



# **JM FINANCIAL ASSET MANAGEMENT LIMITED**

***Audited Financial Statements***

***FY 2014-15***

**Corporate Identity Number - U65991MH1994PLC078879**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
JM FINANCIAL ASSET MANAGEMENT LIMITED**

**Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of **JM FINANCIAL ASSET MANAGEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, 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 Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

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**Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order
10. As required by Section 143(3) of the Act, we report that:
- a) We have sought and 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**A. SIDDHARTH**  
Partner  
Membership No. 31467

Mumbai, dated: 24<sup>th</sup> April, 2015

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 9 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

In our opinion and according to the information and explanations provided to us, the nature of the Company's business/ activities/ results during the year are such that clauses (ii), (v), (vi), (ix) and (xi) of paragraph 3 of the Order are not applicable to the Company. In respect of other clauses we report that:

1. 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.
2. The Company has granted unsecured loans (inter corporate deposits) to a Company covered in the register maintained under Section 189 of the Companies Act, 2013:
  - a) The receipt of the principal amount and interest in respect thereof is regular.
  - b) In respect of the said loans there are no overdue amounts of the principal and interest.
3. 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 weaknesses in such internal control system.
4. 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, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payables in respect of the aforesaid dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date of becoming payable.
  - b) There were no cases of non-deposit with appropriate authorities of disputed dues of sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess. Details of dues of income tax which have not been deposited as on 31<sup>st</sup> March, 2015 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

- c) There are presently no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
5. 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 in the immediately preceding financial year.
6. 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.

7. 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. SIDDHARTH**  
Partner  
Membership No. 31467

Mumbai, dated: 26<sup>th</sup> May, 2015

**JM FINANCIAL ASSET MANAGEMENT LIMITED  
BALANCE SHEET AS AT 31ST MARCH, 2015**

	<b>Note No.</b>	<b>Rupees</b>	<b>Rupees</b>	<b>As at 31.03.2014 Rupees</b>
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
Share Capital	2	588,416,520		588,376,520
Reserves and Surplus	3	738,438,281		572,958,984
			1,326,854,801	1,161,335,504
<b>2 Non-current liabilities</b>				
Long-term borrowings	4	1,448,998		583,046
Long-term provisions	5	12,703,736		10,730,614
			14,152,734	11,313,660
<b>3 Current liabilities</b>				
Trade payables	6	11,053,849		13,841,735
Other current liabilities	7	57,670,881		39,274,386
Short-term provisions	8	7,568,099		8,053,164
			76,292,829	61,169,285
<b>TOTAL</b>			<b>1,417,300,364</b>	<b>1,233,818,449</b>
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 Fixed assets</b>				
(i) Tangible assets	9	295,664,717		38,372,796
(ii) Intangible assets		4,539,350		4,265,881
		300,204,067		42,638,677
Non-current investments	10	-		-
Long-term loans and advances	11	65,275,031		57,403,877
			365,479,098	100,042,554
<b>2 Current assets</b>				
Current investments	12	1,005,282,778		297,426,568
Trade receivables	13	33,038,693		14,690,053
Cash and cash equivalents	14	3,714,785		2,657,256
Short-term loans and advances	15	9,785,010		815,577,031
Other current assets	16	-		3,424,987
			1,051,821,266	1,133,775,895
<b>TOTAL</b>			<b>1,417,300,364</b>	<b>1,233,818,449</b>
Notes to the Financial Statements	1 to 30			

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. Siddharth**  
Partner  
Place : Mumbai  
Date : April 24, 2015

**For JM Financial Asset Management Limited**

**V. P. Shetty**  
Chairman

**G. M. Rammurthy**  
Director

**Mayuri Datar**  
Manager and Company Secretary  
Place : Mumbai  
Date : April 24, 2015

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	Note No.	Rupees	Previous year Rupees
<b>INCOME</b>			
Revenue from operations	17	372,544,212	158,926,086
Other income	18	94,998,513	106,622,833
<b>TOTAL REVENUE</b>		<b>467,542,725</b>	<b>265,548,919</b>
<b>EXPENDITURE</b>			
Employee benefits expense	19	173,904,739	157,859,362
Finance costs- interest expense on lease loan		200,350	128,715
Depreciation and amortization expense		8,261,612	9,677,760
Other expenses	20	107,046,727	59,617,764
<b>TOTAL EXPENSES</b>		<b>289,413,428</b>	<b>227,283,601</b>
<b>Profit before tax</b>		<b>178,129,297</b>	<b>38,265,318</b>
<u>Tax Expenses</u>			
Current Tax		12,650,000	-
<b>Profit after tax</b>		<b>165,479,297</b>	<b>38,265,318</b>
<b>Earning Per Equity Share</b>	25		
(Face value of Rs.10/- each)			
Basic and Diluted		2.81	0.65
Notes to the Financial Statements	1 to 30		

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. Siddharth**  
Partner  
Place : Mumbai  
Date : April 24, 2015

