



JM FINANCIAL ASSET MANAGEMENT LIMITED

(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)

Annual Accounts 2013-14

Corporate Identification Number: U65991MH1994PLC078879

Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

T: +91 22 6630 3030 F: +91 22 6630 3030 Website: www.jmfl.com

AUDITORS' REPORT TO MEMBERS

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of **JM FINANCIAL ASSET MANAGEMENT LIMITED** (formerly known as JM Financial Asset Management Private Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) 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

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 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate 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 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, 2014;
 - (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

7. 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.
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 purposes of our audit.

-
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(A. SIDHRTH)
(Partner)
(Membership No. 31467)

MUMBAI, 28th April, 2014

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/ results are such that clauses (ii), (vi), (viii), (xi), (xii), (xiii), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company. 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) All the fixed assets were physically verified during the year by the Management. 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 loans, secured or unsecured, to/from companies, firms or other parties covered 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 for purchase of fixed assets and for the sale of services. There has been no purchase of inventory and sales of goods during the year. During the course of our audit we have not observed any continuing failure to correct major weakness in such internal control system.
- (iv) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956.
- (v) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have 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 statutory 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) There are no cases of non-deposit with appropriate authorities of disputed dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess. Details of dues of Income Tax which have not been deposited as on 31st March, 2014 on account of dispute are given below:-

Statute	Nature of Dues	Forum where dispute is pending	Period for which the amount relates	Amount involved (Rupees)
Income Tax Act, 1961	Income Tax	Deputy Commissioner	2010-11	625,180

- (vii) The accumulated losses of the Company at the end of the financial year are not less than fifty per cent of its net worth. Further, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (viii) Based on our examination of the records and evaluation 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, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long- term investment.

-
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(A. SIDHRTH)
(Partner)
(Membership No. 31467)

MUMBAI, 28th April, 2014

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

Balance Sheet as at 31st March, 2014

	Note No.	Rupees	As at 31.03.2014 Rupees	As at 31.03.2013 Rupees
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
Share Capital	2	588,376,520		588,346,520
Reserves and Surplus	3	572,958,984		534,693,666
			1,161,335,504	1,123,040,186
2 Non-current liabilities				
Long-term borrowings	4	583,046		-
Long-term provisions	5	10,730,614		11,829,340
			11,313,660	11,829,340
3 Current liabilities				
Trade payables	6	13,841,735		9,132,113
Other current liabilities	7	39,274,386		39,480,623
Short-term provisions	8	8,053,164		7,428,611
			61,169,285	56,041,347
TOTAL			1,233,818,449	1,190,910,873
II. ASSETS				
Non-current assets				
1 Fixed assets				
(i) Tangible assets	9	38,372,796		43,033,317
(ii) Intangible assets		4,265,881		7,525,157
		42,638,677		50,558,474
Non-current investments	10	-		502,680,487
Long-term loans and advances	11	57,403,877		53,200,264
			100,042,554	606,439,225
2 Current assets				
Current investments	12	297,426,568		88,653,299
Trade receivables	13	14,690,053		11,457,925
Cash and cash equivalents	14	2,657,256		3,628,053
Short-term loans and advances	15	815,577,031		454,562,454
Other current assets	16	3,424,987		26,169,917
			1,133,775,895	584,471,648
TOTAL			1,233,818,449	1,190,910,873
Notes to the Financial Statements	1 to 31			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For JM Financial Asset Management Limited

A. Siddharth
Partner
Mumbai, dated: 28th April, 2014

V. P. Shetty
Chairman

G. M. Rammurthy
Director

Mayuri Datar
Manager and Company Secretary
Mumbai, dated: 28th April, 2014

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

Statement of Profit and Loss for the year ended 31st March, 2014

	Note No.	Rupees	Previous year Rupees
INCOME			
Revenue from operations	17	158,926,086	178,232,800
Other income	18	106,622,833	110,657,859
TOTAL REVENUE		265,548,919	288,890,659
EXPENDITURE			
Employee benefits expense	19	157,859,362	173,849,364
Finance costs- interest expense on lease loan and inter corporate deposit		128,715	9,141,975
Depreciation and amortization expense		9,677,760	12,435,403
Other expenses	20	59,617,764	71,186,641
TOTAL EXPENSES		227,283,601	266,613,383
Profit for the year		38,265,318	22,277,276
Earning Per Equity Share (Face value of Rs.10/- each)			
Basic and Diluted	25	0.65	0.38
Notes to the Financial Statements	1 to 31		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For JM Financial Asset Management Limited

