



JM FINANCIAL SERVICES LIMITED

Annual Accounts 2012-13

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)

Report on the Financial Statements

1. We have audited the accompanying financial statements of **JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's 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 Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. 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.

Auditors' Responsibility

1. 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.
2. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

1. 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Sd/-

A. Siddharth
Partner
(Membership No. 31467)

MUMBAI, 9th May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities/ result are such that clauses (ii), (vi), (viii), (x), (xii), (xiii), (xviii), (xix) and (xx) of paragraph 4 of CARO are not applicable. In respect of other clauses, we report that:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. There has been no purchase of inventory and sale of goods during the year. During the course of our audit, we have not observed any major weakness in such internal control system.
- (iv) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (v) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management has been commensurate with the size of the Company and the nature of its business.
- (vi) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) Details of dues of Income-tax and Service Tax which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs.)
Income-tax Act, 1961	Income tax	Commissioner of Income Tax	2008-09	27,259,836
Finance Act, 1994	Service tax	Central Excise and Sales Tax Appellate Tribunal	2002 to 2009	3,033,588

There are no other cases of non-deposit with the appropriate authorities of disputed dues of Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess.

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- (vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has no dues to financial institutions and debenture holders.
 - (viii) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
 - (ix) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by Others from banks or financial institutions.
 - (x) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
 - (xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
 - (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by and on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Sd/-

A. Siddharth
Partner
(Membership No. 31467)

MUMBAI, 9th May, 2013

JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)
BALANCE SHEET AS AT 31ST MARCH 2013

	Note No.	Rupees	As at 31st March 2012 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	500,000,000	500,000,000
Reserves and Surplus	3	1,847,728,928	1,598,018,591
		2,347,728,928	2,098,018,591
Non-Current Liabilities			
Long-term borrowings	4	1,062,423	1,917,893
Long-term provisions	5	39,748,332	33,745,057
		40,810,755	35,662,950
Current Liabilities			
Short-term borrowings	6	4,846,002,111	3,404,884,879
Trade payables	7	1,584,123,774	1,233,519,897
Other current liabilities	8	388,363,064	329,181,837
Short-term provisions	9	20,703,449	21,696,703
		6,839,192,398	4,989,283,316
Total		9,227,732,081	7,122,964,857
ASSETS			
Non-current assets			
Fixed assets:	10		
Tangible assets		49,269,470	63,589,827
Intangible assets		21,057,832	28,988,601
		70,327,302	92,578,428
Non-current investments	11	45,603,158	25,503,158
Deferred tax assets (net)	12	26,539,198	19,776,900
Long-term loans and advances	13	464,293,006	440,810,598
		606,762,664	578,669,084
Current assets			
Stock in trade	14	-	498,993,880
Trade receivables	15	1,440,658,027	1,401,325,295
Cash and bank balances	16	3,525,603,864	3,061,959,272
Short-term loans and advances	17	419,288,004	141,023,344
Assets held for arbitrage business	18	3,191,630,692	1,390,975,161
Other current assets	19	43,788,830	50,018,821
		8,620,969,417	6,544,295,773
Total		9,227,732,081	7,122,964,857
Notes to the financial statements	1 to 35		

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

For and on behalf of the Board

A Siddharth
Partner

Sd/-
Nimesh N Kampani
Chairman

Sd/-
Hemant Kotak
Director

Sd/-
Anil Mavinkurve
Wholetime Director & Company Secretary

Place : Mumbai
Date : May 9, 2013

Place : Mumbai
Date : May 9, 2013

JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

	Note No.	Rupees	31st March 2012 Rupees
Revenue:			
Revenue from operations	20	2,710,574,527	2,672,008,977
Other Income	21	43,266,059	13,720,904
Total Revenue		2,753,840,586	2,685,729,881
Expenses:			
Sub brokerage, incentive, transaction costs and other direct expenses		888,729,254	812,636,293
Employee benefit expenses	22	660,379,878	651,368,382
Financial costs	23	479,892,306	514,983,232
Depreciation and amortisation expense	10	35,489,497	43,726,782
Other expenses	24	347,001,612	442,296,200
Total Expenses		2,411,492,547	2,465,010,889
Profit before tax		342,348,039	220,718,992
Tax expense:			
Current tax		99,400,000	64,600,000
Deferred tax		(6,762,298)	1,091,790
Tax adjustments for earlier years (net)		-	(561,497)
		92,637,702	65,130,293
Profit for the year		249,710,337	155,588,699
Earnings per share:			
	32		
Equity shares of face of Rs. 10/- each			
Basic		4.99	3.11
Diluted		4.99	3.11
Notes to the financial statements	1 to 35		