**For JM Financial Asset Management Limited**

**V. P. Shetty**  
Chairman

**G. M. Rammurthy**  
Director

**Mayuri Datar**  
Manager and Company Secretary  
Place : Mumbai  
Date : April 24, 2015

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2015**

	Rupees	Previous year Rupees
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year</b>	<b>178,129,297</b>	<b>38,265,318</b>
Adjustment for:		
Depreciation and amortization expense	8,261,612	9,677,760
Interest income	(83,071,724)	(100,476,254)
Amortization of premium paid on current / non-current investments (non-trade)	189,338	407,298
Interest expenses	200,350	128,715
(Profit) on sale of current investments	(829,018)	(4,623,665)
(Profit) on sale of non-current investments	-	(767,836)
(Profit) on sale of fixed assets (net)	(87,237)	(111,821)
Dividend	(11,196,872)	(7,008)
Provision no longer required written back	-	(1,000,000)
<b>Operating Profit / (loss) before working capital changes</b>	<b>91,595,746</b>	<b>(58,507,493)</b>
<b>Adjustment for:</b>		
(Increase) in trade receivables	(18,348,640)	(3,232,128)
(Increase) / Decrease in long-term loans and advances	(440,966)	435,935
(Increase) in short-term loans and advances	(4,207,979)	(1,014,577)
(Decrease) / Increase in trade payables	(2,787,886)	5,709,622
(Decrease) / Increase in short term provisions	(485,065)	624,553
Increase / (Decrease) in long term provisions	1,973,122	(1,098,726)
Increase / (Decrease) in other current liabilities	12,323,895	(219,974)
<b>Cash generated from / (used in) operations</b>	<b>79,622,227</b>	<b>(57,302,788)</b>
Direct taxes (paid) (net)	(20,080,188)	(4,639,548)
<b>Net cash generated from / (used in) Operating Activities (A)</b>	<b>59,542,039</b>	<b>(61,942,336)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of current investments	(2,753,412,764)	(246,107,007)
Sale of current investments	2,046,196,234	192,146,678
Sale of non-current investments	-	352,851,750
Inter corporate deposit received back / (given) back	810,000,000	(360,000,000)
Purchase of fixed assets	(259,194,865)	(1,172,559)
Sale of fixed assets	393,652	123,200
Interest received	86,496,711	123,221,184
Dividend received	11,196,872	7,008
<b>Net cash (used in) / generated from Investment Activities (B)</b>	<b>(58,324,160)</b>	<b>61,070,254</b>

	Rupees	Previous year Rupees
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	40,000	30,000
Interest paid	(200,350)	(128,715)
<b>Net cash (used in) Financing Activities (C)</b>	<b>(160,350)</b>	<b>(98,715)</b>
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	<b>1,057,529</b>	<b>(970,797)</b>
Cash and cash equivalents at the beginning of the year	2,657,256	3,628,053
Cash and cash equivalents at the end of the year (Refer note 14)	3,714,785	2,657,256

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. Siddharth**  
**Partner**  
Place : Mumbai  
Date : April 24, 2015

**For JM Financial Asset Management Limited**

**V. P. Shetty**  
**Chairman**

**G. M. Rammurthy**  
**Director**

**Mayuri Datar**  
**Manager and Company Secretary**  
Place : Mumbai  
Date : April 24, 2015

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention

**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.

**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.

**Depreciation**

Depreciation is provided on straight line method as per the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013. Accordingly, the useful life of assets are assessed as follows :

<b>Asset Description</b>	<b>Useful Life</b>
Office Premises	60 Years
Furniture and Fixtures	10 Years
Office Equipments	5 Years
Electrical Fittings	10 Years
Computer Hardware	3 Years
Computer Hardware – Servers	6 Years

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.

**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.

**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.

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**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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.

**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.

**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.

**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 Statue/ 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.

**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.

**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.

**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**  
**NOTES TO THE FINANCIAL STATEMENTS**

Note No.	Rupees	As at 31.03.2014 Rupees
<b>2 SHARE CAPITAL</b>		
<b>Authorised</b>		
93,000,000 Equity Shares of Rs.10/- each	930,000,000	930,000,000
2,000,000 Optionally Convertible Redeemable Preference Shares of Rs.10/- each	20,000,000	20,000,000
<b>TOTAL</b>	<b>950,000,000</b>	<b>950,000,000</b>
<b>Issued, Subscribed and Paid-up</b>		
58,841,652 (Previous year 58,837,652) equity shares of Rs.10/- each fully paid-up	588,416,520	588,376,520
<b>TOTAL</b>	<b>588,416,520</b>	<b>588,376,520</b>

2.1 Reconciliation of number of shares:

Particulars	Equity Shares			
			As at 31.03.2014	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	58,837,652	588,376,520	58,834,652	588,346,520
Shares issued during the year*	4,000	40,000	3,000	30,000
Shares outstanding at the end of the year	58,841,652	588,416,520	58,837,652	588,376,520

\* Company has issued and allotted 4,000 (Previous year 3,000) equity shares to a director of the Company under Employee Stock Option Plan (ESOP).

2.2 Details of shareholding more than 5%:

Equity Shareholders:	As at 31.03.2014			
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
JM Financial Limited- Holding Company	31,462,500	53.47%	31,462,500	53.47%
J.M. 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%
J.M. Assets Management Private Limited	3,000,000	5.10%	3,000,000	5.10%

**3 RESERVES AND SURPLUS**

<b>Securities premium account</b>		1,487,095,440	1,487,095,440
As per last balance sheet			
<b>Balance in the Statement of Profit and Loss</b>			
As per last balance sheet	(914,136,456)		(952,401,774)
Profit for the year	165,479,297		38,265,318
		(748,657,159)	(914,136,456)
<b>TOTAL</b>		<b>738,438,281</b>	<b>572,958,984</b>

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

Note No.	Rupees	As at 31.03.2014 Rupees
<b>4 LONG-TERM BORROWINGS</b>		
Finance lease obligations (Refer note 24)	2,110,415	885,151
Less: Current maturities of finance lease obligations (Refer note 7)	661,417	302,105
<b>TOTAL</b>	<b>1,448,998</b>	<b>583,046</b>
<b>5 LONG-TERM PROVISIONS</b>		
For employee benefits - Gratuity (Refer note 22)	12,703,736	10,730,614
<b>TOTAL</b>	<b>12,703,736</b>	<b>10,730,614</b>
<b>6</b>		
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.		
<b>7 OTHER CURRENT LIABILITIES</b>		
Current maturities of finance lease obligations (Refer note 24)	661,417	302,105
Creditors for Capital expenditure	5,713,288	-
Employee benefits payable	50,763,461	36,185,844
Statutory dues	532,715	2,786,437
<b>TOTAL</b>	<b>57,670,881</b>	<b>39,274,386</b>
<b>8 SHORT-TERM PROVISIONS</b>		
<b>For employee benefits:</b>		
Gratuity (Refer note 22)	955,843	1,470,085
Compensated absences	6,612,256	6,583,079
<b>TOTAL</b>	<b>7,568,099</b>	<b>8,053,164</b>

