



JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Audited Financial Statements

FY 2014-15

AUDITORS' REPORT TO MEMBERS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st 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 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 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. 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. 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.
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 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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, 2015;
 - (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, 2015 ("the Order") issued by the Central Government 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.
8. 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 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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 has disclosed the impact of pending litigations on its financial position in its financial statements (refer note 23 to the financial statements);
 - 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. 117366WW-100018)

A. Siddharth
Partner
(Membership No. 31467)

MUMBAI, 22nd May, 2015

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

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

- (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.
- (ii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
 - (a) The receipts of principal amounts and interest have been regular
 - (b) There is no overdue amount in excess of Rs. 1 lakh remaining outstanding as at the year-end.
- (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) According to information and explanations given to us, and the records of the Company examined by us, in respect of statutory and other dues:
 - (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, 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, 2015 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.)
Finance Act, 1994	Service tax and interest	Commissioner of Central Excise and Customs (Appeal)	2002-03 to 2011-12	3,098,340
Income tax Act, 1961	Income tax	Commissioner of Income tax (Appeals)	2009-10	6,995,322
Income tax Act, 1961	Income tax	Commissioner of Income tax (Appeals)	2011-12	1,124,022
Income tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2008-09	28,058,517
Income tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2009-10	5,802,003

In respect of some income-tax assessment years, there are refunds due as per the returned / assessed income, in excess of the above non-deposits.

- (c) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

-
- (v) 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.
 - (vi) 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.
 - (vii) To the best of our knowledge and according to the information and explanations given to us, no material fraud by or 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, 22nd May, 2015

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2015

	Note No.	Rupees	As at 31.03.2014 Rupees
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	280,000,000	280,000,000
Reserves and surplus	3	2,493,747,133	2,395,055,020
		2,773,747,133	2,675,055,020
Non-current liabilities			
Long-term borrowings	4	6,540,395	4,681,588
Long-term provisions	5	30,998,705	26,052,021
		37,539,100	30,733,609
Current liabilities			
Trade payables	6	107,099,458	52,612,020
Other current liabilities	7	341,165,400	262,824,971
Short-term provisions	8	434,734,740	411,724,170
		882,999,598	727,161,161
Total		3,694,285,831	3,432,949,790
ASSETS			
Non-current assets			
Fixed assets			
	9		
Tangible assets		35,464,626	35,808,581
Intangible assets		10,071,919	9,114,319
Capital work-in-progress		816,000	-
		46,352,545	44,922,900
Non-current investments	10	1,694,530,361	2,055,542,895
Deferred tax assets (net)	11	22,335,006	21,947,181
Long-term loans and advances	12	530,679,007	603,180,302
		2,293,896,919	2,725,593,278
Current assets			
Trade receivables	13	38,813,606	184,415,977
Cash and bank balances	14	993,816,393	487,211,867
Short-term loans and advances	15	365,872,697	25,929,037
Other current assets	16	1,886,216	9,799,631
		1,400,388,912	707,356,512
Total		3,694,285,831	3,432,949,790
Notes to the financial statements	1 to 34		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

A. Siddharth
Partner

Company Secretary

Chairman

**Whole-time Director
and Chief Financial Officer**

Place : Mumbai
Date : 22nd May , 2015

Place : Mumbai
Date : 22nd May , 2015

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

	Note No.	Rupees	Previous year Rupees
Revenue:			
Revenue from operations	17	1,716,610,137	1,348,473,067
Other income	18	265,745,517	167,043,266
Total Revenue		1,982,355,654	1,515,516,333
Expenses:			
Sub-brokerage, fees, commission and other direct expenses		46,943,507	41,368,103
Employee benefit expenses	19	811,362,835	727,891,050
Finance costs	20	25,417,502	40,580,772
Depreciation and amortisation expense	9	21,101,597	31,493,639
Other expenses	21	393,055,221	394,403,951
Total expenses		1,297,880,662	1,235,737,515
Profit before tax		684,474,992	279,778,818
Tax expense:			
Current tax		180,300,000	40,200,000
Minimum alternate tax credit entitlement		-	(11,200,000)
Deferred tax		(168,969)	(21,947,181)
Tax adjustments in respect of earlier year (net)		836,626	5,677,718
		180,967,657	12,730,537
Profit for the year		503,507,335	267,048,281
Earnings per share:			
Equity shares of face value of Rs. 10/- each	22		
Basic		17.98	7.17
Diluted		17.98	7.17
Notes to the financial statements	1 to 34		

In terms of our report attached

For Deloitte Haskins & Sells LLP
 Chartered Accountants

For and on behalf of the Board of Directors
A. Siddharth
 Partner

Company Secretary
Chairman
**Whole-time Director
and Chief Financial Officer**
Place : Mumbai
Date : 22nd May , 2015
Place : Mumbai
Date : 22nd May , 2015