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

For and on behalf of the Board

Sd/-

A Siddharth

Partner

Sd/-

Nimesh N Kampani

Chairman

Sd/-

Hemant Kotak

Director

Sd/-

Anil Mavinkurve

Wholetime Director & Company Secretary

Place : Mumbai

Date : May 9, 2013

Place : Mumbai

Date : May 9, 2013

JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	Rupees	31st March, 2012 Rupees
A Cash Flow from Operating Activities		
Net Profit Before Tax	342,348,039	220,718,992
Adjustments for :		
Depreciation/ amortisation	35,489,497	43,726,782
Profit on sale of fixed assets (net)	(137,348)	(73,368)
Loss on sale of non-current investments (non-trade)	-	32,365,133
Provision for doubtful debts written back	-	(2,000,000)
Bad debts written off	264,466	4,018,696
Provision for diminution in value of non-current investments written back	(20,000,000)	(10,000,000)
Interest expenses	479,892,306	514,983,232
Dividend income on non-current investment (non-trade)	(246,324)	(164,216)
Dividend income on current investment (non-trade)	(177,715)	(159,400)
Interest income	(20,799,177)	(2,840,431)
Operating Profit before Working Capital Changes	816,633,744	800,575,420
Adjustment for:		
Increase / (decrease) in trade payables	350,603,877	(1,122,767,538)
Increase / (decrease) in other current liabilities	59,543,625	(90,715,012)
(Decrease) / increase in short term provisions	(993,254)	2,378,743
Increase in long term provisions	6,003,275	2,957,541
(Increase) / decrease in long term loans and advances	(14,346,586)	67,026,327
Decrease / (increase) in stock in trade	498,993,880	(498,993,880)
(Increase) in trade receivables	(39,597,198)	(443,151,244)
(Increase) in other bank balances	(414,337,376)	(828,958,932)
(Increase) / decrease in short term loans and advances	(282,113,555)	429,330,387
(Increase) / decrease in assets held for arbitrage	(1,800,655,531)	3,523,031,137
Decrease in other current assets	315,184	238,683
Cash (used in) / generated from operations	(819,949,915)	1,840,951,632
Income taxes paid	(108,535,822)	(50,481,295)
Net cash (used in) / generated from operating activities	(928,485,737)	1,790,470,337
B Cash Flow from Investing Activities		
Purchase of fixed assets	(15,630,719)	(16,009,198)
Sale of fixed assets	1,311,828	618,758
Dividend income on non-current investment (non-trade)	246,324	164,216
Dividend income on current investment (non-trade)	177,715	159,400
Investment in subsidiary company (non-trade)	(100,000)	-
Sale of investments	-	15,105,667
Interest received	26,713,984	(10,949,372)
Net Cash generated from / (used in) Investing Activities	12,719,132	(10,910,529)
C Cashflow from Financing Activities		
Proceeds/(Repayment) from short term borrowings (net)	1,441,117,232	(1,270,302,521)
Interest paid	(476,043,411)	(477,433,678)
Net Cash generated from / (used in) Financing Activities	965,073,821	(1,747,736,199)
Net increase in Cash and Cash Equivalents (A+B+C)	49,307,216	31,823,609
Cash and cash equivalents at the beginning of the year	166,234,340	134,410,731
Cash and cash equivalents at the end of the year (Note 16)	215,541,556	166,234,340

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

For and on behalf of the Board

Sd/-

A Siddharth

Partner

Sd/-

Nimesh N Kampani

Chairman

Sd/-

Hemant Kotak

Director

Sd/-

Anil Mavinkurve

Wholetime Director & Company Secretary

Place : Mumbai

Date : May 9, 2013

Place : Mumbai

Date : May 9, 2013

JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 1

1. Significant Accounting Policies:

a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the generally accepted accounting principles in India and as per the provisions of the Companies Act, 1956.

b) Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actuals and estimates are recognized in the period in which the results are known / materialized.

c) Fixed assets

Fixed Assets are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

d) Depreciation

Depreciation on fixed assets is provided on the straight line method over the useful lives as follows:

Asset	Useful Life
Office Premises	61 years
Office Equipments	5 years
Computers	5 years
Furniture and Fixtures	10 years

Assets acquired under finance lease are depreciated over the period of lease.
Assets costing Rs.5, 000/- or less are depreciated at 100%.

e) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

Intangible assets are amortised on a straight line basis as under:

Asset	Useful Life
Software	5 years
Membership, The Stock Exchange, Mumbai	10 years
Exchange Deposits - Non refundable	10 years

f) Impairment loss

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

g) Investments

Current investments are carried at lower of cost and fair value. Non-current investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of non-current investments.

h) Revenue Recognition

- Revenue is recognised when it is earned and no significant uncertainty exists as to its realization or collection.
- Brokerage and Distribution, selling, advisory and other fees: These are recognised net of service tax recovered.
 - Brokerage earned from executing client transactions on the secondary market in “Cash” and “Future and Option” segments are recognised in the accounts on the trade date.”
 - Fees earned from primary market operations, i.e. procuring subscription from investors for public offerings of companies are recognised on determination of the amount due to the company, once allotment of securities is completed.
 - Fees earned for mobilizing bonds, fixed deposits from companies and funds for mutual funds from investors are recognised on monthly, quarterly or annual basis as set forth in terms of the engagement.
 - Fees from Structured products, Depository Participant business and Portfolio Management Services are recognised when the services are determined to be completed:

i) Arbitrage business

The Company enters into transactions in the Cash-Future Arbitrage and the Index Arbitrage.

The Company has adopted the recognition and measurement principles enunciated in 'Accounting Standard 30' (AS-30), 'Financial Instruments; Recognition & Measurement' to the extent it is not inconsistent with the 'Accounting Standards' notified by the Companies (Accounting Standards) Rules 2006, for the arbitrage transactions of the Company, encompassing purchase of equity shares in the cash market and selling the same in the futures market; selling of equity shares borrowed under Securities Lending and Borrowing Segment and buying the same in futures market and purchase/sale of Nifty futures, sale/purchase of equity futures of Nifty scrips, sale/purchase of Nifty/equity stock options etc. These are considered to be part of a portfolio of identified financial instruments that are managed as part of that group and are acquired principally for the purpose of selling/repurchasing in the near term, and hence these are treated as financial assets 'held for arbitrage business'. Accordingly, if the net difference is a loss (being an unrealised loss), provision is made for the same in the Profit and Loss account and if the net difference is a gain (being an unrealised gain), credit is not taken for the same on the principle of prudence.

j) Stock in Trade

Stock in Trade, other than held for arbitrage operations, is valued at cost or net realizable value, whichever is lower. Cost is determined on First in First out (FIFO) basis.

k) Employee Benefits

i. Post Employment Benefits:

Defined Contribution Plan:

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.

