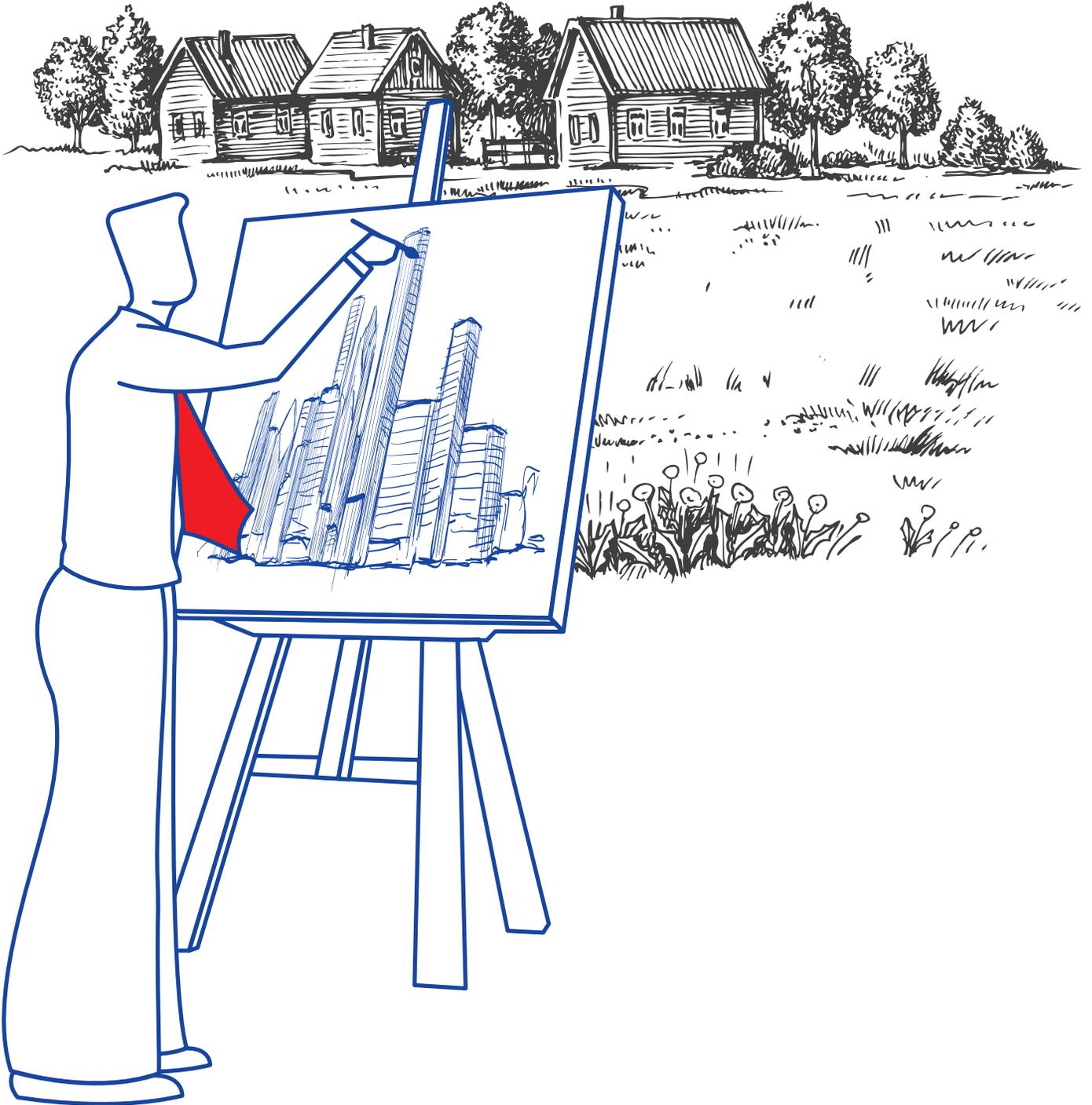


Towards Tomorrow
Expertise. Experience. Excellence.



CORPORATE INFORMATION

BOARD OF DIRECTORS

NON-EXECUTIVE CHAIRMAN

Mr. Nimesh Kampani

DIRECTOR

Mr. Vishal Kampani

Ms. Dipti Neelakantan

Mr. P K Choksi

Mr. Paul Zuckerman

Mr. Sujal Shah

WHOLE-TIME DIRECTOR

Mr. S R Nayak

CHIEF FINANCIAL OFFICER

Mr. S R Nayak

COMPANY SECRETARY

Mr. Chintal D Sakaria

AUDIT COMMITTEE

Mr. Sujal Shah

Mr. Paul Zuckerman

Mr. Nimesh Kampani

BANKERS

HDFC Bank Limited

Tulsiani Chambers

Nariman Point

Mumbai – 400 021

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP

Chartered Accountants

Indiabulls Finance Centre,

Tower 3, 27th-32nd Floor,

Senapati Bapat Marg,

Elphinstone Road (West),

Mumbai 400 013

REGISTERED OFFICE

7th Floor, Cnergy,

Appasaheb Marathe Marg,

Prabhadevi,

Mumbai – 400 025

The red tie man,

is characterised as a visionary painter who can foresee the progress in the future. Despite the simple dwellings, he paints skyscrapers recognising the opportunities offered in the market just like the Company does. Moreover, the painting signifies the confidence and ability of JM Financial to make the most of the market opportunities with its expertise, experience and excellence. The Company is viewed as a trusted partner and advisor that consistently adds stakeholder value, just like the painting aims to do in sharp contrast to the actual settings.

