



JM FINANCIAL SERVICES LIMITED

Annual Accounts 2014

Corporate Identification Number: U67120MH1998PLC115415
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JM FINANCIAL SERVICES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **JM FINANCIAL SERVICES 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 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).
- (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. Siddharth
Partner
(Membership No. 31467)

MUMBAI, 23rd 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/ result are such that clauses (ii), (vi), (viii), (x), (xii), (xiii), (xviii), (xix) and (xx) of paragraph 4 of the Order 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) There are no cases of non-deposit with the appropriate authorities of disputed dues of Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess.
Details of dues of Income-tax and Service Tax which have not been deposited as on 31st March, 2014 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	2010-11	306,285,940
Finance Act, 1994	Service tax	Central Excise and Sales Tax Appellate Tribunal	2002 to 2009	3,033,588

- (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, prima facie, 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 LLP**
Chartered Accountants
(Firm's Registration No. 117366WW-100018)

A. Siddharth
Partner
(Membership No. 31467)

MUMBAI, 23rd April, 2014

JM FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2014

	Note No.	Rupees	As at 31st March 2013 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	500,000,000	500,000,000
Reserves and Surplus	3	1,865,066,611	1,847,728,928
		2,365,066,611	2,347,728,928
Non-Current Liabilities			
Long-term borrowings	4	2,517,534	1,062,423
Long-term provisions	5	39,398,726	39,748,332
		41,916,260	40,810,755
Current Liabilities			
Short-term borrowings	6	-	4,846,002,111
Trade payables	7	2,413,227,533	1,584,123,774
Other current liabilities	8	204,592,245	388,363,064
Short-term provisions	9	21,307,942	20,703,449
		2,639,127,720	6,839,192,398
Total		5,046,110,591	9,227,732,081
ASSETS			
Non-current assets			
Fixed assets:	10		
Tangible assets		80,330,911	49,269,470
Intangible assets		19,559,225	21,057,832
Intangible assets under development		6,836,442	-
		106,726,578	70,327,302
Non-current investments	11	7,503,158	45,603,158
Deferred tax assets (net)	12	28,134,574	26,539,198
Long-term loans and advances	13	620,550,213	464,293,006
		762,914,523	606,762,664
Current assets			
Trade receivables	14	1,751,382,442	1,440,658,027
Cash and bank balances	15	2,428,301,775	3,525,603,864
Short-term loans and advances	16	84,347,618	419,288,004
Assets held for arbitrage business	17	-	3,191,630,692
Other current assets	18	19,164,233	43,788,830
		4,283,196,068	8,620,969,417
Total		5,046,110,591	9,227,732,081
Notes to the financial statements	1 to 33		

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

For and on behalf of the Board

A Siddharth

Partner

Nimesh N Kampani

Chairman

Hemant Kotak

Director

Anil Mavinkurve

Wholetime Director & Company Secretary

Place : Mumbai

Date : April 23,2014

Place : Mumbai

Date : April 23,2014

JM FINANCIAL SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

	Note No.	Rupees	31st March 2013 Rupees
Revenue:			
Revenue from operations	19	1,997,168,996	2,710,574,527
Other Income	20	16,850,187	43,266,059
Total Revenue		2,014,019,183	2,753,840,586
Expenses:			
Sub brokerage, incentive, transaction costs and other direct expenses		759,081,537	888,729,254
Employee benefit expenses	21	552,021,773	660,379,878
Financial costs	22	236,766,443	479,892,306
Depreciation and amortisation expense		34,339,460	35,489,497
Other expenses	23	416,067,663	347,001,612
Total Expenses		1,998,276,876	2,411,492,547
Profit before tax		15,742,307	342,348,039
Tax expense:			
Current tax		-	99,400,000
Deferred tax		(1,595,376)	(6,762,298)
		(1,595,376)	92,637,702
Profit for the year		17,337,683	249,710,337
Earning per share:			
Equity shares of face of Rs. 10/- each	31		
Basic		0.35	4.99
Diluted		0.35	4.99
Notes to the financial statements	1 to 33		