A. Siddharth
Partner
Mumbai, dated: 28th April, 2014

V. P. Shetty
Chairman

G. M. Rammurthy
Director

Mayuri Datar
Manager and Company Secretary
Mumbai, dated: 28th April, 2014

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

Statement of Cash Flow for the year ended 31st March, 2014

	Rupees	Previous year Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	38,265,318	22,277,276
Adjustment for:		
Depreciation and amortization expense	9,677,760	12,435,403
Interest income	(100,476,254)	(97,449,485)
Amortization of premium paid on non-current investments (non-trade)	407,298	1,343,172
Interest expenses	128,715	9,141,975
(Profit) on sale of current investments	(4,623,665)	(13,827,059)
(Profit) on sale of non-current investments	(767,836)	-
(Profit) / Loss on sale of fixed assets (net)	(111,821)	474,780
Dividend	(7,008)	(480)
Operating (loss) before working capital changes	(57,507,493)	(65,604,418)
Adjustment for:		
(Increase) / Decrease in trade receivables	(3,232,128)	2,378,925
Decrease in long-term loans and advances	435,935	1,025,342
(Increase) / Decrease in short-term loans and advances	(1,014,577)	1,824,975
Increase / (Decrease) in trade payables	4,709,622	(8,020,431)
Increase in short term provisions	624,553	6,534,241
(Decrease) / Increase in long term provisions	(1,098,726)	569,462
(Decrease) / Increase in other current liabilities	(219,974)	3,536,228
Cash (used in) operations	(57,302,788)	(57,755,676)
Direct taxes (paid) / refunded (net)	(4,639,548)	13,970,334
Net cash (used in) Operating Activities (A)	(61,942,336)	(43,785,342)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of current investments	(246,107,007)	(1,401,728,339)
Sale of current investments	192,146,678	1,638,932,664
Sale of non-current investments	352,851,750	-
Inter corporate deposit given	(360,000,000)	(450,000,000)
Purchase of fixed assets	(1,172,559)	(1,789,484)
Sale of fixed assets	123,200	298,929
Interest received	123,221,184	111,761,227
Dividend received	7,008	480
Net cash generated from / (used in) Investment Activities (B)	61,070,254	(102,524,523)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	30,000	560,000
Proceeds from short term borrowings	-	1,150,000,000
(Repayments) of short term borrowings	-	(1,150,000,000)
Interest paid	(128,715)	(9,141,975)
Net cash (used in) Financing Activities (C)	(98,715)	(8,581,975)

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)****Statement of Cash Flow for the year ended 31st March, 2014**

Net (decrease) in cash and cash equivalents (A)+(B)+(C)	(970,797)	(154,891,840)
Cash and cash equivalents at the beginning of the year	3,628,053	158,519,893
Cash and cash equivalents at the end of the year (Refer note 14)	2,657,256	3,628,053

Note:

Non-cash transaction not considered above:

Allotment of equity shares against share application money pending allotment of Rs.Nil/- (Previous year Rs.90,000).

In terms of our report
attached**For Deloitte Haskins & Sells LLP**
Chartered Accountants**For JM Financial Asset Management Limited****A. Siddharth**
Partner
Mumbai, dated: 28th April, 2014**V. P. Shetty**
Chairman**G. M. Rammurthy**
Director**Mayuri Datar**
Manager and Company Secretary
Mumbai, dated: 28th April, 2014

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

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 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs), to the extent applicable.

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 actual and estimates are recognised in the period in which the results are known / materialised.

c) Fixed Assets

Fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any.

d) Depreciation

Depreciation is provided on straight line method at the rates arrived on the basis of economic useful lives of the assets estimated by the management. These rates are as follows.

Asset Description	SLM Rates (%)
Office Premises	1.64
Furniture and Fixtures	10
Office Equipments	20
Electrical Fittings	20
Computer Hardware	20

Leasehold improvements are amortised over a period of lease or ten years whichever is lesser.