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Rupees	Previous Year Rupees
A Net profit before tax	684,474,992	279,778,818
Adjustments for :		
Depreciation / amortisation	21,101,597	31,493,639
Dividend income	(46,722,354)	(55,136,496)
Finance cost	25,417,502	40,580,772
Interest income	(49,736,832)	(15,232,037)
Profit on sale of fixed assets (net)	(2,050,624)	(691,404)
Mark to market loss on securities held as a result of underwriting	-	40,000
Bad Debts written off	2,111,165	189,220
Sundry credit balances written back	(5,660,406)	(1,233,184)
Profit on sale of current investments (non-trade)	-	(287,523)
Profit on sale of non-investments (non-trade) (net)	(122,946,115)	(64,933,559)
Provision for dimunition in value of investments	-	4,186,377
Operating profit before working capital changes	505,988,925	218,754,623
Increase/ (Decrease) in long-term provisions	4,946,684	(1,427,426)
Increase/ (Decrease) in trade payables	60,147,844	(150,956,807)
Increase in other current liabilities	77,812,020	124,197,342
Increase in short term provisions	1,933,517	835,050
(Increase) / Decrease in long-term loans and advances	74,337,216	(116,472,560)
(Increase) / Decrease in trade receivables	143,491,206	55,178,446
Decrease in short-term loans and advances	56,340	314,796,460
Decrease in assets held for arbitrage business	-	1,584,907,023
Decrease in other bank balances	-	290,000,000
Decrease in other current assets	7,112,000	-
Cash generated from operations	875,825,752	2,319,812,151
Direct taxes (Paid) / refund (net)	(175,424,495)	129,006,753
Net cash generated from operating activities	700,401,257	2,448,818,904
B Cash flows from Investing Activities		
Purchase of fixed assets	(22,005,155)	(17,140,095)
Sale of fixed assets	3,279,370	1,533,111
Purchase of non-current investments	(72,476,546)	(220,845,793)
Purchase of current investments	(9,465,362,664)	(9,030,031,665)
Sale of non-current investments	556,435,193	306,100,473
Sale of current investments	9,465,362,664	9,030,319,188
Inter-corporate deposit given	(377,500,000)	-
Inter-corporate deposit refunded	67,500,000	-
Short term loans given to employee welfare trust	(30,000,000)	-
Interest Income	50,538,247	19,926,092
Dividend Income	46,722,354	55,136,496
Net cash generated from investing activities	222,493,463	144,997,807

C Cash flows from financing activities		
Redemption of preference share capital including premium thereon	-	(1,670,400,000)
Repayment of short-term borrowings (net)	-	(750,000,000)
Interest paid	(25,417,502)	(40,580,772)
Dividend paid - on equity shares (including corporate dividend tax)	(327,586,000)	(65,517,200)
Dividend paid - on preference shares (including corporate dividend tax)	(63,286,692)	(125,615,577)
Net cash (used in) from financing activities	(416,290,194)	(2,652,113,549)
Net increase / (decrease) in cash and cash equivalents	506,604,526	(58,296,838)
Cash and cash equivalents at the beginning of the year	360,836,867	419,133,705
Cash and cash equivalents at the end of the year (refer note 14)	867,441,393	360,836,867

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

For and on behalf of the Board of Directors

A. Siddharth

Partner

Company Secretary

Chairman

**Whole-time Director
and Chief Financial Officer**

Place : Mumbai

Date : 22nd May , 2015

Place : Mumbai

Date : 22nd May , 2015

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

I. 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. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

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 recognized in the period in which the results are known / materialized.

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.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. (Refer note 9.2)

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%.

Intangible assets

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

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.

Investments

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

Revenue Recognition

Revenue is recognised when it is earned and no significant uncertainty exists as to its realization or collection.

Revenues from Investment Banking Services mainly includes lead manager's fee, selling commission, underwriting commission, fees for mergers, acquisitions and advisory assignments and arranger's fees for mobilizing debt funds. Income is recognised net of service tax. Revenues are considered as earned and recorded when services for the transactions are determined to be completed or when specific obligations are determined to be fulfilled as set forth under the terms of the engagement.

Brokerage earned from executing client transactions on the secondary market in “Cash” and “Future and Option” segments are recognized in the accounts on the trade date.

Advisory Fees are recognized when the services are determined to be completed.

Interest income on fixed deposit is recognized on time proportion basis.

Dividend income is recognised when the right to receive the same is established.

Arbitrage business

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' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, for the arbitrage transactions (Cash-Future Arbitrage and the Index Arbitrage) 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.

Securities held as a result of underwriting:

These securities are valued at lower of cost and market value. Any reduction in the carrying amount of securities and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Employee Benefits

i. Post Employment Benefits and Other Long Term Benefits:

Defined Contribution Plan:

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

Defined Benefit Plans:

In respect of gratuity, provision is made based upon the actuarial valuation done at the end of every 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.

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.

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.

Provisions, Contingent Liabilities & Contingent Assets

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.

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.

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Rupees	As at 31.03.2014 Rupees
2 Share capital		
Authorised		
50,020,000 (as at 31st March, 2014, 50,020,000) Equity Shares of Rs 10/- each	500,200,000	500,200,000
43,800,000 (as at 31st March, 2014, 43,800,000) Preference Shares of Rs 10/- each	438,000,000	438,000,000
Total	938,200,000	938,200,000
Issued, Subscribed and Paid-up		
28,000,000 (as at 31st March, 2014, 28,000,000) Equity shares of Rs 10/- each fully paid-up	280,000,000	280,000,000
Total	280,000,000	280,000,000

2.1 All the above equity shares are held by JM Financial Limited, the holding Company (including one share jointly held with JM Financial Investment Managers Limited).

2.2 Terms and rights attached to each class of shares:

Equity shares

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.

2.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Participating Non-cumulative Redeemable Preference Shares

Opening balance as at the beginning of the year:

Number of shares	—	4,640,000
Amount (Rupees)	—	46,400,000

Less: Redeemed during the year:

Number of shares	—	4,640,000
Amount (Rupees)	—	46,400,000

Closing balance as at the end of the year:

Number of shares	—	—
Amount (Rupees)	—	—

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Rupees	As at 31.03.2014 Rupees
3 Reserves and surplus		
Capital reserve :		
As per last Balance sheet	41,550,003	41,550,003
Capital redemption reserve :		
As per last Balance Sheet	128,890,000	82,490,000
Add: Transferred from surplus in Statement of Profit and Loss	-	46,400,000
	128,890,000	128,890,000
Securities premium account :		
As per last Balance sheet	1,272,760,619	2,896,760,619
Less: Utilised on redemption of preference shares	-	1,624,000,000
	1,272,760,619	1,272,760,619
General Reserve :		
As per last Balance sheet	180,495,053	153,495,053
Add: Transferred from surplus in Statement of profit and loss	-	27,000,000
	180,495,053	180,495,053
Balance in Statement of Profit and Loss:		
As per last Balance sheet	771,359,345	971,513,696
Add:- Profit for the year	503,507,335	267,048,281
Less:- Depreciation on transition to Schedule II of the Companies Act,2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 9.2)	413,528	-
	1,274,453,152	1,238,561,977
Less:- Appropriations:		
Transfer to General Reserve	-	27,000,000
Transferred to Capital Redemption Reserve	-	46,400,000
Proposed dividend - Equity shares	336,000,000	280,000,000
Corporate dividend tax - Equity shares	68,401,694	47,586,000
Proposed dividend - Preference shares	-	54,093,501
Corporate dividend tax - Preference shares	-	9,193,191
Interim dividend - Preference shares	-	2,504,329
Interim Corporate dividend tax - Preference shares	-	425,611
	404,401,694	467,202,632
	870,051,458	771,359,345
Total	2,493,747,133	2,395,055,020