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

For and on behalf of the Board

A Siddharth
Partner

Nimesh N Kampani
Chairman

Hemant Kotak
Director

Anil Mavinkurve
Wholetime Director & Company Secretary

Place : Mumbai
Date : April 23,2014

Place : Mumbai
Date : April 23,2014

JM FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	Rupees	31st March, 2013 Rupees
A Cash Flow from Operating Activities		
Net Profit Before Tax	15,742,307	342,348,039
Adjustments for :		
Depreciation/ amortisation	34,339,460	35,489,497
Loss/(Profit) on sale of fixed assets (net)	174,895	(137,348)
Loss on sale of non-current investments (non-trade)	500,000	-
Bad debts written off	3,412,511	264,466
Provision for diminution in value of non-current investments made/ (written back)	37,500,000	(20,000,000)
Interest expenses	236,766,443	479,892,306
Dividend income on non-current investment (non-trade)	(422,884)	(246,324)
Dividend income on current investment (non-trade)	-	(177,715)
Interest income	(15,779,965)	(20,799,177)
Operating Profit before Working Capital Changes	312,232,767	816,633,744
Adjustment for:		
Increase in trade payables	829,103,759	350,603,877
(Decrease)/Increase in other current liabilities	(183,544,967)	59,543,625
Increase/(Decrease) in short term provisions	604,493	(993,254)
(Decrease)/Increase in long term provisions	(349,606)	6,003,275
Decrease/(Increase) in long term loans and advances	21,902,449	(14,346,586)
Decrease in stock in trade	-	498,993,880
(Increase) in trade receivables	(314,136,926)	(39,597,198)
Decrease/(Increase) in other bank balances	1,564,411,308	(414,337,376)
Decrease/(Increase) in short term loans and advances	287,143,892	(282,113,555)
Decrease/(Increase) in assets held for arbitrage	3,191,630,692	(1,800,655,531)
Decrease in other current assets	144,733	315,184
Cash generated from/(used in) operations	5,709,142,594	(819,949,915)
Income taxes paid	(178,159,656)	(108,535,822)
Net cash generated from/(used in) operating activities	5,530,982,938	(928,485,737)
B Cash Flow from Investing Activities		
Purchase of fixed assets	(70,490,637)	(15,630,719)
Sale of fixed assets	806,265	1,311,828
Dividend income on non-current investment (non-trade)	422,884	246,324
Dividend income on current investment (non-trade)	-	177,715
Investment in subsidiary company (non-trade)	(50,000,000)	(100,000)
Sale of investments in subsidiary company (non-trade)	50,100,000	-
Interest received	40,259,829	26,713,984
Net Cash generated from Investing Activities	(28,901,659)	12,719,132
C Cash flow from Financing Activities		
(Repayment)/Proceeds from short term borrowings (net)	(4,846,002,111)	1,441,117,232
Interest paid	(188,969,949)	(476,043,411)
Net Cash (used in)/generated from Financing Activities	(5,034,972,060)	965,073,821
Net increase in Cash and Cash Equivalents (A+B+C)	467,109,219	49,307,216
Cash and cash equivalents at the beginning of the year	215,541,556	166,234,340
Cash and cash equivalents at the end of the year (Note 15)	682,650,775	215,541,556

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

For and on behalf of the Board

A Siddharth

Partner

Nimesh N Kampani

Chairman

Hemant Kotak

Director

Anil Mavinkurve

Wholetime Director & Company Secretary

Place : Mumbai

Date : April 23,2014

Place : Mumbai

Date : April 23,2014

JM FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 1

1. Significant Accounting Policies:

a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act') and the accounting principles generally accepted in India and comply 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 13 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 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 of assets as follows:

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

Leasehold improvements are depreciated over the period of lease or useful life of the asset whichever is lower.

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 Statement of Profit and Loss 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. 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.

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
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014
**NOTE 2
SHARE CAPITAL**

	Rupees	As at 31st March 2013 Rupees
2 Share Capital		
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 Limited , a fellow subsidiary company</u>		
Number of shares (including one share jointly held with Mr.NimeshKampani)	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, 2013 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	1,621,853,928	1,372,143,591
Add: Profit for the year	17,337,683	249,710,337
	1,639,191,611	1,621,853,928
Total	1,865,066,611	1,847,728,928