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**9 FIXED ASSETS**

Description	GROSS BLOCK			DEPRECIATION/ AMORTISATION			NET BLOCK		
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Up to 31.03.2014	For the year	Deductions	Upto 31.03.2015	As at 31.03.2015
<b>TANGIBLE ASSETS:</b>									
<b>Owned Assets:</b>									
Office premises (Refer note 9.1)	66,063,108	252,600,794	-	318,663,902	36,586,985	1,187,079	-	37,774,064	280,889,838
Leasehold improvements	11,223,805	-	743,941	10,479,864	11,223,805	-	743,941	10,479,864	-
Computers hardware	24,388,194	6,809,150	1,701,790	29,495,554	22,731,589	1,682,778	1,701,790	22,712,577	6,782,977
Furniture and fixtures	25,755,680	854,652	2,083,684	24,526,648	20,248,452	1,813,474	2,006,389	20,055,537	4,471,111
Electrical fittings	4,782,166	461,791	-	5,243,957	4,217,512	119,211	-	4,336,723	907,234
Office equipment	11,427,663	587,230	1,041,269	10,973,624	11,104,000	319,255	1,036,570	10,386,685	586,939
<b>Leased Assets:</b>									
Vehicles on finance lease (Refer note 9.2)	1,070,732	1,840,125	385,145	2,525,712	226,209	433,609	160,724	499,094	2,026,618
<b>TOTAL (A)</b>	<b>144,711,348</b>	<b>263,153,742</b>	<b>5,955,829</b>	<b>401,909,261</b>	<b>106,338,552</b>	<b>5,555,406</b>	<b>5,649,414</b>	<b>106,244,544</b>	<b>295,664,717</b>
<b>INTANGIBLE ASSETS:</b>									
Computer software	39,575,342	2,979,675	-	42,555,017	35,309,461	2,706,206	-	38,015,667	4,539,350
<b>TOTAL (B)</b>	<b>39,575,342</b>	<b>2,979,675</b>	<b>-</b>	<b>42,555,017</b>	<b>35,309,461</b>	<b>2,706,206</b>	<b>-</b>	<b>38,015,667</b>	<b>4,539,350</b>
<b>GRAND TOTAL (A + B)</b>	<b>184,286,690</b>	<b>266,133,417</b>	<b>5,955,829</b>	<b>444,464,278</b>	<b>141,648,013</b>	<b>8,261,612</b>	<b>5,649,414</b>	<b>144,260,211</b>	<b>300,204,067</b>

Rupees

**JM FINANCIAL ASSET MANAGEMENT LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

Rupees

Description	GROSS BLOCK				DEPRECIATION/ AMORTISATION						NET BLOCK
	As at 01.04.2013	Additions	Deductions	Adjustments	As at 31.03.2014	Up to 31.03.2013	For the year	Deductions	Adjustments	Upto 31.03.2014	As at 31.03.2014
<b>TANGIBLE ASSETS:</b>											
<b>Owned Assets:</b>											
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
<b>Leased Assets:</b>											
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
<b>TOTAL (A)</b>	<b>165,095,771</b>	<b>1,488,743</b>	<b>21,873,166</b>	<b>-</b>	<b>144,711,348</b>	<b>122,062,454</b>	<b>6,157,056</b>	<b>21,861,787</b>	<b>(19,171)</b>	<b>106,338,552</b>	<b>38,372,796</b>
<b>INTANGIBLE ASSETS:</b>											
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
<b>TOTAL (B)</b>	<b>45,079,678</b>	<b>280,599</b>	<b>5,784,935</b>	<b>-</b>	<b>39,575,342</b>	<b>37,554,521</b>	<b>3,520,704</b>	<b>5,784,935</b>	<b>19,171</b>	<b>35,309,461</b>	<b>4,265,881</b>
<b>GRAND TOTAL (A + B)</b>	<b>210,175,449</b>	<b>1,769,342</b>	<b>27,658,101</b>	<b>-</b>	<b>184,286,690</b>	<b>159,616,975</b>	<b>9,677,760</b>	<b>27,646,722</b>	<b>-</b>	<b>141,648,013</b>	<b>42,638,677</b>

- 9.1 Office premises include,  
a) 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.  
b) Rs.5,000/- (Previous year Rs.Nil/-) being shares application money of Cenergy Premises Co-operative Society.
- 9.2 Vendors have a lien over assets taken on finance lease.
- 9.3 During the year, pursuant to the enactment of the Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II as disclosed in note 1. Accordingly, the depreciation has been charged over the remaining useful life of these assets and as a result the net charge for the year is lower by Rs.193,651/- which has an effect of profit for the year being higher and the carrying value of the fixed assets at the year end higher by the amount.

**JM FINANCIAL ASSET MANAGEMENT LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

Note No.	Rupees	As at 31.03.2014 Rupees
<b>10 NON-CURRENT INVESTMENT</b> (Long-term, at cost, fully paid-up) (Non-trade, quoted) <u>In debentures and bonds:</u> Nil (Previous year 150) 8.40% Bond of ONGC Videsh Limited of Rs.1,000,000/- each Less : Long term investment maturing within twelve months.	- - -	150,189,275 150,189,275 -
<b>11 LONG TERM LOANS AND ADVANCES</b> (Unsecured and considered good) Advance tax (net of provision for tax) Security deposits Staff loans	58,175,124 7,032,873 67,034	50,744,936 6,534,448 124,493
<b>TOTAL</b>	<b>65,275,031</b>	<b>57,403,877</b>
<b>12 CURRENT INVESTMENTS</b> Quoted (at cost, fully paid-up) <u>In bonds:</u> Long term investment maturing within twelve months (Refer note 10) Unquoted (At lower of cost and fair value) <u>In mutual fund units: (Refer note 28)</u> 26,383,755.681 (Previous year 4,287,145.38)Units of various schemes of JM Financial Mutual Fund of Rs.10/- each	- - 1,005,282,778	150,189,275 - 147,237,293
<b>TOTAL</b>	<b>1,005,282,778</b>	<b>297,426,568</b>
<b>12.1</b> Aggregate book value of quoted investments Aggregate market value of quoted investments	- -	150,189,275 148,605,300
<b>13 TRADE RECEIVABLES</b> (Unsecured and considered good) Over six months from due date Others	- 33,038,693	- 14,690,053
<b>TOTAL</b>	<b>33,038,693</b>	<b>14,690,053</b>