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Rupees	As at 31.03.2014 Rupees
4 Long-term borrowings		
Finance lease (Secured by way of hypothecation of vehicles) (refer note 28)		
Finance lease obligation	11,327,184	8,939,968
Less: Current maturities	4,786,789	4,258,380
Total	6,540,395	4,681,588
5 Long-term provisions		
Employee benefits - Gratuity (refer note 30)	30,998,705	26,052,021
Total	30,998,705	26,052,021
6 Trade payables		
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	107,099,458	52,612,020
Total	107,099,458	52,612,020

6.1 There are no dues payable to micro, small and medium enterprises and therefore disclosures under the micro, small and medium Enterprise Development Act, 2006 are not given.

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Rupees	As at 31.03.2014 Rupees
7 Other current liabilities		
Current maturities of finance lease obligations (refer note 4 and 28)	4,786,789	4,258,380
Statutory dues	25,138,938	23,137,541
Employee benefits payable	311,239,673	235,429,050
Total	341,165,400	262,824,971
8 Short-term provisions		
Provision for employee benefits:		
Compensated absences	19,412,856	17,579,580
Gratuity (refer note 30)	3,372,139	3,271,898
Provision for tax (net)	7,548,051	-
Proposed dividend on equity shares	336,000,000	280,000,000
Corporate dividend tax on equity shares	68,401,694	47,586,000
Proposed dividend on preference shares	-	54,093,501
Corporate dividend tax on preference shares	-	9,193,191
Total	434,734,740	411,724,170

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

9 Fixed assets

Amount in Rupees

Description	Gross block				Depreciation/ amortization					Net block
	As at 01.04.2014	Additions	Disposals	As at 31.03.2015	Up to 31.03.2014	Transition adjustment recorded against surplus balance in statement of profit and loss (refer note 9.2)	For the year	Deductions	Upto 31.03.2015	As at 31.03.2015
a) Tangible assets:										
Owned Assets:										
Office Premises	1,000,000	-	-	1,000,000	264,283	-	16,791	-	281,074	718,926
Furniture and Fixtures	48,416,783	-	35,013,620	13,403,163	48,338,313	-	28,500	35,013,620	13,353,193	49,970
Office Equipments	32,717,699	511,755	9,351,354	23,878,100	31,867,426	-	483,898	9,286,278	23,065,046	813,054
Computers	69,877,917	8,511,152	265,763	78,123,306	46,359,087	632,383	10,705,492	265,763	57,431,199	20,692,107
Leasehold Improvements	30,316,010	647,515	14,517,178	16,446,347	28,064,968	-	289,600	14,517,178	13,837,390	2,608,957
Leased Assets:										
Vehicles (refer note 9.1)	20,774,050	9,418,914	2,469,139	27,723,825	12,399,801	-	6,047,881	1,305,469	17,142,213	10,581,612
Total	203,102,459	19,089,336	61,617,054	160,574,741	167,293,878	632,383	17,572,162	60,388,308	125,110,115	35,464,626
b) Intangible assets:										
Software	28,993,962	4,487,035	-	33,480,997	19,879,643	-	3,529,435	-	23,409,078	10,071,919
Total	28,993,962	4,487,035	-	33,480,997	19,879,643	-	3,529,435	-	23,409,078	10,071,919
c) Capital work-in-progress										816,000
Grand Total	232,096,421	23,576,371	61,617,054	194,055,738	187,173,521	632,383	21,101,597	60,388,308	148,519,193	46,352,545

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2014

9 Fixed assets

(for the year ended 31st March 2014)

Amount in Rupees

Description	Gross block			Depreciation/ amortization				Net block	
	As at 01.04.2013	Additions	Disposals	As at 31.03.2014	Up to 31.03.2013	For the year	Deductions	Upto 31.03.2014	As at 31.03.2014
a) Tangible assets:									
Owned Assets:									
Office Premises	1,000,000	-	-	1,000,000	247,983	16,300	-	264,283	735,717
Furniture and Fixtures	55,429,586	-	7,012,803	48,416,783	47,071,549	8,170,215	6,903,451	48,338,313	78,470
Office Equipments	58,618,624	162,075	26,063,000	32,717,699	54,041,250	3,746,626	25,920,450	31,867,426	850,273
Computers	81,444,313	8,387,769	19,954,165	69,877,917	57,957,048	8,344,263	19,942,224	46,359,087	23,518,830
Leasehold Improvements	41,789,622	2,441,696	13,915,308	30,316,010	38,846,914	2,555,498	13,337,444	28,064,968	2,251,042
Leased Assets:									
Vehicles (refer note 9.1)	14,492,265	6,281,785	-	20,774,050	7,370,966	5,028,835	-	12,399,801	8,374,249
Total	252,774,410	17,273,325	66,945,276	203,102,459	205,535,710	27,861,737	66,103,569	167,293,878	35,808,581
b) Intangible assets:									
Software	41,500,787	2,995,590	15,502,415	28,993,962	31,750,156	3,631,902	15,502,415	19,879,643	9,114,319
Total	41,500,787	2,995,590	15,502,415	28,993,962	31,750,156	3,631,902	15,502,415	19,879,643	9,114,319
c) Capital work-in-progress									-
Grand Total	294,275,197	20,268,915	82,447,691	232,096,421	237,285,866	31,493,639	81,605,984	187,173,521	44,922,900

9.1 Vendor has lien over the assets taken on lease.

9.2 Pursuant to the Companies Act, 2013 ('the Act'), becoming effective from 1st April, 2014, the Company has reworked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act. As a result, the charge for depreciation is lower by Rs 22,08,595/- for the year ended 31st March, 2015. Further, based on transitional provision in Note 7(b) of Schedule II, an amount of Rs.4,13,528/- (net of deferred tax) has been adjusted against the retained earnings.