**NOTE 4
LONG-TERM BORROWINGS**

	Rupees	As at 31st March, 2013 Rupees
Long term maturities of finance lease obligations (Refer note 4.1 and 28)	2,517,534	1,062,423
Total	2,517,534	1,062,423
4.1 Finance lease (secured by way of hypothecation of vehicles)(refer note 28)		
Finance lease obligations	3,596,834	2,367,575
Less : Current maturities	1,079,300	1,305,152
Total	2,517,534	1,062,423

**NOTE 5
LONG TERM PROVISIONS**

	Rupees	As at 31st March, 2013 Rupees
Provision for employee benefits - Gratuity (refer note 29)	39,398,726	39,748,332
	39,398,726	39,748,332

**NOTE 6
SHORT-TERM BORROWINGS**

	Rupees	As at 31st March, 2013 Rupees
Bank overdrafts:		
Secured (refer note 6.1)	-	395,604,091
	-	395,604,091
Other loans (Unsecured):		
Commercial Paper	-	4,000,000,000
Borrowing - Securities Lending and Borrowing segment	-	450,398,020
	-	4,450,398,020
Total	-	4,846,002,111
6.1 Secured by pledge of fixed deposits with banks		

NOTE 7

	Rupees	As at 31st March, 2013 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, 2013 Rupees
Current maturities of finance lease obligations (Refer note 4 and 28)	1,079,300	1,305,152
Margin from clients/franchisees	54,542,851	151,470,312
Overdrawn book balance	44,757,033	8,218,361
Employee benefits payable	87,897,479	203,687,812
Statutory dues	16,315,582	23,681,427
Total	204,592,245	388,363,064

**NOTE 9
SHORT-TERM PROVISIONS**

	Rupees	As at 31st March, 2013 Rupees
Provision for employee benefits:		
Compensated absences	18,384,996	18,345,419
Gratuity (refer note 29)	2,922,946	2,358,030
Total	21,307,942	20,703,449

**NOTE 10
FIXED ASSETS**

Amount in Rupees

Description of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	As at1st April 2013	Additions	Deductions	As at31st March 2014	Upto1st April 2013	For theyear	Deductions	Upto31st March 2014	As at31st March 2014
Tangible									
Office Premises	6,948,170	-		6,948,170	252,293	113,828		366,121	6,582,049
Furniture and Fixtures	41,371,825	1,990,326	5,330,213	38,031,938	34,361,656	2,308,475	4,829,089	31,841,042	6,190,896
Computers	235,731,299	17,087,912	46,278,850	206,540,361	210,375,527	12,048,907	46,268,817	176,155,617	30,384,744
Office Equipments	76,964,415	5,814,989	18,148,525	64,630,879	69,087,008	4,356,069	17,779,841	55,663,236	8,967,643
Vehicles (taken on Lease) (Refer note 10.1)	5,274,936	2,657,110	2,620,037	5,312,009	2,944,691	1,448,218	2,518,718	1,874,191	3,437,818
Leasehold Improvements	-	28,706,114		28,706,114	-	3,938,353		3,938,353	24,767,761
TOTAL	366,290,645	56,256,451	72,377,625	350,169,471	317,021,175	24,213,850	71,396,465	269,838,560	80,330,911
Intangible									
Software	88,134,399	8,627,003	-	96,761,402	67,076,567	10,125,610	-	77,202,177	19,559,225
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	103,354,399	8,627,003	-	111,981,402	82,296,567	10,125,610	-	92,422,177	19,559,225
TOTAL	469,645,044	64,883,454	72,377,625	462,150,873	399,317,742	34,339,460	71,396,465	362,260,737	99,890,136
Intangible assets under development - Software									6,836,442

Previous Year :									
Description of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	As at1st April 2012	Additions	Deductions	As at31st March 2013	Upto31st March 2012	For theyear	Deductions	Upto31st March 2013	As at31st March 2013
Tangible									
Office Premises	6,948,170	-	-	6,948,170	138,465	113,828	-	252,293	6,695,877
Furniture and Fixtures	40,068,966	1,302,859	-	41,371,825	32,814,027	1,547,629	-	34,361,656	7,010,169
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
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
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
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
Intangible									
Software	84,500,129	3,634,270	-	88,134,399	55,511,528	11,565,039	-	67,076,567	21,057,832
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
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