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

Note No.	Rupees	As at 31.03.2014 Rupees
<b>14 CASH AND CASH EQUIVALENTS</b>		
Cash in hand	-	3,228
Balances with banks:		
- in current accounts	3,714,785	2,654,028
<b>TOTAL</b>	<b>3,714,785</b>	<b>2,657,256</b>
<b>15 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Loans and advances to related parties (Refer note 23)	-	810,719,568
Prepaid expenses	1,536,697	2,108,014
Staff loans	163,464	107,940
Service tax credit receivable	7,833,849	2,426,508
Others *	251,000	215,001
<b>TOTAL</b>	<b>9,785,010</b>	<b>815,577,031</b>
* includes staff advances, etc.		
<b>16 OTHER CURRENT ASSETS</b>		
Interest accrued on non-current investments	-	3,424,987
<b>TOTAL</b>	<b>-</b>	<b>3,424,987</b>
Note No.	Rupees	Previous Year
<b>17 REVENUE FROM OPERATIONS</b>		
Management fees	350,114,318	158,926,086
<u>Other Operating Income</u>		
Income from Arbitrage Activities	22,429,894	-
<b>TOTAL</b>	<b>372,544,212</b>	<b>158,926,086</b>
<b>18 OTHER INCOME</b>		
<u>Interest income:</u>		
- on loans and advances to related party (Refer note 23)	73,871,728	83,675,342
- on non-current investments (non-trade) (Refer note 18.1)	-	16,345,853
- on current investments (Refer note 18.1)	8,985,739	-
- on others	24,919	47,761
Profit on sale of current investments(net)	829,018	4,623,665
Profit on sale of non-current investments	-	767,836
Profit on sale of fixed assets (net)	87,237	111,821
Dividend	11,196,872	7,008
Provision no longer required written back	-	1,000,000

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

Note No.	Rupees	As at 31.03.2014 Rupees
Miscellaneous income	3,000	43,547
<b>TOTAL</b>	<b>94,998,513</b>	<b>106,622,833</b>
<b>18.1</b> Includes amortization of premium paid on current investments of Rs. 189,338/- (Previous Year Rs. Nil) and Non-current Investments(Non-Trade) of Rs. Nil (Previous Year Rs.407,298/-)		
<b>19 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, bonus, other allowances and benefits	164,704,614	150,122,436
Contribution to provident and other funds (Refer note 22)	7,048,891	7,461,448
Staff welfare	2,151,234	1,534,482
	173,904,739	159,118,366
Less: Recoveries	-	(1,259,004)
<b>TOTAL</b>	<b>173,904,739</b>	<b>157,859,362</b>
<b>20 OTHER EXPENSES</b>		
Lease rent (Refer note 24)	6,896,363	10,649,645
Rates and taxes	1,792,151	1,139,325
Electricity expenses	2,556,978	3,883,896
Insurance expenses	2,974,495	2,794,648
Information technology expenses	4,349,896	6,143,886
Legal and professional fees	2,473,781	2,383,739
Communication expenses	1,760,871	2,266,904
Mutual Fund expenses	59,248,016	7,114,636
Motor car expenses	4,779,051	5,639,492
Travelling and conveyance	2,600,857	3,984,884
Manpower expenses	5,825,767	7,307,364
Repairs and maintenance - Others	861,543	808,507
Printing and stationery	760,295	775,407
Auditors' remuneration (Refer note 21)	701,300	764,474
Membership and subscriptions	567,985	566,400
Advertisement and other related expenses	1,899,075	117,600
Directors sitting fees and commission	2,600,000	780,000
Miscellaneous expenses	4,398,303	3,994,419
	107,046,727	61,115,226
Less: Recoveries	-	(1,497,462)
<b>TOTAL</b>	<b>107,046,727</b>	<b>59,617,764</b>
<b>20.1 EXPENDITURE IN FOREIGN CURRENCY</b>		
Travelling and conveyance	-	60,298
<b>TOTAL</b>	<b>-</b>	<b>60,298</b>

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

	Rupees	Previous year Rupees
<b>21 Payment to Auditors' (net of service tax):</b>		
Audit Fees	500,000	500,000
In any other manner (Certifications, limited reviews, tax audit, etc.)	200,000	260,000
Out of pocket expenses	1,300	4,474
<b>TOTAL</b>	<b>701,300</b>	<b>764,474</b>

**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.6,443,216/- (Previous year Rs.6,717,516/-).

**Defined Benefit Plan: Gratuity (Unfunded)**

<b>I. Reconciliation of liability recognised in the Balance Sheet</b>	Rupees	Previous year Rupees
Fair value of plan assets as at the end of the year	-	-
Present value of obligation as at the end of the year	13,659,579	12,200,699
Net liability in the Balance Sheet	13,659,579	12,200,699

<b>II. Movement in net liability recognised in the Balance Sheet</b>	Rupees	Previous year Rupees
Net liability as at the beginning of the year	12,200,699	12,792,519
Net expense recognised in the statement of profit and loss	4,061,098	839,297
Payments during the year	(2,573,846)	(1,431,117)
Liability settled on divestiture	(28,372)	-
Net liability as at the end of the year	13,659,579	12,200,699

