value in current year Rs. 9833.89 and in previous year Rs.9833.89)	9	88,505	9	88,505
JM Financial Property Fund II - Class B units (Face value in current year Rs.10,000 and in previous year Rs.10,000)	9	90,000	9	90,000
<b>OTHER THAN TRADE INVESTMENTS</b>				
<b>(b) Investment in equity instruments (at cost)</b>				
Unquoted:				
In other companies				
Trent Retail Services Ltd. (Equity Shares of Rs. 100/- each fully paid up)	995	190,244	995	190,244
<b>(c) Investment in debenture instruments (at cost)</b> <b>(refer note 3 below)</b>				
Unquoted:				
In other companies				
Enrich Hair & Skin Solutions Private Limited (15 % Optionally Convertible Debentures)	20	20,000,000	–	–
<b>Total</b>		<b>20,368,749</b>		<b>368,749</b>

**NOTES :**

- The aggregate cost of unquoted investments is Rs. 20,368,749/- (previous year Rs. 368,749/-)
- Redemption of units is at the sole discretion of the trustee to the Venture Fund in consultation with Investment Manager and Contributor to be effected either at the par value or net asset value per unit or at such price as deemed appropriate. Transfer of these units is at discretion of trustees to the fund.
- Optionally Convertible Debentures (OCD) tenure being 1 year redeemable after a period of 3 months. And in case of default by the investee Company option to convert OCD's into Class A Equity Shares at the agreed Pre- Money Valuation as defined in Subscription Agreement dated 07th February, 2013.

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.10 DEFERRED TAX ASSETS/ (LIABILITY)**

	As at 31.03.2013 Rupees	(In Rupees) As at 31.03.2012 Rupees
Differences in the tax and books written down value of fixed assets	85,797	100,189
Due under finance lease	–	4,084
Provision for Gratuity	256,384	303,340
Compensated Absences	155,374	200,772
<b>Total</b>	<b>497,555</b>	<b>608,386</b>
Deferred tax assets arising due to timing difference on account of brought forward loss has not been recognized as a measure of prudence.		

**2.11 LONG TERM LOANS AND ADVANCES**

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
<b>Other loans and advances</b>		
<b>Unsecured, considered good</b>		
(i) Advance Tax and Tax Deducted at source (net of provision of tax)	5,352,893	7,535,979
(ii) Other deposits	84,338	84,338
<b>Total</b>	<b>5,437,231</b>	<b>7,620,317</b>

**2.12 CASH AND BANK BALANCES**

	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
Cash and cash equivalents		
Cash on hand	13,529	41,934
Balances balances:		
In current accounts	1,891,887	798,606
In deposit accounts (less than 3 months maturity)	45,400,000	47,500,000
	47,305,416	48,340,539
Other bank balances	–	1,900,000
<b>Total</b>	<b>47,305,416</b>	<b>50,240,539</b>
"Other bank balances" include balances with bank in deposit account (maturing after 12 months)	–	1,900,000

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

**2.13 SHORT-TERM LOANS AND ADVANCES**

	<b>As at 31.03.2013 Rupees</b>	<b>As at 31.03.2012 Rupees</b>
Staff Loans & Advances (Unsecured)	16,110	22,997
Advances recoverable in cash or in kind or for value to be received	1,568,631	772,696
Deposits	5,700,000	–
<b>Total</b>	<b>7,284,741</b>	<b>795,693</b>

**2.14 OTHER CURRENT ASSETS**

	<b>As at 31.03.2013 Rupees</b>	<b>As at 31.03.2012 Rupees</b>
Interest accrued but not due on Fixed Deposits & Debentures	553,452	961,801
<b>Total</b>	<b>553,452</b>	<b>961,801</b>

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.15 REVENUE FROM OPERATIONS**

	Current Year Rupees	(In Rupees) Current Year Rupees
<b>Fees and Commission</b>		
Management fees	62,745,124	56,761,565
	<b>62,745,124</b>	<b>56,761,565</b>

**2.16 OTHER INCOME**

	Current Year Rupees	Current Year Rupees
Interest Income	3,938,714	2,378,320
Dividend	1,687,981	3,504,399
Profit on sale of investments	–	1,156
Miscellaneous Income	937,761	–
<b>Total</b>	<b>6,564,456</b>	<b>5,883,875</b>

**2.17 EMPLOYEE BENEFITS EXPENSE**

	Current Year Rupees	Current Year Rupees
Salaries, Bonus and Allowances	23,730,416	24,663,586
Contribution to Provident Fund and Other Funds	850,879	1,072,472
Gratuity	605,277	108,318
Staff Welfare	28,573	115,159
<b>Total</b>	<b>25,215,145</b>	<b>25,959,535</b>

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.18 FINANCE COSTS**

(In Rupees)

	<b>Current Year Rupees</b>	<b>Current Year Rupees</b>
Interest Expense on lease	55,560	35,363
<b>Total</b>	<b>55,560</b>	<b>35,363</b>