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, 2013 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	50,000,000	30,000,000
	-	20,000,000
60,000 equity shares of JM Financial Insurance Broking Private Limited of Rs. 10/- each fully paid up	-	600,000
<u>In Others:</u>		
41,054 equity shares of BSE Limited of Re. 1/- each fully paid up	3,158	3,158
	3,158	20,603,158
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
Less : Provision for diminution	17,500,000	-
	7,500,000	25,000,000
Total	7,503,158	45,603,158

NOTE 12
DEFERRED TAX ASSETS

	Rupees	As at 31st March, 2013 Rupees
Fiscal allowances on fixed assets	1,894,979	372,787
Expense allowable on payment basis	14,385,136	14,311,952
Provision for Doubtful Debts	11,854,459	11,854,459
Total	28,134,574	26,539,198

**NOTE 13
LONG TERM LOANS AND ADVANCES**

	Rupees	As at 31st March, 2013 Rupees
(Unsecured and considered good)		
Capital advances	-	4,431,229
Deposits with stock exchanges etc	24,663,100	31,663,011
Deposits for premises [including with related party Rs 76,120,000/- (as at 31st March, 2013, Rs 10,000,000)(refer note 30)]	93,344,326	41,368,778
Other deposits	44,878,457	55,907,986
Service tax deposit paid under protest	6,300,000	6,300,000
Loan given to Employee welfare trust	172,500,000	224,000,000
Advance tax (net of provisions)	277,921,913	99,762,257
Prepaid Expenses	155,122	135,363
Staff Loans	787,295	724,382
Total	620,550,213	464,293,006

**NOTE 14
TRADE RECEIVABLES**

	Rupees	As at 31st March, 2013 Rupees
<u>Trade receivables outstanding for a period exceeding six months from the date they are due for payment:</u>		
Secured, considered good	2,951,361	4,270,789
Unsecured, considered good	-	3,192,374
Unsecured, considered doubtful	30,887,209	20,553,620
	33,838,570	28,016,783
Less: Provision for doubtful debts	30,887,209	23,745,994
	2,951,361	4,270,789
<u>Other trade receivables:</u>		
Secured, considered good	991,489,064	515,082,976
Unsecured, considered good (Refer note 14.2)	756,942,017	921,304,262
Unsecured, considered doubtful	3,989,105	11,130,320
	1,752,420,186	1,447,517,558
Less: Provision for doubtful debts	3,989,105	11,130,320
	1,748,431,081	1,436,387,238
	1,751,382,442	1,440,658,027
14.1 Debts due by private companies in which director is a director: JM Financial Institutional Securities Limited	Not Applicable	6,008,612
14.2 Includes amounts receivable from clearing house/(s) Rs. 643,320,544/- (Previous Year Rs. 739,352,977/-)		

**NOTE 15
CASH AND BANK BALANCES**

	Rupees	As at 31st March, 2013 Rupees
Cash and cash equivalents		
Balances with banks		
In Current Accounts	682,650,775	215,541,556
Other bank balances		-
In Deposit Accounts (Refer note 15.1 and 15.2)	1,745,651,000	3,310,062,308
Total	2,428,301,775	3,525,603,864

- 15.1 Bank Deposits of Rs 876,151,000 /- (as at 31st March 2013, Rs 2,519,062,308/-) are under lien and lodged with Stock Exchanges towards base/additional base capital.
- 15.2 Bank Deposits of Rs.869,500,000/- (as at 31st March 2013, Rs. 791,000,000/-) are under lien with banks towards overdraft facilities and guarantees given by the banks to Stock Exchanges

**NOTE 16
SHORT-TERM LOANS AND ADVANCES**

	Rupees	As at 31st March, 2013 Rupees
(Unsecured and considered good)		
Loans and advances to related parties	-	206,224,729
Deposits with stock exchanges	33,018,134	52,524,151
Deposits for premises [including with related party Nil/- (as at 31st March, 2013, Rs 66,120,000) (refer note 30)]	6,176,340	79,602,404
Service tax credit receivable	28,225,718	16,838,099
Prepaid Expenses	14,760,493	14,305,699
Prepaid interest on commercial paper	-	47,796,494
Staff Loans	733,600	712,209
Others (employee advance, etc)	1,433,333	1,284,219
Total	84,347,618	419,288,004

**NOTE 17
ASSETS HELD FOR ARBITRAGE BUSINESS**

	Rupees	As at 31st March, 2013 Rupees
Equity instruments (refer note 17.1)	-	3,193,541,816
Mark to market margin	-	(1,911,124)
Total	-	3,191,630,692
17.1 Includes Rs. Nil (previous year, Rs. 928,007,907/-) pledged with the stock exchanges as margin.		