Assets taken on finance lease are depreciated over a period of lease.

e) Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Computer software is amortised over a period of five years.

f) Impairment Loss

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. 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. Long term investments are carried at cost. Provision is made to recognise decline, other than temporary in the carrying amount of long-term investments.

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

h) 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.

i) Revenue Recognition

Revenue (income) is recognized when no significant uncertainty as to determination or realization exists. Management fee is recognized at specific rates agreed for the relevant schemes applied on the daily net assets of each scheme.

j) Employee Retirement Benefits

(a) Post Employment Benefits and Other Long Term 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 half 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.

(b) 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.

k) Borrowing Costs

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

l) Taxes on Income

Tax expense comprises current tax 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 the 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. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realised against future taxable profits.

m) Provision and Contingencies

Provisions are 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. Contingent liabilities are 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 ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

2. SHARE CAPITAL

	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Authorised		
93,000,000 Equity Shares of Rs.10/- each	930,000,000	930,000,000
2,000,000 Optionally Convertible Redeemable Preference Shares of of Rs 10/- each	20,000,000	20,000,000
Total	950,000,000	950,000,000
Issued, Subscribed and Paid-up		
58,837,652 (Previous year 58,834,652) equity shares of Rs.10/- each fully paid-up	588,376,520	588,346,520
Total	588,376,520	588,346,520

2.1 Reconciliation of number of shares:

Particulars	Equity Shares			
			As at 31.03.2013	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	58,834,652	588,346,520	58,769,652	587,696,520
Shares issued during the year*	3,000	30,000	65,000	650,000
Shares outstanding at the end of the year	58,837,652	588,376,520	58,834,652	588,346,520

* Company has issued and allotted 3,000 (Previous year 65,000) equity shares to the eligible employees, directors of the Company and directors of JM Financial Trustee Company P. Ltd. under Employee Stock Option Plan (ESOP).

2.2 Details of shareholding more than 5%:

Equity Shareholders:	As at 31st March, 2013			
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:				
JM Financial Limited- Holding Company	31,462,500	53.47%	31,462,500	53.48%
JM Financial & Investment Consultancy Services Private Limited	15,150,000	25.75%	15,150,000	25.75%
Mr. Nimesh N Kampani	3,125,000	5.31%	3,125,000	5.31%
JM Asset Management Private Limited	3,000,000	5.10%	3,000,000	5.10%

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

3. RESERVES AND SURPLUS

	Rupees	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Securities premium account			
As per last balance sheet		1,487,095,440	1,487,095,440
Balance in the statement of profit and loss			
As per last balance sheet	(952,401,774)		(974,679,050)
Profit for the year	38,265,318		22,277,276
TOTAL		572,958,984	534,693,666

4. LONG-TERM BORROWINGS

	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Finance lease obligations (Refer note 24)	885,151	288,368
Less: Current maturities of finance lease obligations (Refer note 7)	302,105	288,368
Total	583,046	-

5. LONG-TERM PROVISIONS

	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
For employee benefits - Gratuity (Refer note 22)	10,730,614	11,829,340
Total	10,730,614	11,829,340

6. There are no dues payable to Micro and Small Enterprises and therefore disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are not given.

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

7. OTHER CURRENT LIABILITIES

	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Current maturities of finance lease obligations (Refer note 24)	302,105	288,368
Employees benefits payable	36,185,844	35,516,057
Commission payable to directors (Refer note 30)	-	1,000,000
Statutory dues	2,786,437	2,676,198
Total	39,274,386	39,480,623

8. SHORT-TERM PROVISIONS

	As at 31st March, 2014 Rupees	As at 31st March, 2012 Rupees
For employee benefits:		
Gratuity (Refer note 22)	1,470,085	963,179
Compensated absences	6,583,079	6,465,432
Total	8,053,164	7,428,611