Defined Benefit Plans:

In respect of gratuity, provision is made based upon the actuarial valuation done at the end of every financial year using “Projected unit Credit Method”. Major drivers in actuarial assumption, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumption are charged to the Statement of Profit and Loss.

ii. Short term employee benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

l) Foreign currency transactions

Transactions in foreign currency are recorded at rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realisation/ payment of foreign exchange are accounted in the relevant year as income or expense.

m) Taxes on income

Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

n) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of costs 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 revenue.

o) Provisions and contingencies

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

**NOTE 2
SHARE CAPITAL**

	Rupees	As at 31st March, 2012 Rupees
Authorised		
55,000,000 Equity Shares of Rs. 10/- each	550,000,000	550,000,000
10,000,000 Preference Shares of Rs.10/- each	100,000,000	100,000,000
	650,000,000	650,000,000
Issued, Subscribed and Fully paid-up		
50,000,000 Equity Shares of Rs.10/- each	500,000,000	500,000,000
Total	500,000,000	500,000,000
2.1 Details of shareholders holding more than 5% shares:		
<u>JM Financial Products Limited, the holding company</u>		
Number of shares	45,500,000	45,500,000
% of holding	91%	91%
<u>JM Financial Institutional Securities Private Limited (formerly known as JM Financial Consultants Private Limited), a fellow subsidiary company</u>		
Number of shares (including one share jointly held with Mr. Nimesh Kampani)	4,500,000	4,500,000
% of holding	9%	9%
2.2 JM Financial Limited is the ultimate holding company.		
2.3 The Company has only one class of shares i.e. equity. The shareholders are entitled to dividend, as and when declared and approved by the shareholders.		

**NOTE 3
RESERVES AND SURPLUS**

	Rupees	As at 31st March, 2012 Rupees
Capital redemption reserve: As per last balance sheet	46,875,000	46,875,000
Securities premium account: As per last balance sheet	179,000,000	179,000,000
Balance in Statement of Profit and Loss: As per last balance sheet	1,372,143,591	1,216,554,892
Add: Profit for the year	249,710,337	155,588,699
Total	1,847,728,928	1,598,018,591

**NOTE 4
LONG-TERM BORROWINGS**

	Rupees	As at 31st March, 2012 Rupees
Finance lease (secured by way of hypothecation of vehicles) (refer note 29)		
Finance lease obligations	2,367,575	3,585,443
Less : Current maturities	1,305,152	1,667,550
Total	1,062,423	1,917,893

**NOTE 5
LONG TERM PROVISIONS**

	Rupees	As at 31st March, 2012 Rupees
Provision for employee benefits - Gratuity (refer note 30)	39,748,332	33,745,057
	39,748,332	33,745,057

**NOTE 6
SHORT-TERM BORROWINGS**

	Rupees	As at 31st March, 2012 Rupees
Bank overdrafts:		
Secured (refer note 6.1)	395,604,091	248,906,355
	395,604,091	248,906,355
Other loans (Unsecured):		
Commercial Paper	4,000,000,000	2,650,000,000
Borrowing - Securities Lending and Borrowing segment	450,398,020	505,978,524
	4,450,398,020	3,155,978,524
Total	4,846,002,111	3,404,884,879
6.1 Secured by pledge of fixed deposits with banks		

NOTE 7

	Rupees	As at 31st March, 2012 Rupees
There are no dues payable to Micro, Small and Medium Enterprises and therefore disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are not given.		

**NOTE 8
OTHER CURRENT LIABILITIES**

	Rupees	As at 31st March, 2012 Rupees
8 Other current liabilities		
Current maturities of finance lease obligations (Refer note 4 and 29)	1,305,152	1,667,550
Margin from clients/franchisees	151,470,312	86,839,791
Overdrawn balance as per books	8,218,361	28,055,439
Employee benefits payable	203,687,812	180,909,087
Statutory dues	23,681,427	31,709,970
Total	388,363,064	329,181,837

**NOTE 9
SHORT-TERM PROVISIONS**

	Rupees	As at 31st March, 2012 Rupees
Provision for employee benefits:		
Compensated absences	18,345,419	19,138,682
Gratuity (refer note 30)	2,358,030	2,558,021
Total	20,703,449	21,696,703

**NOTE 10
FIXED ASSETS**

Amount in Rupees

Description of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1st April 2012	Additions	Deductions	As at 31st March 2013	Upto 31st March 2012	For the year	Deductions	Upto 31st March 2013	As at 31st March 2013	As at 31st March 2012
Tangible										
Office Premises	6,948,170	-	-	6,948,170	138,465	113,828	-	252,293	6,695,877	6,809,705
Furniture and Fixtures	40,068,966	1,302,859	-	41,371,825	32,814,027	1,547,629	-	34,361,656	7,010,169	7,254,939
Computers	228,778,710	7,281,744	329,155	235,731,299	196,405,929	14,298,725	329,127	210,375,527	25,355,772	32,372,781
Office Equipments	76,406,381	646,034	88,000	76,964,415	63,145,043	6,029,962	87,997	69,087,008	7,877,407	13,261,338
Vehicles (taken on Lease) (Refer note 10.1)	9,184,105	1,547,944	5,457,113	5,274,936	5,293,041	1,934,314	4,282,664	2,944,691	2,330,245	3,891,064
TOTAL	361,386,332	10,778,581	5,874,268	366,290,645	297,796,505	23,924,458	4,699,788	317,021,175	49,269,470	63,589,827
Previous year	358,304,896	8,313,835	5,232,399	361,386,332	270,968,951	31,514,563	4,687,009	297,796,505	63,589,827	
Intangible										
Software	84,500,129	3,634,270	-	88,134,399	55,511,528	11,565,039	-	67,076,567	21,057,832	28,988,601
Membership, BSE Limited	14,300,000	-	-	14,300,000	14,300,000	-	-	14,300,000	-	-
NSE Exchange Deposits - Non refundable	920,000	-	-	920,000	920,000	-	-	920,000	-	-
TOTAL	99,720,129	3,634,270	-	103,354,399	70,731,528	11,565,039	-	82,296,567	21,057,832	28,988,601
Previous year	92,192,497	7,527,632	-	99,720,129	58,519,309	12,212,219	-	70,731,528	28,988,601	
TOTAL	461,106,461	14,412,851	5,874,268	469,645,044	368,528,033	35,489,497	4,699,788	399,317,742	70,327,302	92,578,428
Previous year	450,497,393	15,841,467	5,232,399	461,106,461	329,488,260	43,726,782	4,687,009	368,528,033	92,578,428	