**NOTE 18
OTHER CURRENT ASSETS**

	Rupees	As at 31st March, 2013 Rupees
(Unsecured and considered good)		
Interest accrued on bank deposits etc	16,453,998	40,933,862
Securities held for settlement of claims	2,710,235	2,854,968
Total	19,164,233	43,788,830

JM FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST-MARCH-2014
**NOTE 19
REVENUE FROM OPERATIONS**

	Rupees	31st March 2013 Rupees
Rendering of financial services		
Brokerage	546,659,255	756,279,161
Distribution, selling, advisory and other fees	1,022,203,553	1,183,545,970
	1,568,862,808	1,939,825,131
Other operating revenues		
Income from arbitrage business	67,903,147	325,846,039
Dividend on equity shares held for arbitrage business	74,824,293	36,900,671
Interest income on fixed deposit placed as margin, etc	212,786,558	339,293,717
Profit on sale of current investments	37,251,644	7,512,814
Delayed payment charges recovered from clients	30,371,435	55,457,401
Recoveries from clients/franchisees etc	5,169,111	5,738,754
	428,306,188	770,749,396
Total	1,997,168,996	2,710,574,527

**NOTE 20
OTHER INCOME**

	Rupees	31st March 2013 Rupees
Interest income	15,779,965	20,799,177
Dividend Income		
- On current investments (Non-trade)	-	177,715
- On non current investments (Non-trade)	422,884	246,324
Profit on sale of fixed assets (net)	-	137,348
Bad debts recovered	-	1,331,250
Provision for diminution in value of long term investments written back	-	20,000,000
Miscellaneous income	647,338	574,245
Total	16,850,187	43,266,059

**NOTE 21
EMPLOYEE BENEFIT EXPENSE**

	Rupees	31st March 2013 Rupees
Salaries, bonus, other allowances and benefits	517,467,134	621,528,094
Contribution to provident and other funds	23,720,419	23,216,370
Gratuity (refer note 29)	3,072,516	9,125,189
Staff welfare	7,761,704	6,510,225
Total	552,021,773	660,379,878

**NOTE 22
FINANCIAL COSTS**

	Rupees	31st March 2013 Rupees
Interest expense :		
Bank Overdraft	27,097,523	46,763,351
Inter Corporate Deposits	1,380,391	6,687,672
Commercial Papers	171,822,694	321,375,195
Margin Deposits	7,932,573	7,765,984
Finance charges on leased assets	633,672	767,174
Other borrowing costs :		
Bank Guarantee charges	6,478,295	3,608,404
Securities borrowing costs	21,421,295	92,924,526
Total	236,766,443	479,892,306

**NOTE 23
OTHER EXPENSES**

	Rupees	31st March 2013 Rupees
Rent	102,839,394	75,455,005
Rates and taxes	6,545,395	12,671,763
Repairs and maintenance	17,106,156	15,801,073
Professional and consultancy charges	19,955,889	21,871,216
Communication expenses	18,469,277	19,959,940
Information technology expenses	57,870,872	54,202,200
Membership and subscription	9,534,670	10,649,407
Electricity	20,366,318	23,685,339
Insurance	11,815,242	11,830,361
Printing and stationery	9,697,678	10,507,438
Donations	5,027,000	5,000,000
Manpower expenses	53,856,044	46,476,349
Auditors remuneration	1,427,612	1,455,150
Director's Commission	200,000	400,000
Travelling expenses	7,071,865	6,636,496
Loss on Sale/Discard of Fixed Assets (Net)	174,896	-
Loss on sale of non-current investments (non-trade)	500,000	-
Bad Debts written off	3,412,511	264,466
Provision for diminution in value of long term investments	37,500,000	-
Business development expenses	5,283,115	7,355,710
Renovation expenses	555,031	1,115,425
Miscellaneous expenses	28,663,698	23,342,918
	417,872,663	348,680,256
Recovery of expenses	(1,805,000)	(1,678,644)
Total	416,067,663	347,001,612

JM FINANCIAL SERVICES LIMITED
NOTES ON ACCOUNTS
**NOTE 24
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. 9,333,588/-) 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. Income tax demand of Rs. 1,584,998/- (previous year, Rs 1,125,533/-) 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

Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 1,524,614/- (previous year, Rs.5,301,512/-).