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

10 Non-current investments

(non-trade unless otherwise stated)

			As at 31.03.2014	
	Nos. of Units/ Shares	Rupees	Nos. of Units/ Shares	Rupees
Investment in Equity Instruments				
<u>In Subsidiary Companies (Unquoted, fully paid up):</u>				
Ordinary Shares of JM Financial Overseas Holdings Private Limited, Mauritius of US\$ 1 each (trade)	12,000,000	602,728,700	12,000,000	602,728,700
<u>In Fellow Subsidiary (Unquoted, fully paid up):</u>				
Equity Shares of JM Financial Services Limited of Rs.10/- each (trade)	4,500,000	125,000,000	4,500,000	125,000,000
<u>In others companies (Unquoted, fully paid up):</u>				
Equity Shares of National Stock Exchange of India Ltd Rs. 10/- each	193,334	622,563,900	193,334	622,563,900
Equity shares of Bombay Stock Exchange Limited of Re. 1/- each	70,694	10,065,738	70,694	10,065,738
Equity shares of The Ratnakar Bank Limited of Rs.10/- each	-	-	750,000	82,500,000
Equity shares of Bran Engineering Private Limited of Rs. 10/- each	-	-	180,000	7,799,400
Equity shares of Teracom Limited of Rs. 10/- each	-	-	260,000	81,900,000
Equity shares of Uttranchal Biodiesel Limited of Rs. 10/- each	1,000	451,125	1,000	451,125
		633,080,763		805,280,163
Less: Provision for diminution		451,124		89,890,523
		632,629,639		715,389,640
<u>In other companies (Quoted, fully paid up):</u>				
A Ordinary Shares of TATA Motors Limited of Rs. 2/- each	1,000,000	59,623,624	1,400,000	83,475,624
Indiabulls Infrastructure and Power Limited of Rs. 2/- each	-	-	4,478	-
Hi Tech Plast Limited Equity shares of Rs 10/- each	-	-	99,948	5,428,175
Dhanalaxmi Bank Limited Equity shares of Rs. 10/- each	-	-	400,000	41,028,579
Hinduja Global Solutions Limited Equity shares of Rs. 10/- each	238,708	107,585,948	252,775	113,925,945
Jaicorp Limited Equity shares of Re. 1/- each	-	-	1,200,000	476,330,109
Nitesh Estates Limited Equity shares of Rs. 10/- each	-	-	4,933,600	132,455,296
Oseaspre Consultants Limited Equity shares of Rs. 10/- each	-	-	6,955	92,064
Technojet Consultants Limited Equity shares of Rs. 10/- each	-	-	7,755	90,724
Jet Airways (India) Limited - Equity shares of Rs. 10/- each	-	-	360,000	104,711,937
HCL Technologies Limited-Equity shares of Rs 2/- each	36,000	36,238,273	-	-
		203,447,845		957,538,453
Less: Provision for diminution		-		479,835,445
		203,447,845		477,703,008
Total		1,563,806,184		1,920,821,348

10	Non-current investments (non-trade unless otherwise stated)			As at 31.03.2014	
		Nos. of Units/ Shares	Rupees	Nos. of Units/ Shares	Rupees
	Investment in Preference shares				
	<u>In others companies (Unquoted, fully paid up):</u>				
	Uttranchal Biodiesel Limited of Rs. 40 each	199,000	89,773,875	199,000	89,773,875
	Less: Provision for diminution		89,773,874		89,773,874
			1		1
	Investments in Venture Capital Fund (Unquoted)				
	Class A Units ICICI Venture "India Advantage Fund V"(Series II) of Rs.100/- each (Refer note 10.3)	17,529	1,752,900	39,605	3,960,500
	Class A Units ICICI Venture "India Advantage Fund VI"(Series II) of Rs.100/- each (Refer note 10.3)	19,952	1,995,200	32,050	3,205,000
	Urban Infrastructure Opportunity Fund of face value of Rs 86,160/- (P Y Rs.86,750/-) each (refer note 10.3)	983	126,976,076	983	127,556,046
	Total		130,724,176		134,721,546
	Total		1,694,530,361		2,055,542,895
10.1	Aggregate provision for diminution in value of investments		90,224,998		659,499,842
			As at 31.03.2015		As at 31.03.2014
		Cost	Market Value	Cost	Market Value
		Rupees	Rupees	Rupees	Rupees
10.2	Aggregate value of:				
	Quoted Investments	203,447,845	501,793,867	957,538,453	672,421,036
	Unquoted Investments	1,581,307,514		1,757,504,284	

10.3 Redemption of units is at the sole discretion of the trustees of the Venture Fund in consultation with Investment Manager and Contributor, which can effected either at the par value or net asset value per unit or at such price as deemed appropriate. Transfer of the units requires approval of trustees of the fund.