<b>III. Expense recognised in the statement of profit and loss (Under the head employee benefits expense)</b>	Rupees	Previous year Rupees
Current Service Cost	1,079,795	1,423,271
Interest Cost	1,141,636	1,112,470
Actuarial Losses/ (Gains)	1,839,667	(1,696,444)
Expense charged to the statement of profit and loss	4,061,098	839,297

<b>IV. Reconciliation of defined benefit commitments</b>	Rupees	Previous year Rupees
Commitments at the beginning of the year	12,200,699	12,792,519
Current Service Cost	1,079,795	1,423,271
Interest Cost	1,141,636	1,112,470
Actuarial Losses/ (Gains)	1,839,667	(1,696,444)
Benefits Paid	(2,573,846)	(1,431,117)
Liability settled on divestiture	(28,372)	-
Commitments at the year end	13,659,579	12,200,699

**JM FINANCIAL ASSET MANAGEMENT LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

<b>V. Experience Adjustments #</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>
Defined Benefit Obligation	13,659,579	12,200,699	12,792,519	12,154,248	12,573,326
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(13,659,579)	(12,200,699)	(12,792,519)	(12,154,248)	(12,573,326)
Experience Adj. on Plan Liabilities	327,669	(331,389)	(1,196,301)	34,370	(3,304,313)
Experience Adj. on Plan Assets	-	-	-	-	-

# disclosed to the extent information available with the Company.

<b>VI. Actuarial Assumptions</b>		<b>Previous year</b>
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Discount rate (per annum)	8.00%	9.10%
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 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**

J.M. Financial & Investment Consultancy Services Private Limited (also an investing party)

JM Financial Trustee Company Private Limited

**JM FINANCIAL ASSET MANAGEMENT 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
<b>JM Financial Limited</b>	(A)		
Reimbursement of expenses		2,003,529	3,023,587
<b>JM Financial Services Limited</b>	(B)		
Services received (Brokerage)		2,068,964	-
Services received (Demat Account Maintenance Charges)		1,999	-
Closing balance as at the year end - (Debit)		7,479	-
<b>JM Financial Properties and Holding Limited</b>	(B)		
Inter corporate deposits given		100,000,000	360,000,000
Inter corporate deposits received back		910,000,000	-
Interest on inter corporate deposits		73,871,728	83,675,342
Closing balance as at the year end - Debit		-	810,000,000
<b>J.M. Financial &amp; Investment Consultancy Services Private Limited</b>	(C)		
Reimbursement of Service Tax		17,978	-
Transfer of Employee Loan		68,000	-
Transfer of Gratuity Liability		28,372	-
<b>JM Financial Trustee Company Private Limited</b>	(C)		
Recovery of expenses		-	2,756,466
Closing balance as at the year end - Debit		-	719,568

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

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**24 Lease Transactions:**

**Finance leases**

The Company has taken vehicles on finance lease for a period ranges from 36-48 months with an option of prepayment and foreclosure. The minimum lease rentals outstanding as at the year end are as under:

	<b>Total Minimum Lease Payments outstanding as at the year end</b>	<b>Interest expenses</b>	<b>Present value of the minimum lease payments</b>
<b>Due</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Not later than one year	933,888 (424,272)	272,471 (122,167)	661,417 (302,105)
Later than one year and not later than five years	1,703,976 (683,469)	254,978 (100,423)	1,448,998 (583,046)
Later than five years	- (-)	- (-)	- (-)
<b>TOTAL</b>	<b>2,637,864</b> <b>(1,107,741)</b>	<b>527,449</b> <b>(222,590)</b>	<b>2,110,415</b> <b>(885,151)</b>

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:

	<b>Total Minimum Lease Payments outstanding as at 31st March, 2015</b>	<b>Total Minimum Lease Payments outstanding as at 31st March, 2014</b>
Not later than one year	-	898,333
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>TOTAL</b>	<b>-</b>	<b>898,333</b>

Lease payments recognised in the statement of profit and loss for the year is Rs.898,333/- (Previous year Rs.4,200,000/-).

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. 5,998,030/- (Previous year Rs.6,449,645/-).

**25 Earning 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:

<b>Particulars</b>		<b>Previous Year</b>
Profit attributable to equity shareholders (Rupees)	165,479,297	38,265,318
Weighted average number of shares outstanding during the year	58,838,441	58,835,178
Basic and Diluted Earnings per share (Rupees)	2.81	0.65
Nominal value per share (Rupees)	10.00	10.00

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**26 Segment Information :**

The Company has identified following two reportable business segments as per Accounting Standard 17 - Segment reporting:-

- i. Asset Management Business
- ii. Arbitrage Activities

(Amount in Rupees)

	<b>Asset Management Business</b>	<b>Arbitrage Activities</b>	<b>Unallocable</b>	<b>Total</b>
<b>i)</b> Revenue from operations	350,114,318	22,429,894	-	372,544,212
	<i>158,926,086</i>	-	-	<i>158,926,086</i>
Segment revenue	350,114,318	22,429,894	-	372,544,212
	<i>158,926,086</i>	-	-	<i>158,926,086</i>
<b>ii)</b> Segment results before taxes	61,022,013	22,424,277	-	83,446,290
	<i>(67,025,671)</i>	-	-	<i>(67,025,671)</i>
Unallocable corporate income			94,883,357	94,883,357
			<i>105,419,704</i>	<i>105,419,704</i>
Finance cost			200,350	200,350
			<i>128,715</i>	<i>128,715</i>
Profit / (Loss) before tax	61,022,013	22,424,277	94,683,007	178,129,297
	<i>(67,025,671)</i>	-	<i>105,290,989</i>	<i>38,265,318</i>
Current tax expense			12,650,000	12,650,000
			-	-
Profit / (Loss) after tax	61,022,013	22,424,277	82,033,007	165,479,297
	<i>(67,025,671)</i>	-	<i>105,290,989</i>	<i>38,265,318</i>
<b>iii) Other information:</b>				
Segment assets	350,120,071	7,606	1,067,172,687	1,417,300,364
	<i>69,564,702</i>	-	<i>1,164,253,747</i>	<i>1,233,818,449</i>
Segment liabilities	88,335,148	-	2,110,415	90,445,563
	<i>71,597,794</i>	-	<i>885,151</i>	<i>72,482,945</i>
Capital expenditure	266,133,417	-	-	266,133,417
	<i>1,769,342</i>	-	-	<i>1,769,342</i>
Depreciation and Amortization expense	8,261,612	-	-	8,261,612
	<i>9,677,760</i>	-	-	<i>9,677,760</i>