10.1 Vendor has a lien over assets taken on lease by the Company

**NOTE 11
NON-CURRENT INVESTMENTS (Non-trade)**

	Rupees	As at 31st March, 2012 Rupees
Investment in equity instruments		
<u>In Subsidiary Companies:</u>		
5,000,000 equity shares of JM Financial Commtrade Limited of Rs. 10/- each fully paid up	50,000,000	50,000,000
Less : Provision for diminution	30,000,000	50,000,000
	20,000,000	-
60,000 (as at 31st March, 2012, 50,000) equity shares of JM Financial Insurance Broking Private Limited of Rs. 10/- each fully paid up	600,000	500,000
<u>In Others:</u>		
41,054 equity shares of BSE Limited of Re. 1/- each fully paid up	3,158	3,158
	20,603,158	503,158
Investments in preference shares		
<u>In Subsidiary Company:</u>		
2,500,000 9% non-cumulative preference shares of JM Financial Commtrade Limited of Rs. 10/- each fully paid up	25,000,000	25,000,000
Total	45,603,158	25,503,158
11.1 Aggregate values:		
Aggregate cost of unquoted investments	45,603,158	25,503,158
Aggregate provision for diminution in value of investments	30,000,000	50,000,000

**NOTE 12
DEFERRED TAX ASSETS (NET)**

	Rupees	As at 31st March, 2012 Rupees
Difference in book and tax WDV of fixed assets	372,787	(3,317,254)
Provision for Gratuity	14,311,952	11,778,534
Provision for Doubtful Debts	11,854,459	11,315,620
Total	26,539,198	19,776,900

**NOTE 13
LONG TERM LOANS AND ADVANCES**

	Rupees	As at 31st March, 2012 Rupees
(Unsecured and considered good)		
Capital advances	4,431,229	1,747,636
Deposits with stock exchanges etc	31,663,011	29,663,011
Deposits for premises [including with related party Rs 10,000,000/- (refer note 31)]	41,368,778	31,516,468
Other deposits	55,907,986	34,807,295

Service tax deposit paid under protest	6,300,000	6,300,000
Loan given to Employee welfare trust	224,000,000	244,500,000
Advance tax (net of provisions)	99,762,257	90,626,435
Prepaid Expenses	135,363	405,641
Staff Loans	724,382	1,244,112
Total	464,293,006	440,810,598

**NOTE 14
STOCK IN TRADE**

	Rupees	As at 31st March, 2012 Rupees
Zero Coupon Compulsory Convertible Debentures of Aditya Birla Minacs Worldwide Ltd	-	498,993,880
Total	-	498,993,880

**NOTE 15
TRADE RECEIVABLES**

	Rupees	As at 31st March, 2012 Rupees
<u>Trade receivables outstanding for a period exceeding six months from the date they are due for payment:</u>		
Secured, considered good	4,270,789	12,922,061
Secured, considered doubtful	3,192,374	-
Unsecured, considered doubtful	20,553,620	16,923,000
	28,016,783	29,845,061
Less: Provision for doubtful debts	23,745,994	29,845,061
	4,270,789	-
<u>Other trade receivables:</u>		
Secured, considered good	515,082,976	969,372,202
Unsecured, considered good	921,304,262	431,953,093
Unsecured, considered doubtful	11,130,320	5,031,253
	1,447,517,558	1,406,356,548
Less: Provision for doubtful debts	11,130,320	5,031,253
	1,436,387,238	1,401,325,295
Total	1,440,658,027	1,401,325,295
15.1 Debts due by directors: Vishal Kampani	-	7,298,228
15.2 Debts due by private companies in which director is a director: JM Financial Institutional Securities Private Limited (Formerly known as JM Financial Consultants Private Limited)	6,008,612	63,486,664

**NOTE 16
CASH AND BANK BALANCES**

	Rupees	As at 31st March, 2012 Rupees
Cash and cash equivalents		
Balances with banks		
In Current Accounts	215,541,556	159,597,998
In Deposit Accounts	-	6,636,342
	215,541,556	166,234,340
Other bank balances		
In Deposit Accounts (Refer note 16.1,16.2 and 16.3)	3,310,062,308	2,895,724,932
Total	3,525,603,864	3,061,959,272
16.1 Bank Deposits of Rs 2,519,062,308/- (Previous year, Rs 1,856,224,932/-) are under lien and lodged with Stock Exchanges towards base/additional base capital.		
16.2 Bank Deposits of Rs.791,000,000/- (Previous year, Rs. 1,039,500,000/-) are under lien with banks towards overdraft facilities and guarantees given by the banks to stock exchanges		
16.3 Bank Deposits of Nil (Previous year Rs 500,000/-) are having maturity of more than twelve months		

**NOTE 17
SHORT-TERM LOANS AND ADVANCES**

	Rupees	As at 31st March, 2012 Rupees
(Unsecured and considered good)		
Loans and advances to related parties (Refer note 31)	206,224,729	2,645,215
Deposits with stock exchanges	52,524,151	18,030,349
Deposits for premises [including with related party Rs 66,120,000/- (as at 31st March, 2012, Nil) (refer note 31)]	79,602,404	25,380,440
Service tax credit receivable	16,838,099	19,156,949
Prepaid Expenses	14,305,699	18,566,461
Prepaid interest on commercial paper	47,796,494	51,645,389
Staff Loans	712,209	1,941,842
Others (employee advance, etc)	1,284,219	3,656,699
Total	419,288,004	141,023,344