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

9. FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION/ AMORTISATION						NET BLOCK
	As at	Additions	Deductions	Adjustments	As at	Up to	For the	Deductions	Adjustments	Upto	As at
	01.04.2013				31.03.2014	31.03.2013	year			31.03.2014	31.03.2014
TANGIBLE ASSETS:											
Owned Assets:											
Office premises (Refer note 9.1)	66,063,108	-	-	-	66,063,108	35,997,430	589,555	-	-	36,586,985	29,476,123
Leasehold improvements	16,203,338	-	4,860,887	(118,646)	11,223,805	16,166,325	27,577	4,860,887	(109,210)	11,223,805	-
Computers hardware	34,890,271	418,011	10,920,088	-	24,388,194	31,947,585	1,719,904	10,916,729	(19,171)	22,731,589	1,656,605
Furniture and fixtures	25,770,084	-	116,344	101,940	25,755,680	17,877,316	2,379,554	111,844	103,426	20,248,452	5,507,228
Electrical fittings	4,774,480	-	-	7,686	4,782,166	3,871,750	345,762	-	-	4,217,512	564,654
Office equipment	15,840,011	-	4,421,368	9,020	11,427,663	15,040,868	475,196	4,417,848	5,784	11,104,000	323,663
Leased Assets:											
Vehicles on finance lease (Refer note 9.2)	1,554,479	1,070,732	1,554,479	-	1,070,732	1,161,180	619,508	1,554,479	-	226,209	844,523
TOTAL (A)	165,095,771	1,488,743	21,873,166	-	144,711,348	122,062,454	6,157,056	21,861,787	(19,171)	106,338,552	38,372,796
INTANGIBLE ASSETS:											
Computer software	45,079,678	280,599	5,784,935	-	39,575,342	37,554,521	3,520,704	5,784,935	19,171	35,309,461	4,265,881
TOTAL (B)	45,079,678	280,599	5,784,935	-	39,575,342	37,554,521	3,520,704	5,784,935	19,171	35,309,461	4,265,881
GRAND TOTAL (A + B)	210,175,449	1,769,342	27,658,101	-	184,286,690	159,616,975	9,677,760	27,646,722	-	141,648,013	42,638,677

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

Description	GROSS BLOCK				DEPRECIATION/ AMORTISATION				Rupees
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Up to 31.03.2012	For the year	Deductions	Upto 31.03.2013	Upto 31.03.2013
TANGIBLE ASSETS:									
Owned Assets:									
Office premises (Refer note 9.1)	66,063,108	-	-	66,063,108	35,407,875	589,555	-	35,997,430	30,065,678
Leasehold improvements	17,114,007	-	910,669	16,203,338	16,738,319	335,736	907,730	16,166,325	37,013
Computers hardware	35,271,526	564,311	945,566	34,890,271	30,015,938	2,838,573	906,926	31,947,585	2,942,686
Furniture and fixtures	27,115,616	-	1,345,532	25,770,084	16,296,991	2,621,881	1,041,556	17,877,316	7,892,768
Electrical fittings	4,785,029	-	10,549	4,774,480	3,535,927	346,372	10,549	3,871,750	902,730
Office equipment	16,951,830	40,700	1,152,519	15,840,011	14,850,443	1,173,132	982,707	15,040,868	799,143
Leased Assets:									
Vehicles on finance lease (Refer note 9.2)	4,968,314	-	3,413,835	1,554,479	3,807,967	637,838	3,284,625	1,161,180	393,299
TOTAL (A)	172,269,430	605,011	7,778,670	165,095,771	120,653,460	8,543,087	7,134,093	122,062,454	43,033,317
INTANGIBLE ASSETS:									
Computer software	45,379,197	264,268	563,787	45,079,678	34,096,860	3,892,316	434,655	37,554,521	7,525,157
TOTAL (B)	45,379,197	264,268	563,787	45,079,678	34,096,860	3,892,316	434,655	37,554,521	7,525,157
GRAND TOTAL (A + B)	217,648,627	869,279	8,342,457	210,175,449	154,750,320	12,435,403	7,568,748	159,616,975	50,558,474

9.1 Office premises include Rs.500/- (Previous year Rs.500/-) being the cost of shares in Laxmi Finance & Leasing Companies Commercial Premises Co-op. Society Limited received under the By-laws of the Co-op. Society.