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Rupees	As at 31.03.2014 Rupees
11 Deferred tax assets (net)		
Fiscal allowances on fixed assets	10,439,944	11,979,981
Expense allowable on payment basis	11,895,062	9,967,200
	22,335,006	21,947,181
12 Long-term loans and advances (Unsecured and considered good)		
Deposits for premises, other deposits etc. [including with related party Rs. 11,98,46,360/- (as at 31st March, 2014, Rs.13,40,35,068) (refer note 31)]	124,297,808	186,287,476
Staff loans	409,650	666,513
Loan to Employees' welfare trust	165,000,000	172,500,000
Advance tax (net of provisions)	223,882,825	192,715,358
Advance fringe benefit tax (net)	167,326	167,326
Prepaid expense	484,502	5,175,187
Deposits with stock exchanges	16,425,000	16,325,000
Minimum alternate tax credit entitlement	-	29,331,546
Margin money with clearing member	11,896	11,896
Total	530,679,007	603,180,302
12.1 Due from private companies where director(s) are director(s)/Member(s) JM Financial & Investment Consultancy Services Pvt. Ltd.	7,427,360	3,835,068
13 Trade receivables (Unsecured and considered good)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:	13,821,904	-
Other trade receivables	24,991,702	184,415,977
Total	38,813,606	184,415,977

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Rupees	As at 31.03.2014 Rupees
14 Cash and bank balances		
Cash and cash equivalents:		
Cash on hand	20,379	9,421
Balances with banks		
In current accounts	23,921,014	29,827,446
In deposit accounts	843,500,000	331,000,000
	867,441,393	360,836,867
Other bank balances		
In Deposit Accounts (refer note 14.1,14.2 and 14.3)	126,375,000	126,375,000
Total	993,816,393	487,211,867
14.1 Bank Deposits are having maturity of more than twelve months	33,875,000	-
14.2 Bank Deposits under lien with banks towards overdraft facilities and guarantees given by the banks to stock exchanges	117,500,000	117,500,000
14.3 Bank Deposits under lien and lodged with Stock Exchanges towards base/additional base capital.	8,875,000	8,875,000
15 Short-term loans and advances (Unsecured)		
Loans and advances to related parties (Refer note 31)	310,000,000	-
Deposits for premises and other deposits	100,000	2,288,344
Staff Loans	388,481	185,262
Inter-corporate deposit	50,000,000	50,000,000
Prepaid expenses	13,847,069	8,527,649
Loan to Employees' welfare trust	30,000,000	-
Others (refer note 15.1)	11,537,147	14,927,782
	415,872,697	75,929,037
Less : Provision	50,000,000	50,000,000
Total	365,872,697	25,929,037
15.1 Others include service tax credit receivable, advance to employees, etc.		
15.2 Short-term loans and advances:		
Considered good	365,872,697	25,929,037
Considered doubtful	50,000,000	50,000,000

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Rupees	As at 31.03.2014 Rupees
16 Other current assets		
Interest accrued on bank deposits	1,886,216	2,687,631
Securities held as a result of underwriting (at lower of cost and market value):		
NIL (Previous Year 160,000) Equity shares of Axiscades Engineering Technologies Ltd (formerly known as Axis IT&T Ltd) of Rs 5/- each fully paid up	-	7,112,000
Total	1,886,216	9,799,631

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Rupees	Previous year Rupees
17 Revenue from operations		
Income from Investment banking services	1,147,490,074	803,811,612
Brokerage	432,229,208	376,866,538
Advisory fees	111,647,050	78,015,986
Other operating revenues:		
Income from arbitrage business	-	18,548,608
Dividend on equity instruments held for arbitrage business	-	44,678,034
Interest on Fixed Deposit	20,449,661	26,592,289
Profit on sale of shares held as result of under writing	4,794,144	-
Mark to market (loss) / gain on shares held as result of under writing	-	(40,000)
	25,243,805	89,778,931
Total	1,716,610,137	1,348,473,067
18 Other income		
Interest income		
On bank deposits	541,139	247,703
On compulsorily convertible debentures	30,986,301	-
Others	18,209,392	14,984,334
	49,736,832	15,232,037
Dividend		
On non-current investments	23,808,363	25,076,458
On current investments	22,913,991	30,060,038
	46,722,354	55,136,496
Profit on sale of investments		
Current (non-trade)	-	287,523
Non-current investments (non-trade) (net)	122,946,115	64,933,559
	122,946,115	65,221,082
Support service fees	18,000,000	18,000,000
Profit on sale of fixed assets (net)	2,050,624	691,404
Exchange difference (net)	13,258,793	9,651,175
Sundry credit balances written back	5,660,406	1,233,184
Miscellaneous income	7,370,393	1,877,888
Total	265,745,517	167,043,266

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

	Rupees	Previous year Rupees
19 Employee benefit expenses		
Salaries, bonus, allowances and other benefits	768,191,769	697,715,486
Contribution to provident fund and other funds	21,708,453	20,651,222
Gratuity (refer note 30)	9,119,427	3,953,142
Staff welfare expense	12,343,186	5,571,200
Total	811,362,835	727,891,050
20 Finance costs		
Interest Expense		
On Leased Loan	3,268,947	2,567,165
On Bank Overdraft facilities	125,832	117,206
On Inter Corporate Deposits	-	3,738,403
On Commercial Papers	20,841,100	32,489,841
Bank Guarantee Charges	1,181,623	1,668,157
Total	25,417,502	40,580,772
21 Other expenses		
Electricity	11,200,374	10,909,901
Rent and other space related cost [refer note 28(b)]	101,714,901	124,420,237
Rates and taxes, excluding taxes on income	31,122,287	14,327,028
Repairs and maintenance - others	12,931,900	17,167,220
Information Technology Expenses	14,388,761	15,657,988
Insurance	5,294,689	5,761,242
Legal and professional fees	14,436,321	22,972,307
Business Promotion	1,832,955	2,980,949
Business Conference Expenses and Seminar	11,287,012	10,814,065
Communication Expenses	5,460,078	5,792,220
Subscription and membership	43,925,249	37,729,115
Travelling and conveyance	25,160,703	21,465,946
Manpower Expenses	9,423,421	11,585,499
Support service fee	63,609,507	60,089,197
Research Expenses	533,999	1,512,996
Bad debts written off	2,111,165	189,220
Advertisement	8,837,001	638,918
Auditors' remuneration	1,546,697	1,529,836
Directors' commission	600,000	600,000
Directors' sitting fees	170,000	40,000
Donations	9,300,000	7,727,000
Provision for diminution in value of investments (net)	-	4,186,377
Miscellaneous expenses	19,241,131	16,306,690
	394,128,151	394,403,951
Recoveries of expenses	(1,072,930)	-
Total	393,055,221	394,403,951