*Figures in Italics are in respect of previous year.*

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**27 Deferred Tax Asset (Net)**

Major components of Deferred Tax Asset / (Liability) are as under:

Particulars	As at 31.3.2015 Rupees	As at 31.3.2014 Rupees
<u>Deferred Tax Liability</u>		
Difference in tax and book written down value of Fixed Assets	(571,758)	-
<u>Deferred Tax Assets</u>		
Unabsorbed business loss *	571,758	-
<b>Net Deferred Tax Asset/ (Liability)</b>	-	-

\* On consideration of prudence, deferred tax asset is recognised only to the extent of net deferred tax liability.

**28. Current investment in mutual fund units comprises of the following:**

Name of the Mutual Fund Schemes	Face Value (Rs.)	Numbers		Value	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
JM MF HL Growth (Direct)	10	26,309,007	4,264,700	1,004,191,373	146,984,698
JM Arbitrage Advantage Fund(Direct) - Dividend Option	10	565	523	5,924	5,490
JM Arbitrage Advantage Fund(Direct) - Growth Option	10	310	310	5,000	5,000
JM Basic Fund (Direct) - Dividend Option	10	520	520	5,000	5,000
JM Balanced Fund (Direct) - Dividend Option	10	192	286	5,175	5,000
JM Core 11 Fund (Direct) - Dividend Option	10	1,300	1,300	5,000	5,000
JM Core 11 Fund (Direct) - Growth Option	10	1,289	1,289	5,000	5,000
JM Equity Fund (Direct) - Dividend Option	10	342	342	5,000	5,000
JM Equity Fund (Direct) - Growth Option	10	139	139	5,000	5,000
JM Floater Long Term Fund - (Direct) - Daily Dividend Option	10	578	541	5,783	5,373
JM Floater Long Term Plan - (Direct) - Weekly Dividend Option	10	545	510	5,753	5,369
JM Floater Long Term Fund - (Direct) - Dividend Option	10	281	281	5,000	5,000
JM Floater Long Term Fund - (Direct) - Growth Option	10	282	282	5,000	5,000
JM Floater Short Term Fund (Direct) - Growth Option	10	275	275	5,000	5,000
JM Floater Short Term Fund (Direct) - Daily Dividend	10	573	541	5,783	5,411
JM Floater Long Term Fund - Dividend Option	10	281	281	5,000	5,000
JM Floater Long Term Fund - Weekly Dividend Option	10	540	507	5,696	5,340
JM Floater Long Term Fund - Daily Dividend Option	10	569	535	5,687	5,323
JM Floater Short Term Fund - Daily Dividend Option	10	562	531	5,673	5,321
JM G-Sec Fund - (Direct) Quarterly Dividend Option	10	292	292	5,213	5,107
JM G-Sec Fund - (Direct) - Bonus Option - Principal Units	10	276	276	5,000	5,000
JM G-Sec Fund - Bonus Option - Principal Units	10	276	276	5,000	5,000
JM Income Fund (Direct) - Bonus Option - Principal Units	10	354	354	5,000	5,000

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

Name of the Mutual Fund Schemes	Face Value (Rs.)	Numbers		Value	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
JM Income Fund - (Direct) Quarterly Dividend Option	10	422	422	5,153	5,153
JM Income Fund (Direct) - Growth Option	10	145	145	5,000	5,000
JM High Liquidity Fund (Direct) - Daily Dividend Option	10	551	518	5,750	5,360
JM High Liquidity Fund (Direct) - Bonus Option - Principal Units	10	495	495	5,000	5,000
JM High Liquidity Fund - Bonus Option - Principal Units	10	495	495	5,000	5,000
JM High Liquidity Fund (Direct) - Quarterly Dividend Option	10	280	280	5,000	5,000
JM High Liquidity Fund (Direct) - Weekly Dividend Option	10	524	492	5,771	5,399
JM Money Manager Fund - Super Plus Plan (Direct) - Weekly Dividend	10	541	508	5,765	5,392
JM Money Manager Fund - Super Plus Plan (Direct) - Fortnightly Dividend	10	553	521	5,733	5,398
JM Money Manager Fund - Regular Plan (Direct) - Daily Dividend	10	574	539	5,756	5,370
JM Money Manager Fund - Regular Plan (Direct) - Weekly Dividend	10	542	509	5,759	5,391
JM Money Manager Fund - Regular Plan (Direct) - Fortnightly Dividend	10	560	527	5,748	5,410
JM Money Manager Fund - Super Plan (Direct) - Daily Dividend	10	573	539	5,737	5,353
JM Money Manager Fund - Super Plan (Direct) - Weekly Dividend	10	541	508	5,766	5,394
JM Money Manager Fund - Super Plan (Direct) - Fortnightly Dividend	10	557	524	5,731	5,396
JM MIP Fund (Direct) - Dividend Option - Monthly Dividend	10	511	496	5,360	5,189
JM MIP Fund (Direct) - Dividend Option - Quarterly Dividend	10	384	384	5,000	5,000
JM MIP Fund (Direct) - Dividend Option - Annual Dividend	10	360	360	5,000	5,000
JM MIP Fund (Direct) - Growth Option	10	290	290	5,000	5,000
JM Multi Strategy Fund (Direct) - Dividend Option	10	406	406	5,000	5,000
JM Short Term Fund (Direct) - Dividend	10	541	504	5,719	5,333
JM Short Term Fund (Direct) - Daily Dividend	10	543	523	5,463	5,216
JM Short Term Fund (Direct) - Growth	10	301	301	5,000	5,000
JM Tax Gain Fund (Direct) - Dividend Option	10	731	731	5,000	5,000
JM Tax Gain Fund (Direct) - Growth Option	10	731	731	5,000	5,000
JM Balanced Fund (Direct) - Growth Option	10	139	204	5,245	5,000
JM Money Manager Super Plan(Direct) Growth	10	302	302	5,107	5,107
JM Floater Short Term Fund (Direct) - Monthly Dividend Option	10	496	-	5,000	-
JM Floater Short Term Fund - Monthly Dividend Option	10	488	-	5,000	-
JM MIP Fund (Direct) - Bonus Option - Principal Units	10	222	-	5,000	-
JM MIP Fund - Bonus Option - Principal Units	10	231	-	5,000	-
JM Equity Fund - Dividend Option	10	430	-	10,000	-
JM Equity Fund - Growth Option	10	175	-	10,000	-
JM Balanced Fund - Half Yearly Dividend Option	10	195	-	5,273	-
JM Balanced Fund - (Direct) - Half Yearly Dividend Option	10	192	-	5,277	-
JM Balanced Fund - Growth Option	10	142	-	5,383	-
JM Balanced Fund - Bonus Option -Principal Units	10	142	-	5,383	-
JM Balanced Fund - (Direct) Bonus Option - Principal Units	10	139	-	5,393	-
JM Balanced Fund - Annual Bonus Option - Principal Units	10	142	-	5,383	-