9.2 Vendors have a lien over assets taken on finance lease.

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

10. NON-CURRENT INVESTMENT

	As at 31st March, 2014 Rupees	As at 31.03.2013 Rupees
(Long-term, at cost, fully paid-up) (Non-trade, quoted)		
<u>In debentures and bonds:</u>		
150 (Previous year 250) 8.40% Bond of ONGC Videsh Limited of Rs.1,000,000/- each	150,189,275	250,746,704
Less : Long term investment maturing within twelve months. (Refer note 12)	150,189,275	-
	-	250,746,704
Nil (Previous year 250) 8.70% Non-Convertible Debentures-2015 of Power Finance Corporation Limited of Rs.1,000,000/- each	-	251,933,783
TOTAL	-	502,680,487
10.1 Aggregate book value of quoted investments	-	502,680,487
Aggregate market value of quoted investments	-	498,287,000

**11. LONG TERM LOANS AND ADVANCES
(Unsecured and considered good)**

	As at 31st March, 2014 Rupees	As at 31.03.2013 Rupees
Advance tax (net of provisions for tax)	50,744,936	46,105,388
Security deposits	6,534,448	6,949,928
Staff loans	124,493	144,948
Total	57,403,877	53,200,264

12. CURRENT INVESTMENT

	As at 31st March, 2014 Rupees	As at 31.03.2013 Rupees
Quoted (at cost, fully paid-up)		
In bonds:		
Long term investment maturing within twelve months (Refer note 10)	150,189,275	-
Unquoted (At lower of cost and fair value)		
In mutual fund units:		
4,287,145.38 (Previous year 5,404,662)Units of various schemes of JM Financial Mutual Funds of Rs.10/- each	147,237,293	88,653,299
Total	297,426,568	88,653,299
12.1 Aggregate book value of quoted investments	150,189,275	-
Aggregate market value of quoted investments	148,605,300	-

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

**13. TRADE RECEIVABLES
(Unsecured and considered good)**

	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Over six months from due date	-	-
Others	14,690,053	11,457,925
Total	14,690,053	11,457,925

14. CASH AND CASH EQUIVALENTS

	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Cash in hand	3,228	9,826
Balances with banks: - in current accounts	2,654,028	3,618,227
Total	2,657,256	3,628,053

**15. SHORT-TERM LOANS AND ADVANCES
(Unsecured and considered good)**

	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Loans and advances to related parties (Refer note 23)	810,719,568	450,000,000
Prepaid expenses	2,108,014	2,531,865
Staff loans	107,940	442,648
Service tax credit receivable	2,426,508	966,481
Others *	215,001	621,460
Total	815,577,031	454,562,454

* includes advances to vendors, etc.

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

16. OTHER CURRENT ASSETS

	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Interest accrued on non-current investments	3,424,987	24,867,999
Interest accrued on loans and advances to related party (Refer note 23)	-	1,301,918
Total	3,424,987	26,169,917

17. REVENUE FROM OPERATIONS

	Rupees	Previous Year Rupees
Management fees	158,926,086	178,232,800
Total	158,926,086	178,232,800

18. OTHER INCOME

	Rupees	Previous Year Rupees
Interest income:		
- on loans and advances to related party (Refer note 23)	83,675,342	1,446,575
- on non-current investments (non-trade) (Refer note 18.1)	16,345,853	41,399,828
- on current investments	-	39,025,845
- on fixed deposits with banks	-	11,941,150
- on others	47,761	2,292,915
Profit on sale of current investments	4,623,665	13,827,059
Profit on sale of non-current investments	767,836	-
Profit on sale of fixed assets (net)	111,821	-
Dividend	7,008	480
Provision no longer required written back (Refer note 30)	1,000,000	-
Miscellaneous income	43,547	724,007
TOTAL	106,622,833	110,657,859

18.1 Includes amortization of premium paid on non-current investments (non-trade) of Rs.407,298/- (Previous year Rs.1,343,172/-)

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

19. EMPLOYEE BENEFITS EXPENSE

	Rupees	Previous Year Rupees
Salaries, bonus, other allowances and benefits	150,122,436	167,016,104
Contribution to provident and other funds (Refer note 22)	7,461,448	8,139,213
Staff welfare	1,534,482	2,448,006
	159,118,366	177,603,323
Less: Recoveries	(1,259,004)	(3,753,959)
Total	157,859,362	173,849,364