INDEPENDENT AUDITOR'S REPORT

To the Members of JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 prescribed under section 133 of the Act.

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

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 and the Order under Section 143 (11) of the Act.

We conducted our audit of the financial statements 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.

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. 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.

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

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, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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.

INDEPENDENT AUDITOR'S REPORT

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) 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 24 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.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. (Refer note 35 to the financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place: Mumbai
Date: April 27, 2017

Abhijit A. Damle
(Membership No. 102912)

INDEPENDENT AUDITOR'S REPORT

(Contd.)

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JM Financial Institutional Securities Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

INDEPENDENT AUDITOR'S REPORT

(Contd.)

detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based

on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Date: April 27, 2017

Abhijit A. Damle
(Membership No. 102912)

INDEPENDENT AUDITOR'S REPORT

(Contd.)

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' 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), (vi) and (xii) of the Order are not applicable. In respect of the other clauses, we report as under:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the agreement for transfer and assignment provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. 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 which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
3. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
4. According to the information and explanations given to us, the Company has not accepted any deposit during the year.
5. According to the information and explanations given to 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, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Sales Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March 2017 on account of disputes.

Details of dues of Income Tax and Service Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

INDEPENDENT AUDITOR'S REPORT

(Contd.)

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in crores)
Finance Act, 1994	Service tax	Commissioner of Central Excise and Customs (Appeal)	2006-07 to 2014-15	0.99
Income Tax Act, 1961	Income tax	Commissioner of Income tax (Appeals)	2013-14	3.22
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2009-10	0.15

6. The Company has not taken loans or borrowings from financial institutions, banks and government and has not issued debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
7. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
8. 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 by its officers or employees has been noticed or reported during the year.
9. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
10. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
11. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
13. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Mumbai
Date: April 27, 2017

Abhijit A. Damle
(Membership No. 102912)

BALANCE SHEET

as at 31st March 2017

	Note No.	₹ in crore	
		As at 31st March 2017	As at 31st March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	28.00	28.00
Reserves and surplus	3	299.42	250.27
		327.42	278.27
Non-current liabilities			
Long-term borrowings	4	0.02	0.23
Long-term provisions	5	3.54	3.06
		3.56	3.29
Current liabilities			
Trade payables :	6		
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		11.31	10.35
Other current liabilities	7	37.41	37.96
Short-term provisions	8	7.59	10.92
		56.31	59.23
Total		387.29	340.79
Non-current assets			
Fixed assets			
Tangible assets	9	2.57	3.12
Intangible assets		1.09	0.94
Capital work-in-progress		-	0.04
Intangible assets under development		0.03	0.16
		3.69	4.26
Non-current investments	10	201.65	178.26
Deferred tax assets (net)	11	2.09	2.14
Long-term loans and advances	12	38.12	38.09
		245.55	222.75
Current assets			
Current investments	13	50.35	-
Trade receivables	14	44.17	11.66
Cash and bank balances	15	22.09	52.95
Short-term loans and advances	16	24.87	53.02
Other current assets	17	0.26	0.41
		141.74	118.04
Total		387.29	340.79
Notes to the financial statements	1 to 37		

In terms of our report attached

Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors

Abhijit A. Damle

Partner

Membership No. 102912

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Director

DIN – 00009079

Surendra R Nayak

Whole-time Director and Chief Financial Officer

DIN – 00039894

Chintal Sakaria

Company Secretary

Place: Mumbai

Date: April 27, 2017

Place: Mumbai

Date: April 27, 2017

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2017

	Note No.	₹ in crore	
		Current year	Previous year
Revenue:			
Revenue from operations	18	204.05	152.94
Other income	19	21.82	24.67
Total Revenue		225.87	177.61
Expenses:			
Sub-brokerage, exchange and allied charges, etc.		13.75	5.01
Employee benefit expenses	20	87.93	88.40
Finance costs	21	0.25	0.36
Depreciation and amortisation expense	9	1.60	1.77
Other expenses	22	49.70	34.91
Total expenses		153.23	130.45
Profit before tax		72.64	47.16
Tax expense:			
Current tax		23.55	12.47
Deferred tax		0.05	0.10
Tax adjustments in respect of earlier year (net)		(0.11)	-
		23.49	12.57
Profit for the year		49.15	34.59
Earnings per share:	23		
Equity shares of face value of ₹ 10/- each			
Basic (₹)		17.55	12.35
Diluted (₹)		17.55	12.35
Notes to the financial statements	1 to 37		

In terms of our report attached
Deloitte Haskins & Sells LLP
 Chartered Accountants
 (Firm Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors

Abhijit A. Damle
 Partner
 Membership No. 102912

Nimesh Kampani
 Chairman
 DIN – 00009071

Vishal Kampani
 Director
 DIN – 00009079

Surendra R Nayak
 Whole-time Director and Chief Financial Officer
 DIN – 00039894