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

Name of the Mutual Fund Schemes	Face Value (Rs.)	Numbers		Value	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
JM Balanced Fund - (Direct) - Annual Bonus Option - Principal Units	10	139	-	5,393	-
JM Balanced Fund - Annual Dividend Option	10	195	-	5,273	-
JM Balanced Fund - (Direct) - Annual Dividend Option	10	192	-	5,277	-
JM Balanced Fund - Half Yearly Bonus Option Principal Units	10	142	-	5,383	-
JM Balanced Fund (Direct) - Half Yearly Bonus Option Principal Units	10	139	-	5,393	-
JM Balanced Fund - Quarterly Bonus Option Principal Units	10	142	-	5,383	-
JM Balanced Fund (Direct) - Quarterly Bonus Option Principal Units	10	139	-	5,393	-
JM Balanced Fund - Monthly Dividend	10	195	-	5,273	-
JM Balanced Fund - (Direct) Monthly Dividend	10	192	-	5,277	-
JM Balanced Fund - Quarterly Dividend	10	195	-	5,273	-
JM Balanced Fund - (Direct) Quarterly Dividend	10	192	-	5,277	-
JM Basic Fund - Dividend Option	10	660	-	10,000	-
JM Basic Fund - Growth Option	10	461	-	10,000	-
JM Basic Fund (Direct) - Growth Option	10	455	-	10,000	-
JM Arbitrage Advantage Fund - Dividend Option	10	965	-	10,041	-
JM Arbitrage Advantage Fund - Growth Option	10	522	-	10,000	-
JM Arbitrage Advantage Fund - Bonus Option - Principal Units	10	960	-	10,000	-
JM Arbitrage Advantage Fund - (Direct) Bonus Option - Principal Units	10	962	-	10,000	-
JM Arbitrage Advantage Fund - Annual Bonus Option - Principal Units	10	522	-	10,000	-
JM Arbitrage Advantage Fund - (Direct) - Annual Bonus Option - Principal Units	10	516	-	10,000	-
JM Arbitrage Advantage Fund - Half Yearly Bonus Option Principal Units	10	522	-	10,000	-
JM Arbitrage Advantage Fund (Direct) - Half Yearly Bonus Option Principal Units	10	516	-	10,000	-
JM Arbitrage Advantage Fund - Quarterly Bonus Option Principal Units	10	522	-	10,000	-
JM Arbitrage Advantage Fund (Direct) - Quarterly Bonus Option Principal Units	10	516	-	10,000	-
JM Tax Gain Fund - Dividend Option	10	837	-	10,000	-
JM Tax Gain Fund - Growth Option	10	837	-	10,000	-
JM Multi Strategy Fund - Dividend Option	10	480	-	10,000	-
JM Multi Strategy Fund - Growth Option	10	446	-	10,000	-
JM Multi Strategy Fund (Direct) - Growth Option	10	440	-	10,000	-
JM Core 11 Fund - Dividend Option	10	1,669	-	10,000	-
JM Core 11 Fund - Growth Option	10	1,669	-	10,000	-
JM Income Fund - Bonus Option - Principal Units	10	591	-	10,000	-
JM Income Fund - Quarterly Dividend Option	10	711	-	10,000	-
JM G-Sec Fund - (Direct) - Growth Option	10	223	-	10,000	-