20. OTHER EXPENSES

	Rupees	Previous Year Rupees
Lease rent (Refer note 24)	10,649,645	12,025,905
Rates and taxes	1,139,325	692,949
Electricity expenses	3,883,896	3,578,206
Insurance expenses	2,794,648	3,495,426
Information technology expenses	6,143,886	6,736,465
Legal and professional fees	2,383,739	5,649,824
Communication expenses	2,266,904	2,661,155
Mutual Fund expenses	7,114,636	13,684,707
Motor car expenses	5,639,492	4,834,055
Travelling and conveyance	3,984,884	3,959,630
Manpower expenses	7,307,364	6,907,113
Repairs and maintenance - Others	808,507	837,106
Printing and stationery	775,407	910,961
Auditors' remuneration (Refer note 21)	764,474	704,000
Membership and subscriptions	566,400	554,837
Advertisement and other related expenses	117,600	102,283
Directors sitting fees and commission	780,000	1,715,000
Loss on sale/ discard of fixed assets (net)	-	474,780
Miscellaneous expenses	3,994,419	3,591,280
	61,115,226	73,115,682
Less: Recoveries	(1,497,462)	(1,929,041)
Total	59,617,764	71,186,641

20.1 EXPENDITURE IN FOREIGN CURRENCY

Travelling and conveyance	60,298	-
Total	60,298	-

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

21. Payment to Auditors' (net of service tax):

	Rupees	Previous Year Rupees
Audit Fees	500,000	460,000
In any other manner (Certifications, limited reviews, tax audit, etc.)	260,000	240,000
Out of pocket expenses	4,474	4,000
TOTAL	764,474	704,000

22. Employee Benefits:

Defined Contribution Plan:

Both the employees and the Company make predetermined contributions to the Provident Fund. Amount (net) recognised as expense amounts to Rs.6,717,516/- (Previous year Rs.7,276,709/-).

	Rupees	Previous year Rupees
Defined Benefit Plan: [Gratuity (Unfunded)]		
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	12,200,699	12,792,519
Net liability in the Balance Sheet	12,200,699	12,792,519
II. Movement in net liability recognised in the Balance Sheet		
Net liability as at the beginning of the year	12,792,519	12,154,248
Net expense recognised in the statement of profit and loss	839,297	2,439,556
Payments during the year	(1,431,117)	(1,355,229)
Liability settled on divestiture	-	(446,056)
Net liability as at the end of the year	12,200,699	12,792,519
III. Expense recognised in the statement of profit and loss (Under the head employee benefit expenses)		
Current Service Cost	1,423,271	1,724,258
Interest Cost	1,112,470	1,161,809
Past Service Cost	-	-
Actuarial Losses/ (Gains)	(1,696,444)	(446,511)
Expense charged to statement of profit and loss	839,297	2,439,556
IV. Reconciliation of defined benefit commitments		
Commitments at the beginning of the year	12,792,519	12,154,248
Current Service Cost	1,423,271	1,724,258
Interest Cost	1,112,470	1,161,809
Past Service Cost	-	-
Actuarial Losses/ (Gains)	(1,696,444)	(446,511)
Benefits Paid	(1,431,117)	(1,355,229)
Liability settled on divestiture	-	(446,056)
Commitments at the year end	12,200,699	12,792,519

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

V. Experience Adjustments #	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Defined Benefit Obligation	12,200,699	12,792,519	12,154,248	12,573,326	8,513,558
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(12,200,699)	(12,792,519)	(12,154,248)	(12,573,326)	(8,513,558)
Experience Adj. on Plan Liabilities	(331,389)	(1,196,301)	34,370	(3,304,313)	(2,737,930)
Experience Adj. on Plan Assets	-	-	-	-	-

disclosed to the extent information available with the Company.

VI. Actuarial Assumptions		Previous year
Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount rate (per annum)	9.10%	8.10%
Rate of escalation in salary (per annum)	7.00%	7.00%

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 certified by the actuary.