Chintal Sakaria
 Company Secretary

Place: Mumbai
 Date: April 27, 2017

Place: Mumbai
 Date: April 27, 2017

STATEMENT OF CASH FLOW

for the year ended 31st March 2017

		₹ in crore	
		Current year	Previous year
A	Net profit before tax	72.64	47.16
	Adjustments for :		
	Depreciation/amortisation	1.60	1.77
	Dividend income	(3.46)	(4.57)
	Finance cost	0.25	0.36
	Interest income	(3.51)	(10.02)
	Loss on sale of fixed assets (net)	0.04	0.07
	Profit on sale of current investments (non-trade)	(2.72)	-
	Profit on sale of non-current investments (non-trade) (net)	(9.98)	(7.88)
	Provision for diminution in value of investments	6.19	-
	Operating profit before working capital changes	61.05	26.89
	Increase/(Decrease) in long-term provisions	0.48	(0.04)
	Increase/(Decrease) in trade payables	0.97	(0.36)
	(Decrease)/Increase in other current liabilities	(0.41)	3.98
	Increase in short term provisions	0.02	0.22
	(Increase) in long-term loans and advances	-	(0.11)
	(Increase) in trade receivables	(32.51)	(7.78)
	(Increase) in short-term loans and advances	(0.09)	(0.44)
	(Increase) in other bank balances	(2.00)	-
	Cash generated from operations	27.51	22.36
	Direct taxes (Paid) (net)	(18.39)	(14.64)
	Net cash generated from operating activities	9.12	7.72
B	Cash flows from Investing Activities		
	Purchase of fixed assets	(1.43)	(2.26)
	Sale of fixed assets	0.01	0.22
	Purchase of non-current investments	(51.11)	(3.04)
	Purchase of current investments	(585.78)	(593.36)
	Sale of non-current investments	31.51	18.63
	Sale of current investments	538.13	593.36
	Inter-corporate deposit given	(100.00)	(50.00)
	Inter-corporate deposit refunded	128.25	31.00
	Short term loans refunded by employee welfare trust	-	3.00
	Inter-corporate deposit taken	-	30.00
	Inter-corporate deposit repaid	-	(30.00)
	Interest Income	3.66	9.79
	Dividend Income	3.46	4.57
	Net cash (used in)/generated from investing activities	(33.30)	11.91

	₹ in crore	
	Current year	Previous year
C Cash flows from financing activities		
Interest paid	(0.25)	(0.36)
Dividend paid - on equity shares (including corporate dividend tax)	(8.43)	(40.43)
Interim Dividend paid-on equity shares including corporate dividend tax	-	(25.28)
Net cash (used in) from financing activities	(8.68)	(66.07)
Net (Decrease) in cash and cash equivalents	(32.86)	(46.44)
Cash and cash equivalents at the beginning of the year	40.31	86.75
Cash and cash equivalents at the end of the year (refer note 15)	7.45	40.31

Note:

Acquisition of Nil (Previous Year 23,111,075) equity shares of JM Financial Products Ltd. of ₹ 10/- each fully paid up aggregating Nil (Previous year ₹ 16.50 crore) in lieu of a receivable is considered as a non-cash transaction.

In terms of our report attached

Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors

Abhijit A. Damle

Partner

Membership No. 102912

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Director

DIN – 00009079

Surendra R Nayak

Whole-time Director and Chief Financial Officer

DIN – 00039894

Chintal Sakaria

Company Secretary

Place: Mumbai

Date: April 27, 2017

Place: Mumbai

Date: April 27, 2017

SIGNIFICANT ACCOUNTING POLICIES

to the Financial Statements

I. Significant Accounting Policies

a) 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”). 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.

b) Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual and estimates are recognized in the period in which the results are known/materialized.

c) Fixed assets

Fixed Assets are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

d) Depreciation

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.

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 ₹ 5,000/- or less are depreciated at 100%.

e) Intangible assets

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

f) Impairment loss

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

g) Investments

Current investments are carried at lower of cost and fair value. 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.

h) 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.

SIGNIFICANT ACCOUNTING POLICIES

to the Financial Statements

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.

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

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	As at 31st March 2017	₹ in crore As at 31st March 2016
2. Share capital		
Authorised		
50,020,000 (as at 31st March, 2016, 50,020,000) Equity Shares of ₹ 10/- each	50.02	50.02
43,800,000 (as at 31st March, 2016, 43,800,000) Preference Shares of ₹ 10/- each	43.80	43.80
Total	93.82	93.82
Issued, Subscribed and Paid-up		
28,000,000 (as at 31st March, 2016, 28,000,000) Equity shares of ₹ 10/- each fully paid-up	28.00	28.00
Total	28.00	28.00

2.1 All the above equity shares are held by JM Financial Limited, the holding Company [includes six shares where the holding company is a first joint holder respectively with each of the following as second joint holder:

JM Financial Investment Managers Limited, Mr. S.R. Nayak, Mr. P.K. Choksi, Mr. Manish Sheth, Ms. Dipti Neelakantan and Ms. Glenys Crasta]

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 one vote per equity share and to dividend, if declared and paid by the Company and residual assets, if any on liquidation.

	As at 31.03.2017	₹ in crore As at 31.03.2016
3 Reserves and surplus		
Capital reserve :		
As per last Balance sheet	4.16	4.16
Capital redemption reserve:		
As per last Balance Sheet	12.89	12.89
Securities premium reserve:		
As per last Balance sheet	127.28	127.28
General Reserve :		
As per last Balance sheet	18.05	18.05
Balance in Statement of Profit and Loss:		
As per last Balance sheet	87.89	87.01
Add: Profit for the year	49.15	34.59
	137.04	121.60
Less: Appropriations:		
Proposed dividend - Equity shares	-	7.00
Corporate dividend tax - Equity shares	-	1.43
Interim dividend - Equity shares	-	21.00
Interim Corporate dividend tax - Equity shares	-	4.28
	-	33.71
	137.04	87.89
Total	299.42	250.27
4 Long-term borrowings		
Finance lease (Secured by way of hypothecation of vehicles) (Refer note 29)		
Finance lease obligation	0.23	0.58
Less: Current maturities	0.21	0.35
Total	0.02	0.23