**NOTE 18
ASSETS HELD FOR ARBITRAGE BUSINESS**

	Rupees	As at 31st March, 2012 Rupees
Equity instruments (refer note 18.1)	3,193,541,816	1,384,453,085
Mark to market margin	(1,911,124)	6,522,076
Total	3,191,630,692	1,390,975,161

18.1 Includes Rs. 928,007,907/- (previous year, Rs. 659,929,380/-) pledged with the stock exchanges as margin.

**NOTE 19
OTHER CURRENT ASSETS**

	Rupees	As at 31st March, 2012 Rupees
(Unsecured and considered good)		
Interest accrued on bank deposits etc	40,933,862	46,848,669
Securities held for settlement of claims	2,854,968	3,170,152
Total	43,788,830	50,018,821

JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)
NOTES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST-MARCH-2013
**NOTE 20
REVENUE FROM OPERATIONS**

	Rupees	31st March 2012 Rupees
Rendering of financial services		
Brokerage	756,279,161	846,490,080
Distribution, selling, advisory and other fees	1,183,545,970	1,116,729,914
	1,939,825,131	1,963,219,994
Other operating revenues		
Income from arbitrage business	325,846,039	372,372,387
Dividend on equity shares held for arbitrage business	36,900,671	62,435,562
Interest income on fixed deposit placed as margin, etc	339,293,717	232,166,118
Profit on sale of current investments	7,512,814	-
Delayed payment charges recovered from clients	55,457,401	37,953,508
Recoveries from clients/franchisees etc	5,738,754	3,861,408
	770,749,396	708,788,983
Total	2,710,574,527	2,672,008,977

**NOTE 21
OTHER INCOME**

	Rupees	31st March 2012 Rupees
Interest income	20,799,177	2,840,431
Dividend Income		
- On current investments (Non-trade)	177,715	159,400
- On non current investments (Non-trade)	246,324	164,216
Profit on sale of fixed assets (net)	137,348	73,368
Bad debts recovered	1,331,250	-
Provision for diminution in value of long term investments written back	20,000,000	10,000,000
Miscellaneous income	574,245	483,489
Total	43,266,059	13,720,904

**NOTE 22
EMPLOYEE BENEFIT EXPENSE**

	Rupees	31st March 2012 Rupees
Salaries, bonus, other allowances and benefits	621,528,094	614,043,715
Contribution to provident and other funds	23,216,370	24,199,786
Gratuity (refer note 30)	9,125,189	6,420,595
Staff welfare	6,510,225	6,704,286
Total	660,379,878	651,368,382

**NOTE 23
FINANCIAL COSTS**

	Rupees	31st March 2012 Rupees
Interest expense :		
Bank Overdraft	46,763,351	45,872,783
Inter Corporate Deposits	6,687,672	1,410,073
CPs'	321,375,195	370,835,189
Margin Deposits	7,765,984	3,169,910
Finance charges on leased assets	767,174	1,017,068
Other borrowing costs :		
Bank Guarantee charges	3,608,404	20,357,144
Securities borrowing costs	92,924,526	72,321,065
Total	479,892,306	514,983,232

**NOTE 24
OTHER EXPENSES**

	Rupees	31st March 2012 Rupees
Rent	75,455,005	66,384,661
Rates and taxes	12,671,763	13,194,017
Repairs and maintenance	15,801,073	15,911,927
Professional and consultancy charges	21,872,773	24,886,593
Communication expenses	19,959,940	37,617,744
Information technology expenses	54,202,200	62,263,222
Membership and subscription	10,649,407	8,497,160
Electricity	23,685,339	22,171,808
Insurance	11,830,361	13,503,990
Support service charges	-	31,854,033
Printing and stationery	10,507,438	16,816,288
Donations	5,000,000	4,600,000
Manpower expenses	46,476,349	46,367,441
Auditors remuneration	1,413,015	1,300,076
Director's Commission	400,000	-
Travelling expenses	6,636,496	6,908,282
Loss on sale of non-current investments (non-trade)	-	32,365,133
Bad Debts written off	264,466	4,018,696
Provision for doubtful debts (net)	-	(2,000,000)
Business development expenses	7,355,710	3,506,726
Renovation expenses	1,115,425	9,461,716
Miscellaneous expenses	23,383,496	28,784,622
	348,680,256	448,414,135
Recovery of expenses	(1,678,644)	(6,117,935)
Total	347,001,612	442,296,200

JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)

NOTES ON ACCOUNTS

**NOTE 25
CONTINGENT LIABILITIES AND COMMITMENTS**

a. Contingent Liabilities

- i. Service tax demand raised in respect of distribution of RBI Bonds for Rs. 9,333,588/- (previous year Rs. 8,465,340/-) against which the Company has preferred an appeal before Tribunal/Commissioner of Service Tax and has paid an amount of Rs. 6,300,000/- under protest.
- ii. Service tax demand of Nil (previous year Rs. 109,875,627/-) with regard to certain other services. Order has been received during the year by the Company from the Custom, Excise and Service Tax Appellate Tribunal (CESTAT) setting aside the demands raised by the service tax department in the earlier years.
- iii. Income tax demand of Rs. 1,125,533/- (previous year, Rs 4,640,486/-) in respect disputed disallowances under the Income Tax Act, 1961.

With regards to above, the Company is hopeful of succeeding and as such does not expect any significant liability to crystallize.

b. Commitments

- i. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 5,301,512/- (previous year, Rs. 1,695,547/-).

