



**JM FINANCIAL SECURITIES, INC**

**JM FINANCIAL SECURITIES, INC**
**UNAUDITED BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Note No.	INR	As at 31.03.2014 INR	As at 31.03.2013 INR
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholder's Funds</b>				
(a) Share Capital	2	1,803		1,632
(b) Reserves and Surplus	3	1,34,17,301		1,41,97,794
			<b>1,34,19,104</b>	<b>1,41,99,426</b>
<b>(2) Current Liabilities</b>				
(a) Trade Payables	4		2,83,573	12,34,365
(b) Short term borrowings	5		-	-
(c) Other current liabilities	6		-	-
<b>Total</b>			<b>1,37,02,677</b>	<b>1,54,33,791</b>
<b>II. ASSETS</b>				
<b>(1) Non current assets</b>				
Long term loans and advances	7		-	
<b>(2) Current assets</b>				
(a) Current investments	8	-		-
(b) Cash and Cash equivalents	9	1,32,26,988		1,49,58,483
(c) Short-term loans and advances	10	4,75,690		4,75,308
			1,37,02,677	<b>1,54,33,791</b>
<b>Total</b>			<b>1,37,02,677</b>	<b>1,54,33,791</b>

For JM Financial Securities, Inc

**Manish Prasad**  
Director

Place: Mumbai  
Date: April 22, 2014

**JM FINANCIAL SECURITIES, INC**
**STATEMENT OF UNAUDITED PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2014**

		(IN INR)	
Particulars	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
I Other Income	11	-	-
<b>TOTAL REVENUE</b>		<b>-</b>	<b>-</b>
II <b>EXPENSES</b>			
Other expenses	12	22,86,143	21,19,773
<b>TOTAL EXPENSES</b>		<b>22,86,143</b>	<b>21,19,773</b>
III <b>Profit / (Loss)Before Tax (I - II)</b>		<b>(22,86,143)</b>	<b>(21,19,773)</b>
IV <b>Less: Tax expense</b>		-	-
V <b>Profit / (Loss) after Tax</b>		<b>(22,86,143)</b>	<b>(21,19,773)</b>
<b>Basic EPS (in Rs.)</b>		<b>(762)</b>	<b>(3,706)</b>

For JM Financial Securities, Inc

**Manish Prasad**  
Director

Place: Mumbai  
Date: April 22, 2014

**JM FINANCIAL SECURITIES, INC**
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**

Note No.		(in INR)	
		As at	As at
		31.03.2014	31.03.2013
<b>2</b>	<b>SHARE CAPITAL</b>		
a)	<b>Authorised</b>		
	3,000 (Nil) Shares of common stock - par value \$ 0.01	1,803	1,632
	<b>TOTAL</b>	<b>1,803</b>	<b>1,632</b>
b)	<b>Issued, Subscribed and Paid-up</b>		
	3,000 (Nil) Shares of common stock - par value \$ 0.01	1,803	1,632
	<b>TOTAL</b>	<b>1,803</b>	<b>1,632</b>
<b>3</b>	<b>RESERVES AND SURPLUS</b>		
	Securities Premium	1,80,28,137	1,63,15,158
	Currency translation reserve	(2,04,920)	2,409
	Profit and Loss Account (Debit balance)	(44,05,916)	(21,19,773)
	<b>TOTAL</b>	<b>1,34,17,301</b>	<b>1,41,97,794</b>
<b>4</b>	<b>CURRENT LIABILITIES</b>		
	Trade Payable	2,83,573	12,34,365
	<b>TOTAL</b>	<b>2,83,573</b>	<b>12,34,365</b>
<b>5</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>TOTAL</b>	-	-
<b>6</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory Dues	-	-
	<b>TOTAL</b>	-	-
<b>7</b>	<b>LONG TERM LOANS AND ADVANCES</b>		
	<b>TOTAL</b>	-	-
<b>8</b>	<b>CURRENT INVESTMENTS</b>		
	<b>TOTAL</b>	-	-

Note No.		As at	As at
		31.03.2014	31.03.2013
	<b>TOTAL</b>	-	-
<b>9</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash on hand	-	-
	<u>Balances with Banks:</u>		
	- In Current Accounts	1,32,26,988	1,49,58,483
	<b>TOTAL</b>	<b>1,32,26,988</b>	<b>1,49,58,483</b>
<b>10</b>	<b>SHORT-TERM LOANS AND ADVANCES</b>		
	Advances recoverable in cash or in kind or for value to be received	4,75,690	4,75,308
		<b>4,75,690</b>	<b>4,75,308</b>
<b>11</b>	<b>OTHER INCOME</b>		
		-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>12</b>	<b>OPERATING &amp; OTHER EXPENSES</b>		
	Rates & Taxes	49,849	5,04,272
	Legal & Professional charges	21,80,274	15,99,231
	Travelling & Conveyance	-	6,469
	Miscellaneous expenses	56,020	9,801
	<b>TOTAL</b>	<b>22,86,143</b>	<b>21,19,773</b>

## **JM FINANCIAL SECURITIES, INC**

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS TO FINANCIAL STATEMENTS**

#### **1. Significant accounting policies**

##### **1.1 Method of Accounting**

The accounts are prepared in accordance with accounting principles generally accepted in India. The Company follows accrual method of accounting.

##### **1.2 Conversion to Indian Rupees**

For the purpose of accounts, all income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year end is transferred to Currency Translation Reserve Account and the said account is being treated as "Reserves and Surplus".

##### **1.3 Use of estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

##### **1.4 Revenue recognition**

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

Dividend income is recognized when the right to receive the dividend is established.

Interest income is recognised on accrual basis.

##### **1.5 Taxes**

Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date and any adjustments payable in respect of previous years.

Deferred Tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets arising mainly on account of carry forward of losses and unabsorbed depreciation under tax laws are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income against which such deferred tax assets can be realised. Deferred tax assets on account of other timing differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**NOTES TO ACCOUNTS TO FINANCIAL STATEMENTS**

1.6 The Company is the subsidiary of JM Financial Overseas Holdings Private Limited (JMFOHPL). The accounts have been prepared and audited to attach with the accounts of JM Financial Limited, the holding company to comply with the provisions of the Indian Companies Act, 1956.

1.7 The transactions are in local currency (US Dollars), which have been converted into Indian Currency (Indian Rupees) for reporting and the rate applied is as per para 1.2 of the significant accounting policies.

1.8 The Company has filed an application with the United States Securities and Exchange Commission for a broker dealer license and is yet to commence its business operations.