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	As at 31.03.2017	As at 31.03.2016
₹ in crore		
5. Long-term provisions		
Employee benefits - Gratuity (Refer note 31)	3.54	3.06
Total	3.54	3.06
6. Trade payables		
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 applicable.		
7. Other current liabilities		
Current maturities of finance lease obligations (Refer notes 4 and 29)	0.21	0.35
Overdrawn book balance	-	0.31
Statutory dues	4.04	2.45
Employee benefits payable	32.93	34.85
Advance from customers	0.23	-
Total	37.41	37.96
8. Short-term provisions		
Provision for employee benefits:		
Compensated absences	2.18	2.16
Gratuity (refer note 31)	0.33	0.33
Provision for tax (net)	5.08	-
Proposed dividend on equity shares	-	7.00
Corporate dividend tax on equity shares	-	1.43
Total	7.59	10.92

9. Fixed assets

Description	Gross block				Depreciation/amortization			Net block	
	As at 01.04.2016	Additions	Disposals	As at 31st March 2017	Up to 31st March 2016	For the year	Deductions	Upto 31st March 2017	As at 31st March 2017
a) Tangible assets:									
Owned Assets:									
Office Premises	0.10	-	-	0.10	0.03	0.01	-	0.04	0.06
Furniture and Fixtures	1.34	-	-	1.34	1.34	-	-	1.34	-
Office Equipments	2.39	0.03	0.21	2.21	2.33	0.02	0.21	2.14	0.07
Computers	8.60	0.62	0.79	8.43	6.36	0.80	0.76	6.40	2.03
Leasehold Improvements	1.64	-	-	1.64	1.41	0.03	-	1.44	0.20
Leased Assets:									
Vehicles (refer note 9.1)	2.59	-	1.42	1.17	2.06	0.32	1.42	0.96	0.21
Total	16.66	0.65	2.42	14.89	13.53	1.18	2.39	12.32	2.57
b) Intangible assets:									
Software	3.61	0.60	0.54	3.67	2.67	0.42	0.51	2.58	1.09
Total	3.61	0.60	0.54	3.67	2.67	0.42	0.51	2.58	1.09
c) Intangible assets under development									0.03
Grand Total	20.27	1.25	2.96	18.56	16.20	1.60	2.90	14.90	3.69

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9. Fixed assets

(for the year ended 31st March 2016)

Description	Gross block				Depreciation/amortization				Net block	
	As at	Additions	Disposals	As at	Up to	For the	Deductions	Upto	As at	
	01.04.2015			31st March				31st March	year	31st March
				2016	2015			2016	2016	
a) Tangible assets:										
Owned assets:										
Office Premises	0.10	-	-	0.10	0.03	-	-	0.03	0.07	
Furniture and Fixtures	1.34	-	-	1.34	1.34	-	-	1.34	-	
Office Equipments	2.39	0.01	0.01	2.39	2.31	0.03	0.01	2.33	0.06	
Computers	7.81	1.05	0.26	8.60	5.74	0.88	0.26	6.36	2.24	
Leasehold Improvements	1.64	-	-	1.64	1.38	0.03	-	1.41	0.23	
Leased Assets:										
Vehicles (refer note 9.1)	2.77	0.15	0.33	2.59	1.71	0.45	0.10	2.06	0.53	
Total	16.05	1.21	0.60	16.66	12.51	1.39	0.37	13.53	3.12	
b) Intangible assets:										
Software	3.35	0.38	0.12	3.61	2.34	0.38	0.05	2.67	0.94	
Total	3.35	0.38	0.12	3.61	2.34	0.38	0.05	2.67	0.94	
c) Capital work-in-progress									0.04	
d) Intangible assets under development									0.16	
Grand Total	19.40	1.59	0.72	20.27	14.85	1.77	0.42	16.20	4.26	

9.1 Vendor has lien over the assets taken on lease.

10. Non-current investments

(non-trade unless otherwise stated)

	As at 31st March 2017		As at 31st March 2016	
	Nos. of Units/ Shares	₹ in crore	Nos. of Units/ Shares	₹ in crore
Investment in Equity Instruments				
In Subsidiary Companies (Unquoted, fully paid up):				
Ordinary Shares of JM Financial Overseas Holdings Private Limited, Mauritius of US\$ 1 each (trade)	12,000,000	60.27	12,000,000	60.27
In Fellow Subsidiary (Unquoted, fully paid up):				
Equity Shares of JM Financial Services Limited of ₹ 10/- each (trade)	-	-	4,500,000	12.50
Equity Shares of JM Financial Products Limited of ₹ 10/- each	50,461,850	43.20	23,111,075	16.50
In other companies (Unquoted, fully paid up):				
Equity Shares of National Stock Exchange of India Ltd. ₹ 1/- (Previous year ₹ 10/-) each	2,126,674	62.26	193,334	62.26
Equity shares of Bombay Stock Exchange Limited of ₹ 1/- each	-	-	70,694	1.01
Equity shares of Uttranchal Biodiesel Limited of ₹ 10/- each	1,000	0.05	1,000	0.05
Equity shares of Bran Engineering Private Limited of ₹ 10/- each	180,000	0.02	-	-
Equity shares of Teracom Limited of ₹ 10/- each	260,000	0.03	-	-
		62.36		63.32
Less: Provision for diminution		0.05		0.05
		62.31		63.27
In other companies (Quoted, fully paid up):				
A Ordinary Shares of TATA Motors Limited of ₹ 2/- each	350,000	2.51	700,000	5.02
Hinduja Global Solutions Limited Equity shares of ₹ 10/- each	-	-	75,000	3.38
HCL Technologies Limited-Equity shares of ₹ 2/- each	132,000	12.05	36,000	3.62
Jaicorp Limited-Equity shares of ₹ 1/- each	1,200,000	8.69	-	-
Nitesh Estates Limited-Equity shares of ₹ 10/- each	4,933,600	4.04	-	-
		27.29		12.02
Total		193.07		164.56