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

22 Earnings per share:

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars		Previous year
Profit after tax (Rupees)	503,507,335	267,048,281
Less: Preference dividend (including tax thereon)	-	66,216,632
Profit attributable to the equity shareholders for the purpose of basic/diluted earnings per share (Rupees)	503,507,335	200,831,649
Weighted average number of equity shares outstanding during the year for basic earnings per share	28,000,000	28,000,000
Basic/Diluted earnings per share – Rupees	17.98	7.17
Nominal value per share – Rupees	10	10

23 Contingent Liability and commitments:-

		As at 31st March 2014
	Rupees	Rupees
A. Disputed Tax demand where Company has preferred Appeal		
(i) Income Tax demand for A.Y. 2005-2006 to A.Y. 2012-2013 in respect of disallowance in respect of section 14A of the Income tax Act, 1961 and certain other expenses. This also includes demand on account of transfer pricing adjustment.	118,145,346	86,894,846
(ii) Service Tax Demands for periods from 2002-03 to 2011-12 excluding interest in respect of classification of the services and disallowance of CENVAT credit on various exps	3,098,340	3,098,340
B. Uncalled Liability on account of commitment to subscribe to: ICICI Venture Fund for India Advantage Fund Series II	-	2,850,000
C. Estimated amount of contracts remaining to be executed on Capital Account and not provided for	204,000	-

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

24 Earnings in Foreign Exchange:

		Previous year
	Rupees	Rupees
Income from Investment banking services	547,920,455	533,768,250
Research fees	111,427,707	78,015,986
Total	659,348,162	611,784,236

25 Expenditure in Foreign Currency:

		Previous year
	Rupees	Rupees
Business Conference Expenses	4,266,448	4,914,977
Support Service Charges	54,524,507	51,739,197
Travelling Expenses	3,294,478	2,824,990
Membership and Subscription	13,051,819	8,756,865
Professional Fees	5,431,689	10,637,544
Others	954,606	970,161
Total	81,523,547	79,843,734

26 Payments to Auditors (excluding Service Tax):

		Previous year
	Rupees	Rupees
a) As auditors	1,000,000	1,000,000
b) Other matters (certification work, limited review etc.)	535,000	520,000
c) Expenses	11,697	9,836
Total	1,546,697	1,529,836

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

27 Segment Reporting:
a) Primary Segment:

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

i. Investment banking and securities business: This includes advisory and execution services of diverse nature to corporates, institutions, governments, government owned corporations, banks etc. and broking services to institutional clients in secondary market.

ii. Arbitrage business

(Amount in Rupees)

Particulars	Investment banking and securities business	Arbitrage business	Total
Revenue from operations	1,716,610,137	-	1,716,610,137
	1,281,784,277	66,688,790	1,348,473,067
Other income	24,437,186	-	24,437,186
	11,344,135	1,709,204	13,053,339
Segment revenue	1,741,047,323	-	1,741,047,323
	1,293,128,412	68,397,994	1,361,526,406
Segment results before taxes	464,007,761	-	464,007,761
	94,076,939	31,711,952	125,788,891
Unallocable corporate income (net)			241,308,331
			153,989,927
Finance cost			20,841,100
			-
Profit before tax			684,474,992
			279,778,818
Tax expense			180,967,657
			12,730,537
Net profit after tax			503,507,335
			267,048,281
Other information:			
Segment assets	1,613,657,620	-	1,613,657,620
	1,828,637,317	-	1,828,637,317
Unallocable corporate assets			2,080,628,211
			1,604,312,473
Total assets			3,694,285,831
			3,432,949,790
Segment liabilities	478,603,953	-	478,603,953
	337,022,078	-	337,022,078
Unallocable corporate liabilities			441,934,745
			420,872,692
Total liabilities			920,538,698
			757,894,770
Capital expenditure (including CWIP)	24,392,371	-	24,392,371

(Amount in Rupees)

Particulars	Investment banking and securities business	Arbitrage business	Total
Depreciation	18,470,070	-	18,470,070
	21,101,597	-	21,101,597
	31,147,169	346,470	31,493,639

b) Secondary Segment (by Geographical segments):

(Amount in Rupees)

Particulars	Domestic	Exports	Total
Revenue	1,081,699,161	659,348,162	1,741,047,323
	749,742,170	611,784,236	1,361,526,406
	Within India	Outside India	Total
Segment assets	1,612,554,091	1,103,529	1,613,657,620
	1,742,471,932	86,165,385	1,828,637,317
Cost incurred on acquisition of fixed assets	24,392,371	-	24,392,371
	18,470,070	-	18,470,070

Figures in italics are in respect of previous year.

28 Leases:

a) 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:

Amount in Rupees

Due	Total minimum lease payments outstanding as at		Interest not due as at		Present value of the minimum lease payments as at	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Not later than 1 year	6,177,453	5,457,841	1,390,664	1,199,461	4,786,789	4,258,380
Later than 1 year and not later than 5 years	7,603,452	5,315,857	1,063,057	634,269	6,540,395	4,681,588
Total	13,780,905	10,773,698	2,453,721	1,833,730	11,327,184	8,939,968

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

b) Operating Lease:

The operating leases for premises are executed for a period ranging from 33 months to 60 months with a renewal clause.