**NOTE 26
PAYMENT TO AUDITORS (EXCLUDING SERVICE TAX)**

	Rupees	Previous Year Rupees
a) As auditors	850,000	750,000
b) For limited review	400,000	400,000
c) Other matters (Certification etc)	150,000	125,000
d) Out of pocket expenses	13,015	25,076
Total	1,413,015	1,300,076

**NOTE 27
EXPENDITURE IN FOREIGN CURRENCY**

	Rupees	Previous Year Rupees
Travelling Expenses	163,673	100,757
Legal and Professional Charges	702,348	1,359,566
Purchase of EDP Software	276,000	-
Information Technology Expenses	202,356	-
Membership & Subscription	216,920	161,495
Total	1,561,297	1,621,818

NOTE 28
SEGMENT INFORMATION

Primary Segment of the Company is business segment. The Company has identified two business segments: -

- i. Rendering of Financial Services: This includes broking income from Primary and Secondary Market business, income from Depository Participant activities, income from Portfolio Management Services etc.
- ii. Arbitrage business

Particulars	Rendering of Financial Services	Arbitrage Business	Total
Segment Revenue	2,222,125,938 (2,167,721,480)	488,448,589 (504,287,497)	2,710,574,527 (2,672,008,977)
Segment Results before taxes.	169,804,476 (111,322,208)	151,553,597 (97,687,309)	321,358,073 (209,009,517)
Unallocable Corporate Income/(Expenses) (Net)	-	-	20,989,966 (11,709,475)
Profit before Tax	-	-	342,348,039 (220,718,992)
Tax Expense	-	-	92,637,702 (65,130,293)
Net Profit after Tax	-	-	249,710,337 (155,588,699)
Other Information:			
Segment Assets	4,542,977,202 (3,667,396,478)	4,091,083,981 (2,645,885,095)	8,634,061,183 (6,313,281,573)
Unallocable Corporate Assets	-	-	593,670,898 (809,683,284)
Total Assets	-	-	9,227,732,081 (7,122,964,857)
Segment Liabilities	3,014,944,152 (2,639,728,436)	3,658,834,272 (1,885,217,830)	6,673,778,424 (4,524,946,266)
Unallocable Corporate Liabilities	-	-	206,224,729 (500,000,000)
Total Liabilities	-	-	6,880,003,153 (5,024,946,266)
Capital Expenditure	14,412,851 (8,996,672)	-	14,412,851 (8,996,672)
Depreciation	35,393,497 (43,630,782)	96,000 (96,000)	35,489,497 (43,726,782)

Figures in brackets represents figures relating to the previous year.

The Company operates in only one geographical segment and hence no further information is provided.

**NOTE 29
LEASE TRANSACTIONS**

i. Finance Lease:

The Company has acquired vehicles on finance lease. The tenure of the lease agreements ranges between 36 to 48 months with an option of prepayment / foreclosure.

Minimum lease rentals outstanding in respect of these assets are as under:

Due	Rupees		
	Total minimum lease payments outstanding as at the year end	Interest not due	Present value of minimum lease payments as at the year end
Not later than one year	1,695,201 (2,358,852)	390,049 (691,302)	1,305,152 (1,667,550)
Later than one year and not later than five year	2,364,696 (2,970,397)	1,264,745 (2,364,696)	202,322 (446,803)
Total	2,959,946 (4,723,548)	592,371 (1,138,105)	2,367,575 (3,585,443)

Figures in brackets are in respect of previous year

ii. Operating Lease

a. The Company has taken certain premises on non-cancellable operating leases. The tenures of such agreements range from 15 to 36 months. Future Minimum Lease Payments under Non-Cancellable Operating Lease are:

Due	Rupees	
	Rupees	As at 31 st March, 2012 Rupees
Not later than one year	43,553,280	1,020,000
Later than one year and not later than five years	595,000	1,615,000
Total	44,148,280	2,635,000
Debit to Profit and Loss Account	11,653,320	890,323

b. The Company has taken certain premises on cancellable operating lease. The tenure of lease ranges from 12 months to 108 months with an option of foreclosure. Lease payments recognized in the Profit and Loss account for the year in respect thereof aggregate to Rs. 6,38,01,685/- (Previous Year Rs. 65,494,338/-).

**NOTE 30
EMPLOYEE BENEFITS**

Short-term employee benefits:

The Company provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under Salaries and Bonus.

Defined Contribution Plan:

Contributions are made to Government Provident Fund and Family Pension Fund which covers all regular employees. While both the employees and the Company make predetermined contributions to the provident fund, contribution to the family pension fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate Rs.23,069,254/- (Previous year Rs. 23,847,697/-).

Defined Benefit Plan:
Gratuity (unfunded):

Provision is made for gratuity based upon actuarial valuation done at the end of every financial year using "Projected Unit Credit" method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