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	₹ in crore	
	As at 31st March 2017	As at 31st March 2016
12.1 Due from private companies where director(s) are director(s)/Member(s) JM Financial & Investment Consultancy Services Pvt. Ltd.	0.74	0.74
13. Investments in Mutual Funds (Unquoted)		
11,327,624 (Previous year NIL) JM High Liquidity Fund-Growth (Face value of ₹ 10/- each)	50.35	-
Total	50.35	-
14. Trade receivables		
(Unsecured and considered good)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:	-	-
Other trade receivables	44.17	11.66
Total	44.17	11.66
		₹ in crore
	As at 31st March 2017	As at 31st March 2016
15. Cash and bank balances		
Cash and cash equivalents:		
Balances with banks		
In current accounts	5.95	6.56
In deposit accounts	1.50	33.75
	7.45	40.31
Other bank balances		
In Deposit Accounts (Refer notes 15.1,15.2 and 15.3)	14.64	12.64
Total	22.09	52.95
15.1 Bank Deposits are having maturity of more than twelve months included in 15.2 and 15.3 below:	1.64	-
15.2 Bank Deposits under lien with banks towards overdraft facilities, forward contracts and guarantees given by the banks to stock exchanges	13.55	11.75
15.3 Bank Deposits under lien and lodged with Stock Exchanges towards base/additional base capital	1.09	0.89
16. Short-term loans and advances		
(Unsecured)		
Loans to related parties (Refer note 32 and note 16.3)	21.75	50.00
Staff Loans	0.03	0.03
Inter-corporate deposit	5.00	5.00
Prepaid expenses	0.96	1.00
Others (refer note 16.1)	2.13	1.99
	29.87	58.02
Less : Provision	5.00	5.00
Total	24.87	53.02
16.1 Others include service tax credit receivable, advance to employees, etc.		
16.2 Short-term loans and advances:		
Considered good	24.87	53.02
Considered doubtful	5.00	5.00
16.3 Loans have been granted to related parties for the purpose of refinancing existing loans. Interest is charged on such loans at a rate ranging from 7.60% to 9.75% .These loans are repayable on demand.		
17. Other current assets		
Interest accrued on bank deposits	0.26	0.41
Total	0.26	0.41

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	₹ in crore	
	Current year	Previous year
22. Other expenses		
Electricity	1.13	1.20
Rent and other space related cost [refer note 29(b)]	10.59	10.56
Rates and taxes, excluding taxes on income	2.05	1.09
Repairs and maintenance - others	0.71	1.07
Information technology expenses	1.48	1.12
Insurance	0.51	0.56
Legal and professional fees	2.83	1.32
Business promotion	0.51	0.43
Business conference and seminar expenses	0.10	0.65
Communication expenses	0.61	0.50
Subscription and membership	4.52	4.77
Travelling and conveyance	2.99	2.38
Manpower expenses	0.71	0.79
Support service fee	11.28	4.87
Advertisement	0.11	0.46
Auditors' remuneration	0.17	0.20
Directors' commission	0.12	0.10
Directors' sitting fees	0.07	0.05
Donations	1.49	1.29
Loss on Scrap/ Sale of fixed Asset (net)	0.04	0.07
Exchange difference (net)	-	0.07
Provision for diminution in value of long term investments (net)	6.19	-
Miscellaneous expenses	1.61	1.47
	49.82	35.02
Recoveries of expenses	(0.12)	(0.11)
Total	49.70	34.91

23. 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	Current year	Previous year
Profit attributable to the equity shareholders for the purpose of basic/diluted earnings per share (Rupees in crore)	49.15	34.59
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	17.55	12.35
Nominal value per share – Rupees	10	10

Particulars	₹ in crore	
	As at 31st March 2017	As at 31st March 2016
24. Contingent Liability and commitments:-		
A. Disputed Tax demand where Company has preferred Appeal		
(i) Income Tax demand for A.Y. 2005-2006 to A.Y. 2014-2015 (Previous year A.Y. 2005-2006 to A.Y. 2013-2014) 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.	9.83	11.75
(ii) Service Tax Demands for periods from 2002-2003 to 2014-2015 (Previous year 2002-2003 to 2011-2012) excluding interest in respect of classification of the services and disallowance of CENVAT credit on various expenses	1.10	0.31
B. Estimated amount of contracts remaining to be executed on Capital Account and not provided for	-	0.02
C. Uncalled Liability on account of commitment to subscribe to Paragon Partners Growth Fund I	1.40	3.60

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

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Particulars	₹ in crore	
	Current year	Previous year
25. Earnings in Foreign Exchange:		
Income from Investment banking services	54.35	14.64
Research fees	7.27	6.81
Total	61.62	21.45
26. Expenditure in Foreign Currency:		
Business Conference Expenses	-	0.21
Support Service Charges	10.54	4.03
Travelling Expenses	0.15	0.11
Membership and Subscription	1.42	1.64
Professional Fees	1.36	0.20
Others	0.53	0.28
Total	14.00	6.47
27. Payments to Auditors (excluding Service Tax):		
a) As auditors	0.12	0.15
b) Other matters (certification work, limited review etc.)	0.05	0.05
c) Expenses	-	-
Total	0.17	0.20

28. Segment Reporting:

a) Primary Segment:

The Company has only one segment i.e. Investment banking and securities business which 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.

b) Secondary Segment (by Geographical segments):

Particulars	₹ in crore		
	Domestic	Exports	Total
Revenue	142.43	61.62	204.05
	<i>131.50</i>	<i>21.44</i>	<i>152.94</i>
	Within India	Outside India	Total
Segment assets	63.16	23.84	86.99
	<i>83.02</i>	<i>0.62</i>	<i>83.64</i>
Cost incurred on acquisition of fixed assets	1.43	-	1.43
	<i>2.26</i>	-	<i>2.26</i>

Figures in italics are in respect of previous year.