**NOTE 25
PAYMENT TO AUDITORS (EXCLUDING SERVICE TAX)**

	Rupees	Previous Year Rupees
a) As auditors	850,000	850,000
b) For limited review	400,000	400,000
c) Other matters (Certification etc)	150,000	150,000
d) Out of pocket expenses	27,612	13,015
Total	1,427,612	1,413,015

**NOTE 26
EXPENDITURE IN FOREIGN CURRENCY**

	Rupees	Previous Year Rupees
Travelling Expenses	442,052	163,673
Legal and Professional Charges	-	702,348
Purchase of EDP Software	12,965	276,000
Information Technology Expenses	307,272	202,356
Membership & Subscription	-	216,920
Total	762,289	1,561,297

NOTE 27
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	1,815,489,232 (2,222,125,938)	181,679,764 (488,448,589)	1,997,168,996 (2,710,574,527)
Segment Results before taxes.	27,245,807 (169,804,476)	25,794,406 (151,553,597)	53,040,213 (321,358,073)
Unallocable Corporate Income/(Expenses) (Net)	-	-	(37,297,906) (20,989,966)
Profit before Tax	-	-	15,742,307 (342,348,039)
Tax Expense	-	-	(1,595,376) (92,637,702)
Net Profit after Tax	-	-	17,337,683 (249,710,337)
Other Information:			
Segment Assets	4,049,900,171 (4,542,977,202)	- (4,091,083,981)	4,049,900,171 (8,634,061,183)
Unallocable Corporate Assets	-	-	996,210,420 (593,670,898)
Total Assets	-	-	5,046,110,591 (9,227,732,081)
Segment Liabilities	2,681,043,980 (3,014,944,152)	- (3,658,834,272)	2,681,043,980 (6,673,778,424)
Unallocable Corporate Liabilities	-	-	- (206,224,729)
Total Liabilities	-	-	2,681,043,980 (6,880,003,153)
Capital Expenditure	64,883,454 (14,412,851)	- -	64,883,454 (14,412,851)
Depreciation	34,339,460 (35,393,497)	48,000 (96,000)	34,387,460 (35,489,497)

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 28
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	1,722,386 (1,695,201)	643,086 (390,049)	1,079,300 (1,305,152)
Later than one year and not later than five year	3,371,349 (1,264,745)	853,815 (202,322)	2,517,534 (1,062,423)
Total	5,093,735 (2,959,946)	1,496,901 (592,371)	3,596,834 (2,367,575)

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 12 to 36 months. Future Minimum Lease Payments under Non-Cancellable Operating Lease are:

Due	Rupees	
	Rupees	Previous Year Rupees
Not later than one year	43,127,800	43,553,280
Later than one year and not later than five years	-	595,000
Total	43,127,800	44,148,280
Debit to Profit and Loss Account	43,552,800	11,653,320

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 Statement of Profit and Loss for the year in respect thereof aggregate to Rs. 5,92,86,594/- (Previous Year Rs. 6,38,01,685/-).