**2.19 OTHER EXPENSES**

	<b>Current Year Rupees</b>	<b>Current Year Rupees</b>
Rent	5,552,483	6,047,309
Rates and taxes	1,185,682	94,903
Insurance expenses	340,696	64,421
Repairs and maintenance	1,573	-
Communication expenses	194,760	274,977
Legal and professional fees	3,126,058	6,268,888
Auditors' remuneration		
statutory audit	75,000	75,000
Certification/ Limited Review	70,000	60,012
Travelling expenses	103,884	861,749
Conveyance expenses	140,501	142,415
Hotel, lodging and boarding expenses	26,112	186,167
Membership and subscriptions	31,688	349,089
Information Technology Expenses	377,206	542,541
Printing and stationery	142,114	517,549
Share of Loss on Partnership Firm	-	123,268
Manpower Expenses	140,318	153,011
Fund Expenses	5,046,376	2,639,943
Miscellaneous expenses	1,200,667	14,321,990
<b>Total</b>	<b>17,755,118</b>	<b>32,723,230</b>

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.20 EARNING PER SHARE**

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars	For the year ended 31.03.2013 Rupees	For the year ended 31.03.2012 Rupees
Profit after tax (Rupees)	20,944,871	3,269,365
Profit attributable to the equity shareholders for the purpose of basic & diluted earnings per share (Rupees)	20,944,871	3,269,365
Weighted average number of equity shares outstanding during the year for basic & diluted earnings per share	1,600,000	1,600,000
Basic & diluted earnings per share – Rupees	13.09	2.04
Nominal value per share – Rupees	10	10

**2.21 Contingent Liability**

Particulars	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
Clawback Obligation towards JM Financial Property Fund I for probable shortfall for preferred rate.	1,911,673	1,911,673

**2.22 Expenditure in Foreign Currency**

Particulars	For the year ended 31.03.2013 Rupees	For the year ended 31.03.2012 Rupees
<b>Other expenditure</b>		
- Fund expenses	5,046,376	2,639,943
- Conference & seminars	119,025	–
- Professional fees	291,816	189,420

**2.23 Segment Reporting**

**a. Primary Segment:**

The Company operates in the business of providing asset management and other related services. As such, that is the only reportable business segment as per accounting standard 17 on “Segment Reporting”.

**b. Secondary Segment (by Geographical segments):**

The Company operates only in one geographical segment.

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.24 Leases**

**A. Operating Lease**

The current office premises of the Company is under operating lease upto March 31, 2013 which may be further extended more likely till June 30, 2013 as per mutual consent between parties . The company has also taken new office premises under operating lease upto March 31, 2014.

The minimum lease rentals outstanding with respect to these assets are as under:

Amount in Rupees

Particulars	Total lease payment outstanding as at March 31, 2013	Total lease payment outstanding as at March 31, 2012
Not later than 1 year	4,788,000	3,710,088
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
<b>Total</b>	<b>4,788,000</b>	<b>3,710,088</b>
Debit Profit & Loss Account	5,552,483	6,047,309

**B. Finance Lease**

The Company had taken certain vehicles under finance lease agreement. The tenure of lease agreements are of 36 months, with an option to prepayment / foreclosure. During the current year above option was exercised and all finance lease arrangement was foreclosed.

The minimum lease rentals outstanding with respect to these assets are as under:

Amount in Rupees

Particulars	Total minimum lease payment outstanding as at March 31, 2013	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2013	Total minimum lease payment outstanding as at March 31, 2012	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2012
Not later than 1 year	-	-	-	289,464	102,379	187,085
Later than 1 year but not later than 5 years	-	-	-	506,562	81,865	424,697
Later than 5 years	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>796,026</b>	<b>184,244</b>	<b>611,782</b>

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

**2.25 Employee benefits**

**A. Defined benefit plans**

**a. Gratuity**

<b>Amount recognised in the balance sheet with respect to gratuity</b>	<b>For the year ended March 31, 2013</b>	<b>For the year ended March 31, 2012</b>
Present value of the defined benefit obligation at the year end	790,212	934,935
Fair value of plan assets	-	-
<b>Net liability</b>	<b>790,212</b>	<b>934,935</b>

<b>Amount recognised in salary, wages and employee benefits in the profit and loss account with respect to gratuity</b>	<b>For the year ended March 31, 2013</b>	<b>For the year ended March 31, 2012</b>
Current service cost	101,129	92,959
Interest on defined benefit obligations	86,236	70,014
Expected return on plan assets	-	-
Net actuarial gain (loss) recognised during the year	417,912	(54,655)
Past service cost	-	-
<b>Net gratuity cost</b>	<b>605,277</b>	<b>108,318</b>

<b>Actual return on plan assets</b>	<b>For the year ended March 31, 2013</b>	<b>For the year ended March 31, 2012</b>
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-