Minimum lease rentals outstanding in respect of non-cancellable operating lease are as under:

Due	Total lease payments outstanding	
	as at 31.03.2015	as at 31.03.2014
Not later than 1 year	105,256,567	92,923,320
Later than 1 year and not later than 5 years	418,110,823	32,202,610
Total	523,367,390	125,125,930
Expense debited to Statement of Profit and Loss	101,120,876	116,462,062

The Company has taken certain premises on cancellable operating leases. Lease rentals debited to the Statement of Profit and Loss, Rs.5,94,025/- (previous year, Rs. 79,58,175/-)

29 Derivative Instruments:

Company does not enter into any derivative instruments for hedge or speculation. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

a) Amounts receivable in foreign currency on account of the following:

Particulars	As at 31.03.2015 Amount in (Rs)	As at 31.03.2015 Amount in Foreign Currency	As at 31.03.2014 Amount in (Rs)	As at 31.03.2014 Amount in Foreign Currency
Export of Services	781,625	USD 12,500	85,590,922	USD 1,432,329
Expense reimbursement	321,904	USD 5,148	574,473	USD 9,613

b) Amounts payable in foreign currency on account of the following:

Particulars	As at 31.03.2015 Amount in (Rs)	As at 31.03.2015 Amount in Foreign Currency	As at 31.03.2014 Amount in (Rs)	As at 31.03.2014 Amount in Foreign Currency
Payable	476,732	USD 8,354	1,858,322	USD 31,096
	10,356,050	SGD 2,27,606	676,243	SGD 14,259
	-	-	35,515	HKD 4,612
	-	-	263,073	GBP 2,646
Expense reimbursement	-	-	232,962	GBP 2,343

30 Employee benefits
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.21,708,453/- (Previous year Rs. 20,601,505/-).

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

Defined Benefit Plan
Gratuity

In accordance with Payment of Gratuity Act, 1972 the Company provides for gratuity, a defined benefit retirement plan covering all eligible employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company subject to maximum of Rs.10 lakh. The gratuity benefit is provided through unfunded plan and annual contributions are charged to Statement of Profit and Loss.

	Gratuity (Unfunded)	
	Rupees	Previous year 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	34,370,844	29,323,919
Net liability in the Balance Sheet	34,370,844	29,323,919
II. Movement in net liability recognised in the Balance Sheet		
Net liability as at the beginning of the year	29,323,919	30,220,975
Gratuity liability (transferred upon discontinuation of fund)	-	-
Net expense recognised in the Statement of Profit and Loss	9,119,427	3,953,142
Liabilities Assumed on Acquisition	(280,815)	-
Benefits Paid	(3,791,687)	(4,850,198)
Net liability as at the end of the year	34,370,844	29,323,919
III. Expense recognised in the Statement of Profit and Loss (Under the head "Employee benefit expenses" Refer Note 19)		
Current Service Cost	2,452,855	2,941,887
Interest cost	2,742,815	2,575,160
Actuarial (Gains)/ Losses	3,923,757	(1,563,905)
Expense charged to Statement of Profit and Loss	9,119,427	3,953,142
IV. Reconciliation of defined benefit commitments		
Commitments at the beginning of the year	29,323,919	30,220,975
Gratuity liability (transferred upon discontinuation of fund)	-	-
Current Service Cost	2,452,855	2,941,887
Interest Cost	2,742,815	2,575,160
Actuarial (Gains)/ Losses	3,923,757	(1,563,905)
Benefits Paid	(3,791,687)	(4,850,198)
Liabilities Assumed on Acquisition	(280,815)	-
Commitments at the year end	34,370,844	29,323,919

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

V. Experience history	31-03-2011	31-03-2012	31-03-2013	31-03-2014	31-03-2015
Defined Benefit Obligation	15,352,418	26,410,748	30,220,975	29,323,919	34,370,844
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(15,352,418)	(26,410,748)	(30,220,975)	(29,323,919)	(34,370,844)
Experience Adj. on Plan Liabilities	(5,592,862)	852,276	890,271	1,330,525	640,192
Experience Adj. on Plan Assets	-	-	-	-	-

VI. Actuarial Assumptions	31-03-2015	31-03-2014
Mortality table	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table
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 as certified by the actuary

Short term employee benefit - Accumulated Compensated Absences:

The Company provides for accumulated compensated absences as at balance sheet using full cost method to the extent leave will be utilised. Accumulated provision on account of the above is Rs.19,412,856/- (previous year, Rs 17,579,580/-).

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

31 Related party Disclosures:

Names of related parties where control exists

Holding Company	JM Financial Limited.
Subsidiary Companies	JM Financial Overseas Holdings Private Limited. (Mauritius)
Subsidiaries of subsidiary	JM Financial Singapore Pte Limited. PT JM Financial Securities Indonesia. JM Financial Securities Inc.

Related parties where transaction have taken place during the year

Relationship	Name of the Party
Holding Company	JM Financial Limited
Subsidiaries	JM Financial Overseas Holdings Private Limited.(Mauritius)
Fellow Subsidiaries	JM Financial Services Limited JM Financial Investment Managers Limited JM Financial Products Limited Infinite India Investment Management Private Limited JM Financial Properties and Holdings Limited JM Financial Singapore Pte Limited CR Retail Malls (India) Ltd JM Financial Credit Solutions Limited (Formerly known as FICS Consultancy Services Limited)
Key Management Personnel	Surendra Nayak
Individual exercising significant influence on the reporting enterprise and relatives of the individual	Amishi Kampani (Upto 30.11.2014)
Entities over which individual exercising significant influence on the reporting enterprise is able to exercise significant influence	J.M. Financial & Investment Consultancy Services Private Limited Kampani Consultants Limited Capital Market Publishers India Private Limited

