



**JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED**

*Annual Accounts 2012-13*



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## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance 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

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.

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.

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

### Opinion

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 and;
- b) In the case of the statement of Profit and Loss, of the loss for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. The report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003 ('the order') issued in terms of section 227(4A) of the Act, as in our opinion and according to the information and explanation given to us, the said order is not applicable to the Company
2. 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 and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act to the extent applicable to the Company;

- 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 section 274(1)(g) of the Act;

For and on behalf of  
**Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

**Sd/-**  
**Hasmukh B Dedhia**  
Partner (F – 33494)  
Place: Mumbai  
Date: May 09,2013

**JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED**
**BALANCE SHEET AS AT 31ST MARCH 2013**

	Note No	As at 31 <sup>st</sup> March, 2013 Rupees	As at 31 <sup>st</sup> March, 2012 Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	B.1	600,000	500,000
(b) Reserves and Surplus	B.2	(499,049)	(477,102)
		<b>100,951</b>	<b>22,898</b>
<b>(2) Current Liabilities</b>			
Trade payables	B.3	10,000	17,500
<b>Total</b>		<b>110,951</b>	<b>40,398</b>
<b>II.Assets</b>			
<b>(1) Current assets</b>			
(a) Current investments	B.4	106,244	30,253
(b) Cash and cash equivalents	B.5	4,707	10,146
<b>Total</b>		<b>110,951</b>	<b>40,398</b>
Significant Accounting Policies and Notes to Financial Statements	A & B		

The accompanying notes form an integral part of the financial statements

As per our attached Report of even date

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

**For and on behalf of the Board of Directors**  
**JM Financial Insurance Broking Pvt. Ltd.**

Sd/-  
**Hasmukh B Dedhia**  
Partner  
Membership No. 33494

Sd/-  
**Rajeev Chitrabhanu**  
Director

Sd/-  
**Prashant Choksi**  
Director

**Place : Mumbai**  
**Dated : May 09,2013**

**Place : Mumbai**  
**Dated : May 09,2013**

**JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED**
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013**

	Note No	Current year Rupees	Previous year Rupees
I. Other Income	B.6	991	24,054
<b>Total Revenue</b>		<b>991</b>	<b>24,054</b>
<b>II. Expenses:</b>			
Employee benefit expense	B.7	-	315,120
Other expenses	B.8	22,939	26,595
<b>Total Expenses</b>		<b>22,939</b>	<b>341,715</b>
III. Profit / (Loss) for the period (I - II)		<b>(21,948)</b>	<b>(317,661)</b>
IV. Earning per equity share:			
Basic		(0.44)	(6.35)
Significant Accounting Policies and Notes to Financial Statements	A & B		

The accompanying notes form an integral part of the financial statements

As per our attached Report of even date

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

**For and on behalf of the Board of Directors**  
**JM Financial Insurance Broking Pvt. Ltd.**

Sd/-  
**Hasmukh B Dedhia**  
Partner  
Membership No. 33494

Sd/-  
**Rajeev Chitrabhanu**  
Director

Sd/-  
**Prashant Choksi**  
Director

**Place : Mumbai**  
**Dated : May 09,2013**

**Place : Mumbai**  
**Dated : May 09,2013**

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**JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED****A. Significant Accounting Policies****1. Accounting Convention**

The financial statements have been prepared in compliance with all material aspects of the applicable Accounting Standards notified under Companies (Accounting Standards) Rules 2006 (as amended) and the provisions of the Companies Act, 1956 ('the Act').

The financial statements are based on historical cost convention and are prepared on accrual basis, except where impairment is made and revaluation is carried out.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Accounting Policies not specifically referred to otherwise, are consistent with generally accepted accounting principles.

**2. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**3. Revenue Recognition**

Revenue is recognized when no significant uncertainty as to measurability or collectibility exists.

Dividend Income:

Revenue is recognised when the shareholders'/unit holder's right to receive payment is established by the balance sheet date.

**4. Investments**

Non current (long term) Investments are stated at cost after deducting provision, if any, made for decline, other than temporary, in the values.

Current Investments are stated at lower of cost and market/fair value.

**5. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; 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 not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**6. Taxation**

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

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets are recognized on unabsorbed losses and depreciation only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

**JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED**
**B: NOTES TO THE FINANCIAL STATEMENTS**
**1. SHARE CAPITAL**

	As at 31-Mar-13 Rupees	As at 31-Mar-12 Rupees
<b>Authorised</b>		
500,000 (Previous Year 500,000) Equity Shares of Rs. 10/- each	5,000,000	5,000,000
	5,000,000	5,000,000
<b>Issued, Subscribed and paid up</b>		
<b>Equity Shares</b>		
60,000 (Previous Year 50,000) Equity Shares of Rs.10/- each fully paid-up	600,000	500,000
<b>Total</b>	<b>600,000</b>	<b>500,000</b>

**Note :**

All the Equity Shares are held by JM Financial Services Limited (Formerly JM Financial Services Pvt. Ltd. ) (Holding Company) & its nominees

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.