23 Related Party Disclosure:

Names of related parties and description of Relationship

(i) Names of related parties and description of relationship where control exists

Holding Company

JM Financial Limited

(ii) Names of related parties and description of relationship where transactions have taken place

(A) Holding Company

JM Financial Limited

(B) Fellow Subsidiaries

JM Financial Services Limited

JM Financial Products Limited

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

JM Financial Properties and Holding Limited

(C) Enterprises over which individuals owning an interest in the voting power of the reporting enterprise are able to exercise significant influence

Financial Engineering Solutions Private Limited

JM Financial & Investment Consultancy Services Private Limited (also an investing party)

JM Financial Trustee Company P. Ltd.

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

(iii) Details of transactions with related parties (net of service tax)

Name of the related party	Nature of relationship	Rupees	Previous Year Rupees
JM Financial Limited Reimbursement of expenses	(A)	3,023,587	2,978,650
JM Financial Institutional Securities Private Limited Reimbursement of expenses	(B)	-	2,707
JM Financial Products Limited Inter corporate deposits taken Inter corporate deposits repaid Interest on inter corporate deposits Transfer of Gratuity liability on transfer of employee	(B)	- - - -	1,150,000,000 1,150,000,000 8,952,055 63,749
JM Financial Services Limited Services received Sale of fixed assets Closing balance as at the year end - (credit)	(B)	- - -	6,698 12,500 (554)
JM Financial Properties and Holding Limited Inter corporate deposits given Interest on inter corporate deposits Closing balance as at the year end - debit	(B)	360,000,000 83,675,342 810,000,000	450,000,000 1,446,575 451,301,918
Financial Engineering Solutions Private Limited Transfer of employee liability on transfer of employee	(C)	-	400,000
JM Financial & Investment Consultancy Services Private Limited Reimbursement of expenses	(C)	-	28,480
JM Financial Trustee Company P. Ltd. Recovery of expenses Transfer of Gratuity liability on transfer of employee Closing balance as at the year end - debit	(C)	2,756,466 - 719,568	5,683,000 382,307 -

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

- (iv) *There are no provisions for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.*

24. Lease Transactions:

Finance leases

The Company has taken vehicles on finance lease for a period ranges from 36-60 months with an option of prepayment and foreclosure. The minimum lease rentals outstanding as at the yearend are as under:

	Total Minimum Lease Payments outstanding as at the year end Rupees	Interest expenses Rupees	Present value of the minimum lease payments Rupees
Due			
Not later than one year	424,272 (313,247)	122,167 (24,879)	302,105 (288,368)
Later than one year and not later than five years	683,469 (-)	100,423 (-)	583,046 (-)
Later than five years	- (-)	- (-)	- (-)
TOTAL	1,107,741 (313,247)	222,590 (24,879)	885,151 (288,368)

Figures in brackets are for previous year

Operating leases

The Company has taken office premises on non-cancellable operating lease basis. The tenure of the lease agreements is upto 60 months.

The minimum lease rentals outstanding in respect of these are as under:

	Total Minimum Lease Payments outstanding as at 31st March, 2014	Total Minimum Lease Payments outstanding as at 31st March, 2013
Not later than one year	898,333	4,200,000
Later than one year and not later than five years	-	898,333
Later than five years	-	-
TOTAL	898,333	5,098,333

Lease payments recognised in the statement of profit and loss for the year is Rs. 4,200,000/- (Previous year Rs.6,418,320/-).

The Company has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period ranging from 11 to 60 months with a renewable clause and also provides for termination at will by either of the party by giving a prior notice. Lease payments recognised in the statement of profit and loss for the year in respect thereof aggregate Rs. 6,449,645/- (Previous year Rs.5,607,585/-).

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

25. Earnings 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		Previous Year
Profit attributable to equity shareholders (Rupees)	38,265,318	22,277,276
Weighted average number of shares outstanding during the year	58,835,178	58,782,049
Basic and Diluted Earnings per share (Rupees)	0.65	0.38
Nominal value per share (Rupees)	10.00	10.00

26. Segment Information:

The Company operates solely as an asset management company in India, hence no segment information has been given.

27. Employee Stock Option Plan/ Employee Stock Option Scheme:

- a) Based on the request made by JM Financial Asset Management Limited (Formerly known as JM Financial Asset Management 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 its equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 271,146 Stock Options have been granted on 21st April, 2011 and 233,331 Stock Options have been granted on 16th April, 2012. The particulars of vesting of the stock options granted to the Employees are given in the below table.