**NOTE 29
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. 23,558,159/- (Previous year Rs. 23,069,254/-).

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 2014		31st March 2013	
		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		42,321,672		42,106,362	
Net liability in the Balance Sheet		42,321,672		42,106,362	
II. Movement in net liability recognised in the Balance Sheet					
Net liability as at the beginning of the year		42,106,362		36,303,078	
Net expense recognised in the Statement of Profit and Loss		3,072,516		9,125,189	
Benefits paid		(2,857,206)		(2,726,844)	
Liability extinguished on transfer		-		(595,061)	
Net liability as at the end of the year		42,321,672		42,106,362	
III. Expense recognised in the Profit and Loss Account (Under the head "Employee Benefit Expense" Refer Note 21)					
Current Service Cost		5,515,426		5,269,248	
Interest cost		3,761,865		3,485,372	
Actuarial Loss / (Gains)		(6,204,775)		370,569	
Expense charged to the Statement of Profit and Loss		3,072,516		9,125,189	
IV. Reconciliation of defined benefit commitments					
Commitments at the beginning of the year		42,106,362		36,303,078	
Current Service Cost		5,515,426		5,269,248	
Interest Cost		3,761,865		3,485,372	
Actuarial Loss / (Gains)		(6,204,775)		370,569	
Benefits Paid		(2,857,206)		(2,726,844)	
Liability extinguished on transfer		-		(595,061)	
Commitments at the year end		42,321,672		42,106,362	
V. Actuarial Assumptions					
Mortality table		LIC (1994-96)		LIC (1994-96)	
		Ultimate		Ultimate	
Discount rate (per annum)		9.10%		8.10%	
Rate of escalation in salary (per annum)		7.00%		7.00%	
VI. Experience history					
	31-Mar-10	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14
Defined Benefit Obligation	22,329,980	32,694,707	36,303,078	42,106,362	42,321,672
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(22,329,980)	(32,694,707)	(36,303,078)	(42,106,362)	(42,321,672)
Experience Adj. on Plan Liabilities	(2,930,264)	(5,290,479)	524,933	(2,105,863)	(1,409,662)
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
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
**NOTE 30
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. (upto March 28, 2014) JM Financial Commtrade Limited (upto March 28, 2014)

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. (upto March 28, 2014) JM Financial Commtrade Limited (upto March 28, 2014)
iv) Fellow Subsidiaries	JM Financial Asset Management Limited (Formerly known as JM Financial Asset Management Private Limited) JM Financial Institutional Securities Limited Infinite India Investment Management Private Limited JM Financial Properties and Holdings 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. ArunaKampani Mr. Vishal Kampani Ms. AmishiKampani Mr. Anil Kampani Mr. Ashith N Kampani Mr. HarithKampani
vi) Key management personnel and relatives of such personnel	Mr. Anil Mavinkurve Ms. ArchanaMavinkurve Ms. NiyatiMavinkurve Ms. RanjanaHosangadi Anil Mavinkurve HUF Ms. SachiMavinkurve
vii) Enterprises over which any person described in Clause B v) above is able to exercise significant influence	JSB Securities Ltd Kampani Consultants Limited SNK Investments Private Limited JM Assets Management Pvt. Ltd JM Financial Trustee Company Private Limited Persepolis Investment Company Private Limited J. M. Financial & Investment Consultancy Services Pvt Ltd Capital Market Publishers India Private Limited

JM FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

C) Details of transactions			Previous year
Name of the related party	Nature of Transaction	Rupees	Rupees
i) Ultimate Holding Company			
JM Financial Ltd	Demat charges received	925	171
	Reimbursement of employee expenses	20,470,601	18,792,029
	Sales of shares (JM Financial Insurance Broking Pvt. Ltd.)	100,000	
	Rent paid	2,358,300	2,174,700
	Closing Balance Receivable / (Payable)	1,040	637
	Closing Balance - Deposit	10,000,000	10,000,000
ii) Holding Company			
JM Financial Products Limited	Demat charges received	-	9,599
	Reimbursement of expenses (received)	-	88
	ICD Taken	1,415,000,000	-
	ICD Repaid	1,415,000,000	-
	Interest on ICD paid	1,380,391	-
	Secondary Brokerage Received	-	1,018,775
	Gratuity Transferred	-	595,061
	Closing Balance Receivable / (Payable)	-	10,785
iii) Subsidiary Company			
JM Financial Commtrade Limited (upto March 28, 2014)	Purchase of 6% non cumulativepref Shares.	50,000,000	-
	Reimbursement of expenses (received)	-	158,427
	ICD Given	460,347,000	896,737,491
	ICD Recovered	664,429,000	692,655,491
	Interest on ICD received	14,281,734	18,673,719
	Demat charges received	515,169	451,695
	Closing Balance Receivable / (Payable)	Not Applicable	206,224,729
JM Financial Insurance Broking Pvt. Ltd. (upto March 28, 2014)	Investment in Equity share	-	100,000
	Referral fees paid	35,000	-
iv) Fellow Subsidiaries			
Infinite India Investment Management Private Limited	Sale of 6% non cumulativepref Shares.	50,000,000	-
JM Financial Asset Management Limited (Formerly known as JM Financial Asset Management Private Limited)	Demat Charges (received)	-	6,698
	Purchase of Assets	-	12,500
	Closing Balance Receivable / (Payable)	-	554
JM Financial Institutional Securities Private Limited	Fees Received	1,474,541	3,886,943
	ICD Given	1,121,000,000	-
	ICD Recovered	1,121,000,000	-
	Interest on ICD received	1,230,806	-
	Demat Charges (received)	1,827	2,100
	Closing Balance Receivable / (Payable)	6,006,055	6,008,612