**Reconciliation for share outstanding**

Particulars	Equity Shares			
	As at 31.03.2013		As at 31.03.2012	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares Issued during the year	10,000	100,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	60,000	600,000	50,000	500,000

**2. RESERVES AND SURPLUS**

	As at 31-Mar-13 Rupees	As at 31-Mar-12 Rupees
Surplus / (Deficit)		
Opening Balance	(477,102)	(159,440)
Add: Net (loss)/profit after tax transferred from statement of Profit and Loss	(21,948)	(317,661)
<b>Total</b>	<b>(499,049)</b>	<b>(477,102)</b>

**JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED**
**B: NOTES TO THE FINANCIAL STATEMENTS**
**3. TRADE PAYABLES**

	<b>As at 31-Mar-13 Rupees</b>	<b>As at 31-Mar-12 Rupees</b>
Sundry Creditors (refer note B-10)	10,000	17,500
<b>Total</b>	<b>10,000</b>	<b>17,500</b>

**4. CURRENT INVESTMENTS**

	<b>As at 31-Mar-13 Rupees</b>	<b>As at 31-Mar-12 Rupees</b>
<u>Unquoted Units (Face Value Rs 10/-)</u>		
- JM Financial Mutual Fund (JM Money Manager Fund Super Plus Plan) (F.V. of Rs. 10/-)	106,244	30,253
(Current Year 10,618.77 units (Previous Year 3,023.67 units) @Rs. 10.0060/- of each)		
	<b>106,244</b>	<b>30,253</b>

**5. CASH AND CASH EQUIVALENTS**

	<b>As at 31-Mar-13 Rupees</b>	<b>As at 31-Mar-12 Rupees</b>
Cash on hand	-	-
Bank Balances In Current Account	4,707	10,146
<b>Total</b>	<b>4,707</b>	<b>10,146</b>

**JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED**
**B: NOTES TO THE FINANCIAL STATEMENTS**
**6. OTHER INCOME**

	For the period ended 31.03.2013 Rupees	For the year ended 31.03.2012 Rupees
Dividend on units of Mutual Fund	991	24,054
<b>Total</b>	<b>991</b>	<b>24,054</b>

**7. EMPLOYEE BENEFIT EXPENSE**

	For the period ended 31.03.2013 Rupees	For the year ended 31.03.2012 Rupees
Expenses on Employee stock option scheme	–	315,120
<b>Total</b>	<b>–</b>	<b>315,120</b>

**8. OTHER EXPENSES**

	For the period ended 31.03.2013 Rupees	For the year ended 31.03.2012 Rupees
Printing and Stationery	525	–
Legal & Professional Fees	7,900	11,750
ROC Charges	1,530	2,142
Auditor's Remuneration	10,000	10,000
Rates & Taxes	2,984	2,703
<b>Total</b>	<b>22,939</b>	<b>26,595</b>

**9. Earning Per Share:**

	31.03.2013 Rupees	31.03.2012 Rupees
Profit/(Loss) attributable to equity shareholders	(21,948)	(3,17,661)
Weighted average number of equity shares outstanding during the year/period	50,274	50,000
Basic Earnings per share	(0.44)	(6.35)
Nominal Value per Share	10	10

**JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED**
**B: NOTES TO THE FINANCIAL STATEMENTS**

10. As per details available with the management, there are no outstanding amount(s) due to Micro, Small and Medium Enterprises (SME) as defined under Micro, Small and Medium Enterprises Development Act 2006.
11. Deferred Tax assets arising due to timing differences on account of brought forward loss has not been recognised as a measure of prudence.
12. There are no Contingent Liabilities & Other commitments outstanding as at March 31, 2013 (previous year Rs. Nil).
13. Related Parties Disclosures

Names of related parties and description of relationship:

<b>Ultimate Holding Company</b>	JM Financial Limited.
<b>Holding Company</b>	JM Financial Services Private Limited (Formerly JM Financial Services Pvt. Ltd.)

**Note:** Related party relationship on the basis of the requirements of Accounting Standard 18 is ascertained by the management and relied upon by the auditors.

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

<b>Nature</b>	<b>Ultimate Holding Company</b>	<b>Holding Company</b>	<b>Fellow Subsidiary</b>	<b>Total</b>
<b>ESOP Expenses paid to</b>				
JM Financial Limited.	-	-	-	-
	(315,120)	(-)	(-)	(315,120)
<b>Equity Shares issued</b>				
JM Financial Services Ltd.	-	100,000	-	100,000
	(-)	(-)	(-)	(-)

The figures in bracket pertain to previous year.

14. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.
15. Details of Stock Options granted by JM Financial Limited, the ultimate holding company

In previous year, based on the request made by JM Financial Insurance Broking Private Limited ('the Company'), JM Financial Limited, in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. The Stock Options have been granted on April 21, 2011.

The current status of the stock options granted to the Employees is as under:

<b>Particulars</b>	<b>Current year No. of outstanding Options</b>	<b>Previous year No. of outstanding Options</b>
Outstanding at the beginning of the year	32,787	-
Granted during the year	-	32,787
Transferred to group companies	(32,787)	-
Exercised during the year	-	-
Outstanding at the end of the year	-	32,787
Exercisable at the end of the year	-	-

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**JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED****B: NOTES TO THE FINANCIAL STATEMENTS**

The charge on account of the above grant being difference of exercise price and market value on the date of grant is included in employee benefit expense aggregating Rs. Nil (Previous year Rs. 3,15,120/-). Since the options are issued by JM Financial Limited, basic and diluted earnings per share of the Company would remain unchanged.

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

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**For & on behalf of the Board**

Sd/-

**Rajeev Chitrabhanu**  
**Director**

Sd/-

**Prashant Choksi**  
**Director****PLACE: MUMBAI****DATED: May 09,2013**