<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>	<b>For the year ended March 31, 2013</b>	<b>For the year ended March 31, 2012</b>
Opening defined benefit obligation	934,935	826,617
Current service cost	101,129	92,959
Interest cost	86,236	70,014
Actuarial (gain)/loss	417,912	(54,655)
Past service cost	-	-
Liability assumed on acquisition/(settled on divestiture)	-	-
Benefits paid	(750,000)	-
<b>Closing defined benefit obligation</b>	<b>790,212</b>	<b>934,935</b>

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

Change in fair value of plan assets	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening fair value of the plan assets	–	–
Expected return on plan assets	–	–
Actuarial (gain)/loss	–	–
Assets acquired on amalgamation	–	–
Contributions by the employer	750,000	–
Benefits paid	(750,000)	–
<b>Closing fair value of the plan assets</b>	<b>–</b>	<b>–</b>

Investment details of plan assets	For the year ended March 31, 2013	For the year ended March 31, 2012
Investment details of plan assets	–	–

**Valuation assumptions**

For the purpose of arriving at the liability, the following assumptions have been considered:

Change in fair value of plan assets	2012-13	2011-12
Retirement Age	60 years	60 years
Salary Escalation (over a long term.)	7.00%	7.00%
Rate of Discounting	8.10%	8.65%
Mortality Table	Under the Indian Assured Lives Mortality (2006-08) Ult table	Under the LIC (1994-96) mortality tables

Withdrawal Rates : Age related

- The estimates of future salary increases, takes into account inflation, seniority, promotion and other relevant factors in the employment market.
- The above information is certified by the actuary.

**b. Compensated absences**

As per companies policy, provision of Rs 139,924/- has been reversed (previous year provision reversed of Rs 198,597/-) towards compensated absence carry forward on actual basis. Provision for compensated absence as at March 31, 2013 is Rs. 478,884/- (previous year Rs. 618,808/-).

**B. Defined contribution plans**

Amount recognised as an expense and included in the Note 2.17 – ‘Contribution to provident fund’ Rs. 850,879/- (previous year Rs. 1,072,472/-).

---

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

**2.26 Disclosure in respect of related parties pursuant to accounting standard 18:**

Names of related parties and description of relationship where control exists

**I. Names of related parties and description of relationship where control exists**

**A. Holding company**

JM Financial Limited

**B. Fellow Subsidiaries**

JM Financial Institutional Securities Private Limited (formerly known as JM Financial Consultants Private Limited)

JM Financial Institutional Securities Private Limited#

JM Financial Investment Managers Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited (formerly known as JM Financial GILTS Limited)

JM Financial Services Limited

**C. Partnership Firm**

Stellar Investments (firm dissolved on March 31, 2012)

**D. Individual exercising control or significant influence by way of voting power in reporting enterprise and relatives of such person.**

**Individual exercising control or significant influence**

Mr. Nimesh Kampani

**II. Related party relationship have been identified by the management and relied upon by the auditors.**

# This Company merged with JM Financial Consultants Pvt. Ltd. (now known as JM Financial Institutional Securities Pvt. Ltd.) in terms of the scheme arrangement during the previous year.

**INFINITE INDIA INVESTMENT MANAGEMENT PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

During the year the following transactions were carried out with the related parties in the ordinary course of business.

Particulars	Nature of Transaction	2012-13	2011-12
		Amount	Amount
<b>Holding Company</b>			
JM Financial Limited	(i) Support services charges paid	-	12,000,000
	(ii) Employee related transfer	2,565	-
	(iii) Purchase of fixed assets	3,210	-
	(iv) Outstanding payables at year end	-	2,978,100
<b>Fellow Subsidiaries</b>			
JM Financial Services Limited	(i) Professional fees paid	-	1,000,000
JM Financial Institutional Securities Private Limited (formerly known as JM Financial Consultants Private Limited)	(i) Rent paid	433,133	-
	(ii) Expenses reimbursed	31,211	57,192
	(iii) Outstanding payables at year end	-	1,264,369
JM Financial Institutional Securities Private Limited <sup>#</sup>	(i) Rent paid	-	6,006,192
JM Financial Investment Managers Limited	(i) Expenses reimbursed	52,112	257,742
	(ii) Expenses recovered	-	4,518,023
JM Financial Products Limited	(i) Expenses recovered	-	2,766,837
JM Financial Properties and Holdings Limited	(i) Rent paid	912,000	-
	(ii) Rates & Taxes paid	194,659	-
	(iii) Security deposit recoverable	5,700,000	-
<b>Partnership firm</b>			
Stellar Investments	(i) Share of loss on partnership firm	3,169	123,268
	(ii) Investment in Firm	-	100,000
	(iii) Outstanding payables at year end	-	23,268

No amount is written off or written back during the year in respect of debts due from or to related parties.

<sup>#</sup> This Company merged with JM Financial Consultants Pvt. Ltd. (now known as JM Financial Institutional Securities Pvt. Ltd.) in terms of the scheme arrangement during the previous year.

**2.27** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For and on behalf of the Board**

**Vishal Kampani**  
Chairman

**P K Choksi**  
Director

**Place: Mumbai**  
**Date : 16 May, 2013**