C) Details of transactions			
Name of the related party	Nature of Transaction	Previous year	
		Rupees	Rupees
JM Financial Properties and Holdings Ltd.	ICD given	-	550,000,000
	ICD Recovered	-	550,000,000
	Interest on ICD received	-	1,823,288
	Rent	42,532,800	10,633,320
	Repairs and maintainance expenses	4,382,728	2,269,601
	Reimbursement of expenses (paid)	1,486,938	-
	Property Deposit	-	66,120,000
	Closing Balance Receivable / (Payable)	-	28,053
	Closing Balance - Deposit	66,120,000	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	22,943	76,893
	Demat Charges received	6,101	3,665
	Closing Balance Receivable / (Payable)	1,118	(157,710)
vi) Key management personnel and relatives of such personnel			
Anil Mavinkurve	Remuneration	5,307,567	9,187,343
	Contribution to provident fund	254,808	209,406
	Secondary Brokerage Received	26	777
	Demat Charges received	-	1,060
	Closing Balance Receivable / (Payable)	(300,000)	(5,000,000)
vii) Enterprises over which any person described in Clause B v) above is able to exercise significant influence			
Kampani Consultants Limited	Rent paid	501,600	501,600
	Secondary Brokerage Received	3,560	94,385
Persepolis Investment Company Private Ltd.	Secondary Brokerage Received	37,924	110,445
	Closing Balance Receivable / (Payable)	-	100
SNK Investments Private Limited	Secondary Brokerage Received	297,874	161,000
	Closing Balance Receivable / (Payable)	-	100
J. M. Financial & Investment Consultancy Services Pvt Ltd	Rent paid	682,500	1,365,000
	Rates and Taxes	-	128,162
	Repairs and maintainance expenses	-	33,505
	Secondary Brokerage Received	978,349	500,673
	Demat charges received	650	100
	Closing Balance Receivable / (Payable)	91,704,441	112
JSB Securities Ltd	Secondary Brokerage Received	-	115,500
JM Financial Trustee Company Private Ltd.	Secondary Brokerage Received	5,637	210,000
JM Assets Management Private Limited	Secondary Brokerage Received	9,800	484,151
Capital Market Publishers India Private Ltd.	IT - Application expenses	125,417	Not Applicable

C) Details of transactions		Previous year
Name of the related party	Nature of Transaction	Rupees
30.1	There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from / due to related parties.	
30.2	30.2 The above transactions are excluding services tax.	

NOTE 31 EARNING PER SHARE

a. Basic and Diluted Earnings Per Share

		Previous Year
Profit attributable to equity shareholders (Rupees)	17,337,683	249,710,337
Weighted average number of shares outstanding during the year	50,000,000	38,415,816
Basic earnings per share (Rupees)	0.35	4.99

b. Nominal value per share (Rupees) 10 10

NOTE 32 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, 1,197,333 have been granted on April 16, 2012 and 450,000 have been granted on May 6, 2013. 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	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	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
6th May 2014	150,000	To be vested	Seven years from the date of Grant	1
6th May 2015	150,000	To be vested	Seven years from the date of Grant	1
6th May 2016	150,000	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	2,108,195	1,326,910
Granted during the year	450,000	1,197,333
Lapsed/transferred during the year	22,624	13,142
Exercised during the year	786,794	402,906
Outstanding at the end of the year	1,748,777	2,108,195
Excercisable at the end of the year	71,131	36,020

The charge on account of the above scheme included in employee benefit expense aggregate Rs.20,470,601/- (Previous year, Rs. 18,792,029/-). 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 33

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

Nimesh N Kampani
Chairman

Hemant Kotak
Director

Anil Mavinkurve
Wholetime Director & Company Secretary

Place : Mumbai
Date : April 23,2014