



***JM FINANCIAL INSURANCE BROKING
PRIVATE LIMITED***

Audited Financial Statements

FY 2014-15

Corporate Identity Number - U66000MH2008PTC184656

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

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED**

Report on the Financial Statements

- 1 We have audited the accompanying financial statements of JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

- 2 The management and Board of Directors of the Company are 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 Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are 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 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 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of 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

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 of the state of affairs of the Company as at 31st March 2015, its profit/loss and its cash flows 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 of India in terms of sub-section (11) of section 143 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 further 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 purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and 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 applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (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; as such the question of commenting on any material foreseeable losses thereon does not arise
 - (iii) There has not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund; hence, the question of delay in transferring such sums does not arise

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W

Hasmukh B Dedhia
Partner (F - 33494)
Place: Mumbai
Date: May 18, 2015

Annexure referred to in paragraph 7 Our Report of even date to the members of JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED on the Financial Statements for the year ended 31st March, 2015

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) The Company does not own any fixed assets and hence clause (i) (a) and (b) of the Order, are not applicable to the Company;
- (ii) The Company does not hold inventory during the financial year and hence clause (ii) (a), (b) and (c) of the Order, are not applicable to the Company;
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence clause (iii) (a) & (iii) (b) of Paragraph 3 of the Order are not applicable
- (iv) On the basis of examination of the books and record of the Company and according to the information and explanations given, and as per checking carried out in accordance with the auditing standard generally accepted in India, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sales of goods and service. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas;
- (v) The Company has not accepted any deposits from the public. Hence clause (v) of paragraph 3 of the Order is not applicable
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- (vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues, as applicable, with the appropriate authorities in India;

We have been informed that Employees' state insurance, Wealth tax, Sales tax, Custom duty and Excise duty are currently not applicable to the Company.

- (b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes
- (c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund; hence, the question of reporting delay in transferring such sums does not arise
- (viii) In our opinion, the accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred any cash losses in the current financial year and in immediately preceding financial year.
- (ix) In our opinion, and according to the information and explanations given to us, the Company has not raised any term loans during the year
- (x) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions
- (xi) According to the information and explanations given to us, the Company has not raised any term loans during the year

(xii) During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management of the Company

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W

Hasmukh B Dedhia
Partner (F - 33494)
Place: Mumbai
Date: May 18, 2015

A. Significant Accounting Policies

1. Accounting Convention

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.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised

3. Revenue Recognition

Revenue is recognized when no significant uncertainty as to measurability or collectibility exists.

Dividend Income:

Income is recognised when the shareholders'/unit holder's right to receive payment is established by the balance sheet date.

4. Investments

Non current (long term) Investments are stated at cost after deducting provision for diminution, if any, made for decline, other than temporary, in the values.

Current Investments are stated at lower of cost and market/fair value.

5. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

6. Taxation

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets are recognized on unabsorbed losses and depreciation only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2015

	Note No	As at 31st March 2015 Rupees	As at 31st March, 2014 Rupees
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	B.1	600,000	600,000
(b) Reserves and Surplus	B.2	(479,477)	(490,604)
		120,523	109,396
(2) Current Liabilities			
Other current liabilities	B.3	19,685	10,000
Total		140,208	119,396
II.Assets			
(1) Non-current assets			
(a) Long term loans and advances	B.4	3,621	3,500
		3,621	3,500
(2) Current assets			
(a) Current investments	B.5	124,505	105,111
(b) Cash and cash equivalents	B.6	12,082	10,785
		136,587	115,896
Total		140,208	119,396
Significant Accounting Policies and Notes to Financial Statements	A & B		

The accompanying notes form an integral part of the financial statements

As per our attached Report of even date

For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No. 105146W

For and on behalf of the Board of Directors
JM Financial Insurance Broking Pvt. Ltd.

Hasmukh B Dedhia
Partner
Membership No. 33494

Subodh Shinkar
Director
DIN : 00095541

Rajeev Chitrabhanu
Director
DIN : 02174031

Place : Mumbai
Dated : May 18, 2015

Place : Mumbai
Dated : May 18, 2015

JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

	Note No	Current year Rupees	Previous year Rupees
I. Other Income	B.7	56,507	41,074
Total Revenue		56,507	41,074
II. Expenses:			
Other expenses	B.8	43,448	32,628
Total Expenses		43,448	32,628
III. Profit before tax (I - II)		13,059	8,446
IV. Tax expense:			
Total		1,932	-
V. Profit after tax for the period (III - IV)		11,127	8,446
VI. Earning per equity share:			
Basic		0.19	0.14
Significant Accounting Policies and Notes to Financial Statements	A & B		