		Gratuity (unfunded)			
		31st March 2013		31st March 2012	
		Rupees		Rupees	
I. Reconciliation of liability recognised in the Balance Sheet					
Fair value of plan assets as at the end of the year				-	
Present value of obligation as at the end of the year		42,106,362		36,303,078	
Net liability in the Balance Sheet		42,106,362		36,303,078	
II. Movement in net liability recognised in the Balance Sheet					
Net liability as at the beginning of the year		36,303,078		32,694,707	
Net expense recognised in the Statement of Profit and Loss		9,125,189		6,420,595	
Benefits paid		(2,726,844)		(2,812,224)	
Liability extinguished on transfer		(595,061)		-	
Net liability as at the end of the year		42,106,362		36,303,078	
III. Expense recognised in the Profit and Loss Account (Under the head "Employee Benefit Expense" Refer Note 22)					
Current Service Cost		5,269,248		5,439,565	
Interest cost		3,485,372		2,993,044	
Actuarial Loss / (Gains)		370,569		(2,012,014)	
Expense charged to the Statement of Profit and Loss		9,125,189		6,420,595	
IV. Reconciliation of defined benefit commitments					
Commitments at the beginning of the year		36,303,078		32,694,707	
Current Service Cost		5,269,248		5,439,565	
Interest Cost		3,485,372		2,993,044	
Actuarial Loss / (Gains)		370,569		(2,012,014)	
Benefits Paid		(2,726,844)		(2,812,224)	
Liability extinguished on transfer		(595,061)		-	
Commitments at the year end		42,106,362		36,303,078	
V. Actuarial Assumptions					
Mortality table		LIC (1994-96)		LIC (1994-96)	
Discount rate (per annum)		Ultimate		Ultimate	
		8.10%		8.65%	
Rate of escalation in salary (per annum)		7.00%		7.00%	
VI. Experience history					
	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12	31-Mar-13
Defined Benefit Obligation	19,412,978	22,329,980	32,694,707	36,303,078	42,106,362
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(19,412,978)	(22,329,980)	(32,694,707)	(36,303,078)	(42,106,362)
Experience Adj. on Plan Liabilities	-	(2,930,264)	(5,290,479)	524,933	(2,105,863)
Experience Adj. on Plan Assets	-	-	-	-	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
**NOTE 31
RELATED PARTY DISCLOSURES**
A) Enterprise where control exists

i) Ultimate Holding Company	JM Financial Ltd
ii) Holding Company	JM Financial Products Limited
iii) Subsidiary Company	JM Financial Insurance Broking Pvt. Ltd. JM Financial Commtrade Limited

B) Related parties where transaction have taken place during the year

Relationship	Name
i) Ultimate Holding Company	JM Financial Ltd
ii) Holding Company	JM Financial Products Limited
iii) Subsidiary Company	JM Financial Insurance Broking Pvt. Ltd. JM Financial Commtrade Limited
iv) Fellow Subsidiaries	Infinite India Investment Management Private Limited JM Financial Asset Management Private Limited JM Financial Institutional Securities Private Limited (Formerly known as JM Financial Consultants Pvt Ltd) JM Financial Properties and Holdings Limited (Formerly known as JM Financial GILTS Limited)
v) Individual exercising significant influence by way of voting power in reporting enterprise and relatives of any such person	Mr. Nimesh N Kampani Mrs. Aruna Kampani Mr. Vishal Kampani Mr. Anil Kampani Mr. Ashith N Kampani Mr. Harith Kampani
vi) Key management personnel and relatives of such personnel	Mr. Anil Mavinkurve (w.e.f May 21,2012) Ms. Archana Mavinkurve (w.e.f May 21,2012) Ms. Niyati Mavinkurve (w.e.f May 21,2012) Ms. Ranjana Hosangadi (w.e.f May 21,2012) Anil Mavinkurve HUF (w.e.f May 21,2012) Ms. Sachi Mavinkurve (w.e.f May 21,2012)
vii) Enterprises over which any person described in Clause B v) above is able to exercise significant influence	FICS Consultancy Services Ltd Kampani Consultants Limited Persepolis Investment Company Private Limited SNK Investments Private Limited J. M. Financial & Investment Consultancy Services Pvt Ltd JSB Securities Ltd JM Financial Trustee Company Private Limited J. M. Assets Management Pvt. Ltd

JM FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS JM FINANCIAL SERVICES PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

C) Details of transactions			
Name of the related party	Nature of Transaction		Previous year
		Rupees	Rupees
i) Ultimate Holding Company			
JM Financial Ltd	Secondary Brokerage Received	-	10,504
	Demat charges received	171	-
	Reimbursement of expenses (paid)	-	812,222
	Reimbursement of expenses (received)	-	1,106,769
	Reimbursement of employee expenses	18,792,029	12,753,079
	Service charges paid	-	12,000,000
	Rent paid	2,174,700	1,991,100
	Closing Balance - Receivable / (Payable)	637	526,210
	Closing Balance - Deposit	10,000,000	10,000,000
ii) Holding Company			
JM Financial Products Limited	Fees Received	-	13,210,659
	Demat charges received	9,599	-
	Reimbursement of expenses (received)	88	1,055,245
	ICD Taken	-	1,125,000,000
	ICD Repaid	-	1,125,000,000
	Interest on ICD paid	-	830,482
	Secondary Brokerage Received	1,018,775	131,589
	Gratuity Transferred	595,061	-
	Closing Balance Receivable / (Payable)	10,785	2,645,215
	iii) Subsidiary Company		
JM Financial Commtrade Limited	Reimbursement of expenses (paid)	-	644,915
	Reimbursement of expenses (received)	158,427	282,707
	ICD Given	896,737,491	-
	ICD Recovered	692,655,491	-
	Interest on ICD received	18,673,719	-
	Demat charges received	451,695	-
	Closing Balance Receivable / (Payable)	206,224,729	-
	JM Financial Insurance Broking Pvt. Ltd.	Investment in Equity share	100,000
iv) Fellow Subsidiaries			
Infinite India Investment Management Private Limited		-	1,000,000
	Brokerage Received		
JM Financial Asset Management Private Limited	Demat Charges (received)	6,698	129,600
	Purchase of Assets	12,500	-
	Brokerage received	-	48,730
	Closing Balance Receivable / (Payable)	554	73,333
JM Financial Institutional Securities Private Limited	Fees Received	3,886,943	67,144,999