29. Leases:

The Company has acquired vehicles on finance lease. The tenure of the lease agreements ranges between 24 to 60 months with an option of prepayment / foreclosure.

Minimum lease rentals outstanding in respect of these assets are as under:

Due	Total minimum lease payments outstanding as at		Interest not due as at		Present value of the minimum lease payments as at	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
	Not later than 1 year	0.23	0.41	0.02	0.06	0.21
Later than 1 year and not later than 5 years	0.02	0.25	-*	0.02	0.02	0.23
			*(₹ 23,074)			
Total	0.25	0.66	0.02	0.08	0.23	0.58

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b) Operating Lease:

The operating leases for premises are executed for a period ranging from 36 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 31st March 2017	As at 31st March 2016
Not later than 1 year	1.36	10.25
Later than 1 year and not later than 5 years	2.73	26.67
Total	4.09	36.92
Expense debited to Statement of Profit and Loss	1.37	10.26

₹ in crore

The Company has taken certain premises on cancellable operating leases. Lease rentals debited to the Statement of Profit and Loss ₹ 9.22 crore (previous year, ₹ 0.30 crore).

30. Derivative Instruments:

The Company uses derivative instruments (Forward Contracts) to hedge its risks associated with foreign currency fluctuations. The use of derivative instruments is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such derivative instruments consistent with the Company's Risk Management Policy. The Company does not use derivative instruments for speculative purposes.

Outstanding Short Term Derivative Contracts entered into by the Company on account of receivables:

Particulars	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
	Amount (₹ in crore)	Amount in Foreign Currency	Amount (₹ in crore)	Amount in Foreign Currency
Sell	19.75	USD 3,046,634	-	-

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 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
	Amount (₹ in crore)	Amount in Foreign Currency	Amount (₹ in crore)	Amount in Foreign Currency
Export of Services	4.06	USD 625,648	0.62	USD 94,000
Expense reimbursement	0.03	USD 3,901	-	-

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

Particulars	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2016
	Amount (₹ in crore)	Amount in Foreign Currency	Amount (₹ in crore)	Amount in Foreign Currency
Payable	1.75	USD 269,539	0.25	USD 37,497
	0.75	SGD 161,107	0.77	SGD 1,57,692
	0.27	GBP 33,553	-	-

31. 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 Company also contributes towards the National Pension Scheme for certain employees. 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 ₹ 2.52 crore (Previous year ₹ 2.33 crore).

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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 ₹ 10 lakh. The gratuity benefit is provided through unfunded plan and annual contributions are charged to Statement of Profit and Loss.

₹ in crore

	Gratuity (Unfunded)	
	Current year	Previous year
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	3.87	3.39
Net liability in the Balance Sheet	3.87	3.39
II. Movement in net liability recognised in the Balance Sheet		
Net liability as at the beginning of the year	3.39	3.44
Gratuity liability (transferred upon discontinuation of fund)	-	-
Net expense recognised in the Statement of Profit and Loss	0.90	0.85
Liabilities Assumed on Acquisition	-	(0.03)
Benefits Paid	(0.42)	(0.86)
Net liability as at the end of the year	3.87	3.39
III. Expense recognised in the Statement of Profit and Loss		
(Under the head "Employee benefit expenses" Refer Note 20)		
Current Service Cost	0.29	0.29
Interest cost	0.28	0.28
Actuarial (Gains)/ Losses	0.33	0.27
Expense charged to Statement of Profit and Loss	0.90	0.85
IV. Reconciliation of defined benefit commitments		
Commitments at the beginning of the year	3.39	3.44
Gratuity liability (transferred upon discontinuation of fund)	-	-
Current Service Cost	0.29	0.29
Interest Cost	0.28	0.28
Actuarial (Gains)/ Losses	0.33	0.27
Benefits Paid	(0.42)	(0.86)
Liabilities Assumed on Acquisition	-	(0.03)
Commitments at the year end	3.87	3.39

₹ in crore

	31st March 2013	31st March 2014	31st March 2015	31st March 2016	31st March 2017
Defined Benefit Obligation	3.02	2.93	3.44	3.39	3.87
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(3.02)	(2.93)	(3.44)	(3.39)	(3.87)
Experience Adj. on Plan Liabilities	0.09	0.13	0.06	0.26	0.07
Experience Adj. on Plan Assets	-	-	-	-	-

VI. Actuarial Assumptions

	31st March 2017	31st March 2016
Mortality table	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table
Discount rate (per annum)	7.20%	7.95%
Rate of escalation in salary (per annum)	7.00%	7.00%

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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 ₹ 2.18 crore (Previous year, ₹ 2.16 crore).