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

Vesting Date	Series	No. of Stock Options	Exercise Period	Exercise Price per Option (Rupees)
21st April, 2012	IV	90,382	Seven years from the date of Grant	1
21st April, 2013	IV	90,382	Seven years from the date of Grant	1
21st April, 2014	IV	90,382	Seven years from the date of Grant	1
16th April, 2013	V	77,777	Seven years from the date of Grant	1
16th April, 2014	V	77,777	Seven years from the date of Grant	1
16th April, 2015	V	77,777	Seven years from the date of Grant	1

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

Particulars	Current year	Previous year
	Number of outstanding Options	
Outstanding at the beginning of the year	359,451	189,180
Granted during the year	-	233,331
Lapsed/ forfeited during the year	-	-
Exercised during the year	140,837	63,060
Transferred out during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	218,614	359,451
Exercisable at the end of the year	-	-

JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

The charge on account of the above scheme is included in employee benefit expense aggregating Rs.3,023,587/- (Previous year Rs.2,978,650/-). Since the options are granted by JM Financial Limited, basic and diluted earnings per share of the Company would remain unchanged.

- b) Board of Directors have granted 3,000,000 and 725,000 Equity Stock Options on 24th December, 2007 and 28th April, 2010 respectively to its employees under ESOP to be settled by issue of equity shares.

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

Vesting Date	No. of Stock Options	Exercise Period	Exercise Price per Option (Rupees)
27th December, 2008	300,000	Three years from the date of vesting	10
27th December, 2009	600,000	Three years from the date of vesting	10
27th December, 2010	900,000	Three years from the date of vesting	10
27th December, 2011	1,200,000	Three years from the date of vesting	10
28th April, 2011	72,500	Three years from the date of vesting	10
28th April, 2012	145,000	Three years from the date of vesting	10
28th April, 2013	217,500	Three years from the date of vesting	10
28th April, 2014	290,000	Three years from the date of vesting	10

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

Particulars	Current year	Previous year
	Number of outstanding Options	
Outstanding at the beginning of the year	1,418,000	1,697,000
Granted during the year	-	-
Lapsed/ forfeited during the year	294,000	223,000
Exercised during the year	3,000	56,000
Expired during the year	-	-
Outstanding at the end of the year	1,121,000	1,418,000
Exercisable at the end of the year	831,000	910,500

The Company has followed the intrinsic value method to account for the grant of Stock Options. Since the intrinsic value, being the difference between the Net Asset Value and the Exercise Price, is Nil, the grant of options does not have any financial implications. Had the fair value method been followed, profit for the year would have been Rs. 38,077,603/- (Previous year profit of Rs.22,462,214/-) as against the reported figure of Rs. 38,265,318/- (Previous year profit of Rs.22,277,276/-). The Diluted Earnings per share (EPS) would be Re. 0.63 (Previous year Re.0.38) as against the basic EPS of Re. 0.65 (Previous year Re.0.38). The Diluted EPS was same as Basic EPS during the previous year since the Stock Options were anti-dilutive.

Following are details with regard to determination of the fair value of Stock Options:

- Option Pricing Model used - Black-Scholes-Merton formula
- Weighted average share price – Rs.10/- per share
- Expected volatility – 0.5
- Option Life – 2.5 years to 5.5 years
- Expected dividends – 10% yield
- Risk-free interest rate – 7.7763% to 7.8471%.

28. The name of the Company has been changed to 'JM Financial Asset Management Limited' with effect from 7th October, 2013.
29. The current tax expense is Nil as there is no taxable income as per the provisions of Income Tax Act, 1961 during the year.

**JM FINANCIAL ASSET MANAGEMENT LIMITED
(FORMERLY KNOWN AS JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

30. During the year, the Central Government has rejected the Company's application for approval of commission payable in the previous year to the non-executive directors in excess of the limits specified under the Companies Act, 1956. Consequently, the Company has written back the provision made in the books during the previous year.
31. Previous year's figures have been rearranged and regrouped wherever necessary so as to make them comparable with those of the current year.

For JM Financial Asset Management Limited

V. P. Shetty
Chairman

G. M. Rammurthy
Director

Mayuri Datar
Manager and Company Secretary
Mumbai, dated: 28th April, 2014