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

Name of the Mutual Fund Schemes	Face Value (Rs.)	Numbers		Value	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
JM Income Fund - Growth Option	10	242	-	10,000	-
JM Short Term Fund - Dividend Option	10	949	-	10,010	-
JM Short Term Fund - Growth Option	10	505	-	10,000	-
JM Short Term Fund - Daily Dividend Option	10	949	-	10,000	-
JM High Liquidity Fund - Growth Option	10	263	-	10,000	-
JM High Liquidity Fund - Weekly Dividend Option	10	912	-	10,036	-
JM High Liquidity Fund - Daily Dividend Option	10	962	-	10,035	-
JM High Liquidity Fund - Quarterly Dividend Option	10	465	-	10,000	-
JM Floater Long Term Fund - Growth Option	10	474	-	10,000	-
JM Floater Long Term Fund - Bonus Option - Principal Units	10	474	-	10,000	-
JM Floater Long Term Fund - (Direct) - Bonus Option - Principal Units	10	470	-	10,000	-
JM Floater Long Term Fund - Half Yearly Bonus Option Principal Units	10	474	-	10,000	-
JM Floater Long Term Fund - (Direct) Half Yearly Bonus Option Principal Units	10	469	-	10,000	-
JM Floater Long Term Fund - Monthly Dividend Option	10	472	-	10,000	-
JM Floater Long Term Fund - (Direct) Monthly Dividend Option	10	466	-	10,000	-
JM Floater Short Term Fund - Growth Option	10	466	-	10,000	-
JM Floater Short Term Fund - Bonus Option - Principal Units	10	466	-	10,000	-
JM Floater Short Term Fund - (Direct) - Bonus Option - Principal Units	10	465	-	10,000	-
JM Floater Short Term Fund - Half Yearly Bonus Option Principal Units	10	466	-	10,000	-
JM Floater Short Term Fund - (Direct) Half Yearly Bonus Option Principal Units	10	464	-	10,000	-
JM Money Manager Fund - Super Plus Plan - Daily Dividend	10	1,002	-	10,036	-
JM Money Manager Fund - Super Plus Plan - (Direct) Daily Dividend Option	10	1,002	-	10,034	-
JM Money Manager Fund - Super Plus Plan - Fortnightly Dividend	10	969	-	10,020	-
JM Money Manager Fund - Super Plus Plan - Growth	10	508	-	10,000	-
JM Money Manager Fund - Super Plus Plan - (Direct) Growth Option	10	507	-	10,000	-
JM Money Manager Fund - Super Plus Plan - Weekly Dividend	10	944	-	10,043	-
JM G-Sec Fund - Quarterly Dividend Option	10	495	-	10,000	-
JM Money Manager Fund - Super Plus Plan - Bonus Option - Principal Units	10	843	-	10,000	-
JM Money Manager Fund - Super Plus Plan - (Direct) - Bonus Option - Principal Units	10	841	-	10,000	-
JM Money Manager Fund - Super Plan - Daily Dividend	10	1,001	-	10,039	-
JM Money Manager Fund - Super Plan - Fortnightly Dividend	10	972	-	10,022	-
JM Money Manager Fund - Super Plan - Growth	10	504	-	10,000	-
JM Money Manager Fund - Super Plan - Weekly Dividend	10	943	-	10,045	-

**JM FINANCIAL ASSET MANAGEMENT LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

Name of the Mutual Fund Schemes	Face Value (Rs.)	Numbers		Value	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
JM Money Manager Fund - Super Plan - Bonus Option - Principal Units	10	904	-	10,000	-
JM Money Manager Fund - Super Plan - (Direct) - Bonus Option - Principal Units	10	903	-	10,000	-
JM Money Manager Fund - Regular Plan - Daily Dividend	10	1,001	-	10,041	-
JM Money Manager Fund - Regular Plan - Fortnightly Dividend	10	979	-	10,022	-
JM Money Manager Fund - Regular Plan - Growth	10	518	-	10,000	-
JM Money Manager Fund - Regular Plan - (Direct) Growth Option	10	516	-	10,000	-
JM Money Manager Fund - Regular Plan - Weekly Dividend	10	946	-	10,044	-
JM Money Manager Fund - Regular Plan - Bonus Option - Principal Units	10	518	-	10,000	-
JM Money Manager Fund - Regular Plan - (Direct) - Bonus Option - Principal Units	10	515	-	10,000	-
JM MIP Fund - Dividend Option - Annual Dividend	10	580	-	10,000	-
JM MIP Fund - Growth Option	10	466	-	10,000	-
JM MIP Fund - Dividend Option - Monthly Dividend	10	864	-	10,000	-
JM MIP Fund - Dividend Option - Quarterly Dividend	10	618	-	10,000	-
JM G-Sec Fund - Growth Option	10	226	-	10,000	-
<b>Total</b>		<b>26,383,754</b>	<b>4,287,144</b>	<b>1,005,282,783</b>	<b>147,237,293</b>

**29 Employee Stock Option Plan/ Employee Stock Option Scheme:**

- a) Based on the request made by JM Financial Asset Management 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, 233,331 Stock Options have been granted on 16th April, 2012 and 99,999 Stock Options have been granted on 1st April, 2014. 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
1st April, 2015	VII	33,333	Seven years from the date of Grant	1
1st April, 2016	VII	33,333	Seven years from the date of Grant	1
1st April, 2017	VII	33,333	Seven years from the date of Grant	1

**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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	218,614	359,451
Granted during the year	99,999	-
Lapsed/ forfeited during the year	-	-
Exercised during the year	140,837	140,837
Transferred out during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	177,776	218,614
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating Rs. 2,003,529/- (Previous year Rs.3,023,587/-). 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
	No. of outstanding Options	
Outstanding at the beginning of the year	1,121,000	1,418,000
Granted during the year	-	-
Lapsed/ forfeited during the year	464,500	294,000
Exercised during the year	4,000	3,000
Expired during the year	-	-
Outstanding at the end of the year	652,500	1,121,000
Exercisable at the end of the year	652,500	831,000

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 Fair 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. 165,464,857/- (Previous year profit of Rs.38,077,603/-) as against the reported figure of Rs.165,479,297/- (Previous year profit of Rs.38,265,318/-). The Diluted Earnings per share (EPS) would be Re. 2.77 (Previous year Re.0.63) as against the basic EPS of Re. 2.81 (Previous year Re.0.65).

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**JM FINANCIAL ASSET MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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%.

- 30** 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**  
Place : Mumbai  
Date : April 24, 2015