C) Details of transactions			
Name of the related party	Nature of Transaction	Previous year	
		Rupees	Rupees
(Formerly known as JM Financial Consultants Pvt Ltd)	Sub brokerage received	-	144,415,615
	Reimbursement of expenses (paid)	-	1,143,255
	Reimbursement of expenses (received)	-	1,731,525
	IPO expense reimbursement (received)	-	1,133,732
	Demat Charges (received)	2,100	-
	Closing Balance Receivable / (Payable)	6,008,612	63,486,664
JM Financial Institutional Securities Private Limited (Refer note 31.2)	Recovery of Expense	NA	242,283
	Reimbursement of expenses (received)	NA	24,497
	Service charges paid	NA	19,814,402
	Loan Transferred	NA	213,188
JM Financial Securities Private Limited (Refer note 31.2)	Fees Paid	NA	5,190,365
	Reimbursement of expenses (received)	NA	2,647
JM Financial Ventures Limited (Refer note 31.2)	Secondary Brokerage Received	NA	1,464,213
	Closing Balance Receivable / (Payable)	NA	(9,317,120)
Stellar Investments	Secondary Brokerage Received	NA	694,466
	Demat Charges received	NA	204
	Closing Balance Receivable / (Payable)	NA	(20,315,467)
JM Financial Properties and Holdings Ltd. (Formerly known as JM Financial GILTS Limited)	ICD given	550,000,000	-
	ICD Recovered	550,000,000	-
	Interest on ICD received	1,823,288	-
	Rent	10,633,320	-
	Repairs and maintainance expenses	2,269,601	-
	Property Deposit	66,120,000	-
	Closing Balance - Receivable / (Payable)	28,053	-
	Closing Balance - Deposit	66,120,000	-
v) Individual exercising significant influence by way of voting power in reporting enterprise and relatives of any such person			
Others	Secondary Brokerage Received	76,893	35,863
	Demat Charges received	3,665	6,202
	Closing Balance Receivable / (Payable)	(157,710)	7,298,228
vi) Key management personnel and relatives of such personnel			
Anil Mavinkurve (w.e.f. 21st May, 2012)	Remuneration	9,187,343	-
	Contribution to provident fund	209,406	-
	Secondary Brokerage Received	777	-
	Demat Charges received	1,060	-
	Closing Balance Receivable / (Payable)	(5,000,000)	-
vi) Enterprises over which any person described in Clause B v) above is able to exercise significant influence			
FICS Consultancy Services Ltd.	Reimbursement of expenses (paid)	-	22,802
	Rent paid	-	371,151
	Secondary Brokerage Received	-	15,750

C) Details of transactions			
Name of the related party	Nature of Transaction	Previous year	
		Rupees	Rupees
	Closing Balance Receivable / (Payable)	-	(395,065)
Kampani Consultants Limited	Rent paid	501,600	501,600
	Secondary Brokerage Received	94,385	57,009
Persepolis Investment Company Private Limited	Secondary Brokerage Received	110,445	52,187
	Closing Balance Receivable / (Payable)	100	-
SNK Investments Private Limited	Secondary Brokerage Received	161,000	25
	Closing Balance Receivable / (Payable)	100	-
J. M. Financial & Investment Consultancy Services Pvt Ltd	Rent paid	1,365,000	682,500
	Rates and Taxes	128,162	-
	Repairs and maintainance expenses	33,505	-
	Secondary Brokerage Received	500,673	819,305
	Demat charges received	100	1,814
	Closing Balance Receivable / (Payable)	112	-
JSB Securities Ltd	Secondary Brokerage Received	115,500	207
JM Financial Trustee Company Private Limited	Secondary Brokerage Received	210,000	100,005
JM Assets Management Private Limited	Secondary Brokerage Received	484,151	-
31.1	There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from / due to related parties		
31.2	Merged with JM Financial Institutional Securities Private Limited (formerly known as JM Financial Consultants Pvt Ltd) with effect from 31st March, 2012		
31.3	The above transactions are excluding services tax.		

**NOTE 32
EARNING PER SHARE**

a. Basic Earnings Per Share

		31st March 2012
Profit attributable to equity shareholders (Rupees)	249,710,337	155,588,699
Weighted average number of shares outstanding during the year	50,000,000	38,415,816
Basic earnings per share (Rupees)	4.99	3.11

b. Nominal value per share (Rupees) 10 10

**NOTE 33
EMPLOYEE STOCK OPTION**

During the year, based on the request made by JM Financial Services Limited (formerly known as JM Financial Services Private Ltd.) ('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. 1,356,205 stock options have been granted on April 21, 2011 and 1,197,333 have been granted on April 16, 2012

The option shall be eligible for vesting as per following schedule:

Vesting Date	Options (Nos.)	Status	Exercise Year	Exercise Price (Rupee)
21st April, 2012	452,068	Vested	Seven years from the date of Grant	1
21st April, 2013	452,068	To be vested	Seven years from the date of Grant	1
21st April, 2014	452,069	To be vested	Seven years from the date of Grant	1
16th April 2013	399,111	To be vested	Seven years from the date of Grant	1
16th April 2014	399,111	To be vested	Seven years from the date of Grant	1
16th April 2015	399,111	To be vested	Seven years from the date of Grant	1

The details of stock option granted to employees are as under:

Particulars	Current Year Nos.	Previous year Nos.
Outstanding at the beginning of the year	1,326,910	-
Granted during the year	1,197,333	1,356,205
Lapsed/transferred during the year	13,142	29,295
Exercised during the year	402,906	-
Outstanding at the end of the year	2,108,195	1,326,910
Exercisable at the end of the year	36,020	-

The charge on account of the above scheme included in employee benefit expense aggregate Rs.18,792,029/- (Previous year, Rs. 12,753,079). Since the options are issued by JM Financial Limited, the Ultimate Holding company, basic and diluted earnings per share of the Company would remain unchanged.

NOTE 34

The name of the Company has been changed to JM Financial Services Limited with effect from 28th February, 2013

NOTE 35

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

Sd/-

Nimesh N Kampani**Chairman**

Sd/-

Hemant Kotak**Director**

Sd/-

Anil Mavinkurve**Wholetime Director & Company Secretary****Place : Mumbai****Date : May 9, 2013**