The accompanying notes form an integral part of the financial statements

As per our attached Report of even date

For Khimji Kunverji & Co.
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JM FINANCIAL INSURANCE BROKING PRIVATE LIMITED

B : Notes to the financial statements

	As at 31-Mar-15 Rupees	As at 31-Mar-14 Rupees
NOTE 1		
SHARE CAPITAL		
Authorised		
500,000 (Previous Year 500,000) Equity Shares of Rs. 10/- each	5,000,000	5,000,000
	5,000,000	5,000,000
Issued, Subscribed and paid up		
Equity Shares		
60,000 (Previous Year 60,000) Equity Shares of Rs.10/- each fully paid-up	600,000	600,000
Total	600,000	600,000

Note :

All the Equity Shares are held by JM Financial Ltd.

The Company has only one class of shares referred to as equity shares having a face value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

Reconciliation for share outstanding

Particulars	Equity Shares			
	As at 31.03.2015		As at 31.03.2014	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	60,000	600,000	60,000	600,000
Shares Issued during the year		-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	60,000	600,000	60,000	600,000

	As at 31-Mar-15 Rupees	As at 31-Mar-14 Rupees
NOTE 2		
RESERVES AND SURPLUS		
Surplus / (Deficit)		
Opening Balance	(499,604)	(499,049)
Add: Net (loss)/profit after tax transferred from statement of Profit and Loss	11,127	8,446
Total	(479,477)	(490,604)
NOTE 3		
Other current liabilities		
Provision for expenses	19,685	10,000
Total	19,685	10,000

	As at 31-Mar-15 Rupees	As at 31-Mar-14 Rupees
NOTE 4		
Long term loans and advances		
Advance Taxes and Tax Deducted at Source		
Tax Deducted at Source	5,000	3,500
Less : Provision of Tax	1,379	-
Total	3,621	3,500
NOTE 5		
Current investments		
<u>Unquoted Units (Face Value Rs 10/-)</u>		
- JM Financial Mutual Fund (JM High Liquidity Fund) (F.V. of Rs. 10/-)	124,505	105,111
(Current Year 11,936.98 units (Previous Year 10,077.61 units) @Rs. 10.4302/- of each)		
Total	124,505	105,111
NOTE 6		
Cash and cash equivalents		
Cash on hand	-	-
Bank Balances In Current Account	12,082	10,785
Total	12,082	10,785
NOTE 7		
Other Income		
Referral Fees	50,000	35,000
Dividend on units of Mutual Fund	6,394	6,074
Interest on IT refund received	113	-
Total	56,507	41,074
NOTE 8		
Other Expenses		
Printing and Stationery	-	6,327
Legal & Professional Fees	26,200	10,543
ROC Charges	3,065	2,556
Auditor's Remuneration	10,000	10,000
Miscellaneous Expenses	-	158
Rates & Taxes	4,183	3,044
Total	43,448	32,628

B. Notes to the financial statements

9) Earning Per Share:

	31.03.2015	31.03.2014
Profit/(Loss) attributable to equity shareholders	11,127	8,446
Weighted average number of equity shares outstanding during the year/period	60,000	60,000
Basic Earnings per share	0.19	0.14
Nominal Value per Share	10	10

- 10) As per details available with the management, there are no outstanding amount(s) due to Micro, Small and Medium Enterprises (SME) as defined under Micro, Small and Medium Enterprises Development Act 2006.
- 11) Deferred Tax assets arising due to timing differences on account of brought forward loss has not been recognised as a measure of prudence.
- 12) There are no Contingent Liabilities & Other commitments outstanding as at March 31, 2015 (previous year Rs. Nil).
- 13) Related Parties Disclosures

Names of related parties and description of relationship:

Holding Company	JM Financial Limited.
Fellow Subsidiary Company	JM Financial Services Limited.

Note: Related party relationship on the basis of the requirements of Accounting Standard 18 is ascertained by the management and relied upon by the auditors.

During the year following transactions were carried out with the related parties in the ordinary course of business.

Nature	Fellow Subsidiary
JM Financial Services Ltd.	
Referral Fees - Income	50,000
	(35,000)

The figures in bracket pertain to previous year.

- 14) The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.
- 15) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

For and on behalf of the Board

Subodh Shinkar
Director
 DIN : 00095541

Rajeev Chitrabhanu
Director
 DIN : 02174031

Place : Mumbai
 Dated : May 18, 2015