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

Name of Related Party	Nature of Transaction	31.03.2014	
		Rupees	Rupees
JM Financial Limited	Final Dividend on equity/ preference shares paid	334,093,501	163,368,329
	Redemption of Preference Shares (including share premium)	-	1,670,400,000
	Reimbursement of Expenses received*	-	134,832
	Reimbursement of Employee Stock Option cost	50,394,474	71,866,566
JM Financial Overseas Holdings Pvt. Ltd, Mauritius	Investment in Equity Shares as at the year end	602,728,700	602,728,700
JM Financial Services Ltd.	Demat Charges Paid*	3,350	1,827
	Sub- Brokerage expense Primary Market Transaction*	-	1,474,541
	ICD Taken	-	1,121,000,000
	ICD Repaid	-	1,121,000,000
	Interest expense on ICD taken	-	1,230,806
	Investment in Equity Shares as at the year end	-	125,000,000
	Closing balance - payable	-	(6,006,057)
JM Financial Investment Managers Ltd.	Reimbursement of Car Lease Rental - Paid	-	348,363
	Reimbursement of Expenses Received*	48,694	48,393
	ICD Taken	-	700,000,000
	ICD Repaid	-	700,000,000
	ICD Given [Refer note 2 below]	67,500,000	-
	ICD Recovered	67,500,000	-
	Interest expense on ICD taken	-	441,096
	Interest income on ICD given	582,534	-
JM Financial Products Ltd.	Payment of Gratuity Liability in respect of Employee transferred	46,658	-
	ICD Taken	-	2,443,000,000
	ICD Repaid	-	2,443,000,000
	Interest expense on ICD taken	-	2,066,501
	Reimbursement of Expenses Received*	6,580,097	325,487
	Closing balance - receivable	-	14,187
Infinite India Investment Management Pvt. Ltd.	Reimbursement of Expenses Received*	32,730	214,776
	Sale of equity shares	50,625,000	-
	Closing balance - receivable	-	182,676
J.M. Financial & Investment Consultancy Services Pvt. Ltd.	Reimbursement of Expenses Received*	18,620	14,379
	Rent*	13,648,800	18,716,880
	Reimbursement of Expenses Paid*	284,350	1,076,202
	Support Service (expense)*	7,350,000	7,350,000
	Security deposit for office premises received back	3,232,108	64,767,892
	Security deposit for office premises given	6,824,400	-
	Security deposit for office premises as at	6,824,400	3,232,108

Name of Related Party	Nature of Transaction	31.03.2014	
		Rupees	Rupees
	the year end Security deposit (others) as at the year end	602,960	602,960
Kampani Consultants Ltd.	Rent* Reimbursement of Expenses Paid* Security deposit for office premises received back	- - -	2,905,200 52,212 12,000,000
JM Financial Properties and Holdings Ltd.	Rent and other related cost* Reimbursement of Expenses Paid* Payment of Gratuity Liability in respect of Employee transferred Reimbursement of Expenses Received* ICD Given [Refer note 2 below] Interest income on ICD Security deposit for office premises received back ICD Receivable as at year end Security Deposit for office premises as at the year end	84,655,664 18,250,155 234,157 46,579 100,000,000 2,369,445 17,781,000 100,000,000 112,419,000	76,555,200 12,087,618 - - - - - - 130,200,000
JM Financial Singapore Pte Ltd	Support Service (expense)* Closing balance - payable	54,524,507 10,356,050	51,739,197 428,055
CR Retail Malls (India) Ltd	ICD Given [Refer note 2 below] Interest income on ICD Sale of equity shares ICD Receivable as at year end	210,000,000 6,813,493 78,518,600 210,000,000	- - - -
Capital Market Publishers India Pvt Ltd	Subscription charges*	180,000	195,000
JM Financial Credit Solutions Limited (Formerly known as FICS Consultancy Services Limited)	Reimbursement of Expenses Received*	10,626	-
Surendra Nayak	Remuneration Contribution to provident fund Closing balance - payable	8,508,657 288,000 (3,115,000)	10,140,826 288,000 (2,710,000)
Amishi Kampani	Remuneration Contribution to provident fund Closing balance - payable	2,709,736 73,600 (1,250,000)	4,524,004 96,000 (2,500,000)

* Figures are excluding service tax.

Note : 1. There are no provisions for doubtful debts/ advances or amounts written off or written back for debts due from/due to related parties except Rs.60,06,253/- written back in respect of due to JM Financial Services Ltd.

2. The ICD granted is utilized for the purpose of refinancing of existing loans.

JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Notes to the financial statements for the year ended 31st March, 2015

32 Employee stock option

Based on the request made by 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. 50,87,792 stock options have been granted on April 21, 2011 in respect of Series IV, 47,93,346 have been granted on April 16, 2012 in respect of Series V, 24,20,778 stock options have been granted on May 6, 2013 in respect of Series VI and 25,35,279 stock options have been granted on April 01, 2014 in respect of Series VII.

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

Vesting Date	Options (Nos.)	Status	Exercise Year	Exercise Price (Rupee)
21st April, 2012	1,695,931	Vested	Seven years from the date of Grant	1
21st April, 2013	1,695,931	Vested	Seven years from the date of Grant	1
21st April, 2014	1,695,931	Vested	Seven years from the date of Grant	1
16th April, 2013	1,597,782	Vested	Seven years from the date of Grant	1
16th April, 2014	1,597,782	Vested	Seven years from the date of Grant	1
16th April, 2015	1,597,782	To be vested	Seven years from the date of Grant	1
06th May, 2014	806,926	Vested	Seven years from the date of Grant	1
06th May, 2015	806,926	To be vested	Seven years from the date of Grant	1
06th May, 2016	806,926	To be vested	Seven years from the date of Grant	1
1st April, 2015	845,093	To be vested	Seven years from the date of Grant	1
1st April, 2016	845,093	To be vested	Seven years from the date of Grant	1
1st April, 2017	845,093	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	7,796,704	8,328,348
Granted during the year	2,535,279	2,420,778
Lapsed during the year	372,169	748,754
Exercised during the year	3,136,410	2,203,668
Outstanding at the end of the year	6,823,404	7,796,704
Exercisable at the end of the year	1,859,451	1,621,095

The charge on account of the above scheme included in employee benefit expense aggregate Rs.5,03,94,474/- (Previous year Rs.71,866,566/-). Since the options are issued by JM Financial Limited, the Holding company, basic and diluted earnings per share of the Company would remain unchanged.

- 33** The Company has spent Rs 18,00,000/- (previous year Rs Nil) towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof.
- 34** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification.

For and on behalf of the Board of Directors

Company Secretary

Chairman

**Whole-time Director
and Chief Financial Officer**

Place : Mumbai

Date : 22nd May , 2015