32. 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
	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)
Subsidiaries of subsidiary	JM Financial Singapore Pte Limited
	JM Financial Securities Inc.
Fellow Subsidiaries	JM Financial Services Limited
	JM Financial Investment Managers Limited
	JM Financial Products Limited
	Infinite India Investment Management Limited
	JM Financial Properties and Holdings Limited
	CR Retail Malls (India) Ltd.
	JM Financial Credit Solutions Limited
	JM Financial Asset Reconstruction Company Limited (Formerly known as JM Financial Asset Reconstruction Company Private Limited) w.e.f. 30.09.2016
Key Management Personnel	Surendra Nayak
Individual exercising significant influence on the reporting enterprise	Nimesh Kampani
Entities over which individual exercising significant influence on the reporting enterprise (Mr. Nimesh Kampani) is able to exercise significant influence	J.M. Financial & Investment Consultancy Services Private Limited
	Capital Market Publishers India Private Limited

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Name of Related Party	Nature of Transaction	₹ in crore	
		31st March 2017	31st March 2016
JM Financial Limited	Final dividend on equity/ preference shares paid	7.00	33.60
	Interim dividend on equity shares paid	-	21.00
	Sale of equity shares	12.50	-
	Reimbursement of employee stock option cost	3.75	4.45
JM Financial Overseas Holdings Private Limited, Mauritius	Investment in equity shares as at the year end	60	60
JM Financial Services Limited	Demat Charges Paid*	- *	- *
		* (₹ 2,280)	* (₹ 2,341)
	Sub-Brokerage expense primary market transaction*	3.72	0.39
	Purchase of equity shares of JM Financial Products Limited	16.50	-
	ICD given	50.00	-
	ICD received back	50.00	-
	Interest income on ICD given	0.03	-
	Dividend on equity shares received	-	0.45
	Closing balance - payable	0.10	-
JM Financial Investment Managers Limited	Reimbursement of expenses received*	0.02	0.01
JM Financial Products Limited	ICD taken	-	30.00
	ICD repaid	-	30.00
	Interest expense on ICD taken	-	0.01
	Reimbursement of expenses received*	0.03	0.01
Infinite India Investment Management Limited	Reimbursement of expenses received*	- *	- *
		* (₹ 31,716)	* (₹ 26,967)
JM Financial & Investment Consultancy Services Private Limited	Reimbursement of expenses received*	- *	- *
		* (₹ 21,403)	* (₹ 26,050)
	Rent*	1.36	1.36
	Support service charges (expense)*	0.74	0.74
	Security deposit for office premises as at the year end	0.68	0.68
	Security deposit (others) as at the year end	0.06	0.06
JM Financial Singapore Pte Ltd.	Support service fee (expense)*	3.39	4.03
	Fee sharing	2.28	-
	Closing balance - payable	0.72	0.76
JM Financial Properties and Holdings Limited	Rent and other related cost*	8.89	8.89
	Reimbursement of expenses paid*	5.33	1.92
	Reimbursement of expenses received*	- *	- *
		* (₹ 29,260)	* (₹ 31,944)
	ICD given	50.00	50.00
	ICD received back	78.25	10.00
	Interest income on ICD	3.38	1.96
	ICD receivable as at the year end	21.75	50.00
	Security deposit for office premises as at the year end	11.24	11.24
JM Financial Securities Inc.	Professional fees (expense)*	0.30	0.12
	Support service fee (expense)*	7.16	-
	Research fee (income)	3.22	-
	Closing balance - payable (net)	0.72	0.11
CR Retail Malls (India) Limited	ICD received back	-	21.00
	Interest income on ICD	-	2.19
	Reimbursement of expenses received*	- *	- *
		* (₹ 12,119)	* (₹ 3,746)
	Purchase of equity shares	0.04	-
Capital Market Publishers India Private Limited	Subscription charges*	0.01	0.01

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to the Financial Statements

Name of Related Party	Nature of Transaction	₹ in crore	
		31st March 2017	31st March 2016
JM Financial Credit Solutions Limited	Reimbursement of expenses received*	0.01	0.01
	Payment of gratuity liability in respect of employee transferred out	-	0.03
	Recovery of car lease loan in respect of employee transferred out	-	0.08
	Transfer of leased assets in respect of employee transferred out	-	0.07
JM Financial Asset Reconstruction Company Limited (Formerly known as JM Financial Asset Reconstruction Company Private Limited)	Reimbursement of expenses received*	0.01	-
	Support Service fee received*	0.90	-
	Recovery of expenses received*	0.06	-
Surendra Nayak	Remuneration	1.11	0.95
	Contribution to provident fund	0.03	0.03
	Closing balance - payable	0.50	0.40

* Figures are excluding service tax.

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

33. 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, 25,35,279 stock options have been granted on April 01, 2014 in respect of Series VII, 9,60,456 stock options have been granted on April 16, 2015 in respect of Series VIII and 3,85,770 stock options have been granted on May 12, 2016 in respect of Series IX.

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	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	Vested	Seven years from the date of Grant	1
06th May, 2016	806,926	Vested	Seven years from the date of Grant	1
1st April, 2015	845,093	Vested	Seven years from the date of Grant	1
1st April, 2016	845,093	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
16th April, 2016	320,152	Vested	Seven years from the date of Grant	1
16th April, 2017	320,152	To be vested	Seven years from the date of Grant	1
16th April, 2018	320,152	To be vested	Seven years from the date of Grant	1
12th May, 2017	128,590	To be vested	Seven years from the date of Grant	1
12th May, 2018	128,590	To be vested	Seven years from the date of Grant	1
12th May, 2019	128,590	To be vested	Seven years from the date of Grant	1

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to the Financial Statements

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	4,852,815	6,823,404
Granted during the year	385,770	960,456
Options in respect of employees transferred in	-	30,000
Lapsed during the year	97,970	173,090
Exercised during the year	1,836,943	2,777,557
Options in respect of employees transferred out	-	10,398
Outstanding at the end of the year	3,303,672	4,852,815
Exercisable at the end of the year	1,631,045	1,706,170

The charge on account of the above scheme included in employee benefit expense aggregate ₹ 3.75 crore (Previous year ₹ 4.45 crore). Since the options are issued by JM Financial Limited, the Holding company, basic and diluted earnings per share of the Company would remain unchanged.

34. Expenditure towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with Schedule VII thereof):
- Gross amount required to be spent by the Company during the year – ₹ 0.73 crore (Previous year, ₹ 0.53 crore)
 - Amount spent and paid during the year by way of donations to charitable trusts – ₹ 0.74 crore (Previous year, ₹ 0.54 crore)
35. Disclosure as per notification dated 30th March 2017 issued by Ministry of Corporate Affairs are as follows.

Particulars	₹ in crore		
	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	0.01	-	0.01
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	0.01	-	0.01
Closing cash in hand as on 30.12.2016	-	-	-

36. The Board of Directors of the Company have proposed a dividend of ₹ 12.50 per equity share for the year ended 31st March, 2017 (Previous Year ₹ 2.50 per equity share). The dividend will be paid after the approval of shareholders at the Annual General Meeting. During the previous year, the Company had made a provision for the dividend declared by the Board of Directors as per the requirements of pre-revised Accounting Standard 4 – ‘Contingencies and Events Occurring after the Balance sheet date’ (AS 4). However, as per the requirements of revised AS 4, the Company is not required to provide for dividend proposed/declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31st March, 2017. Had the Company continued with creation of provision for proposed dividend, as at the balance sheet date, its Surplus in Statement of Profit and Loss would have been lower by ₹ 42.13 crore and Short Term Provision would have been higher by ₹ 42.13 Crore (including dividend distribution tax of ₹ 7.13 crore).
37. 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

Nimesh Kampani

Chairman
DIN – 00009071

Vishal Kampani

Director
DIN – 00009079

Surendra R Nayak

Whole-time Director and Chief Financial Officer
DIN – 00039894

Chintal Sakaria

Company Secretary

Place: Mumbai

Date: April 27, 2017

NOTES

to the Financial Statements

Statement containing salient features of the financial statement of subsidiaries/associate companies as on 31st March 2017

Part "A": Subsidiaries

(₹ / US\$ / SGD in Lakh)

Name of the Subsidiary	Currency	Share Capital	Reserves	Total assets including investments	Total liabilities ^a	Investments ^b	Turnover	Profit/ (Loss) before Tax	Provision for tax	Profit/ (Loss) after Tax	Proposed Dividend	% of shareholding
JM Financial Overseas Holdings Private Limited (Mauritius)	Rupees	7,780.63	7,689.44	15,492.07	22.00	8,103.89	576.94	32.31	29.92	2.39	-	100.00%
	US\$	120.00	118.59	238.93	0.34	124.99	8.60	0.48	0.44	0.04	-	100.00%
JM Financial Singapore Pte. Ltd. (Singapore)	Rupees	3,292.06	(992.79)	2,566.59	267.32	-	3,108.47	1,659.78	270.70	1,389.08	-	100.00%
	SGD	71.00	(21.41)	55.35	5.76	-	64.14	34.25	5.59	28.66	-	100.00%
JM Financial Securities, Inc. (USA)	Rupees	0.11	786.44	1,074.57	288.02	-	754.42	81.78	80.66	1.12	-	100.00%
	US\$	0.00	12.13	16.57	4.44	-	11.25	1.22	1.20	0.02	-	100.00%

* Exchange Rate as on March 31, 2017: 1 US\$ = 64.84 and 1 SGD = 46.37

Notes:

- Total liabilities exclude share capital and reserves.
- Investments exclude investment in subsidiaries.
- Names of subsidiaries which are yet to commence operations – None
- Names of subsidiaries which have been liquidated or sold during the year – None.

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to the Financial Statements

Statement containing salient features of the financial statement of subsidiaries/associate companies as on 31st March 2017

Part "B": Associates and Joint Ventures (JV)

(₹ in Lakh)

Particulars

Latest audited Balance Sheet Date	
Shares of Associate/JV held by the company on the year end	
Nos.	
Amount of Investment in Associates/JV	
Extend of Holding%	
Description of how there is significant influence	N.A.
Reason why the associate/JV is not consolidated	
Net worth attributable to shareholding as per latest audited Balance Sheet	
Profit for the year	
(i) Considered in Consolidation	
(ii) Not Considered in Consolidation	

1. Name of associates or joint ventures which are yet to commence operations – NA
2. Name of associates or joint ventures which have been liquidated or sold during the year – NA

In terms of our report attached
Deloitte Haskins & Sells LLP
 Chartered Accountants
 (Firm Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors

Abhijit A. Damle
 Partner
 Membership No. 102912

Nimesh Kampani
 Chairman
 DIN – 00009071

Vishal Kampani
 Director
 DIN – 00009079

Surendra R Nayak
 Whole-time Director and Chief Financial Officer
 DIN – 00039894

Chintal Sakaria
 Company Secretary

Place: Mumbai
 Date: April 27, 2017

Place: Mumbai
 Date: April 27, 2017

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