

July 3, 2015

National Stock Exchange of India Limited
Exchange Plaza
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

Dear Sirs,

Re: Annual Report – 2014-15
Symbol: JMFINANCIL

Pursuant to Clause 31 (a) of the Listing Agreement, we are forwarding herewith six copies of our printed Annual Report for the year 2014-15 along with Form A being the covering letter of the annual audit report duly filled in and signed, receipt whereof may please be acknowledged.

We thank you and assure you of our best co-operation at all times.

Yours faithfully,
for JM Financial Limited



P K Choksi

g **Group Head – Compliance, Legal
& Company Secretary**

Encl: a/a

JM Financial Limited

Corporate Identity Number : L67120MH1986PLC038784

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

T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfl.com

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Form A

1.	Name of the company	JM Financial Limited
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of audit observation	Unqualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time... / respective..... / since how long period. Not Applicable
5.	Signed by	
	 Nimesh Kampani Chairman & Managing Director	 Manish Sheth Group Chief Financial Officer
	 Shivji K Vikamsey Partner, Khimji Kunverji & Co. Auditors of the Company	 E A Kshirsagar Chairman of the Audit Committee

For and on behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Regn. No. 105146G

JM Financial Limited

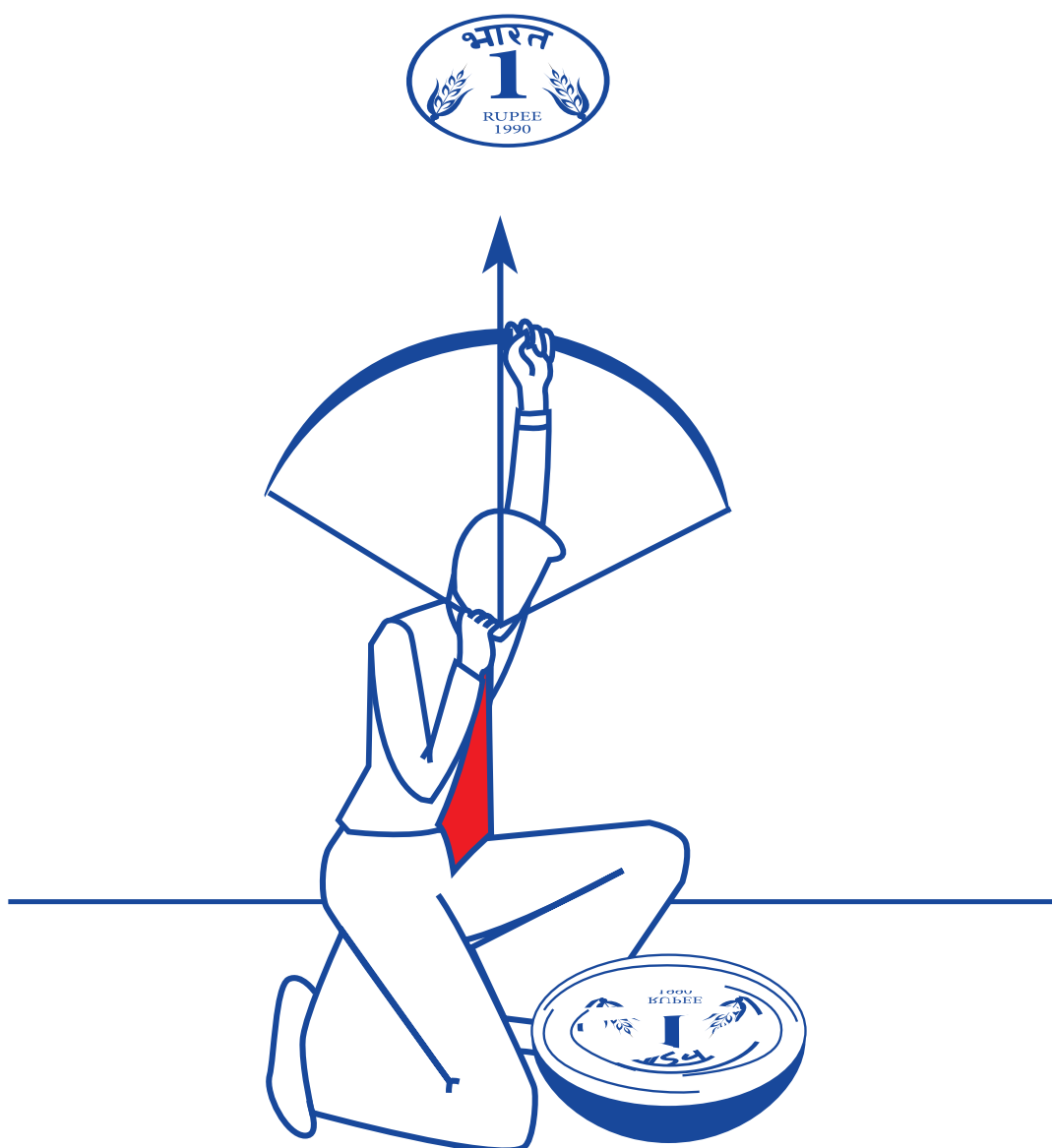
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IN MONEY MATTERS,
INSIGHT MATTERS.



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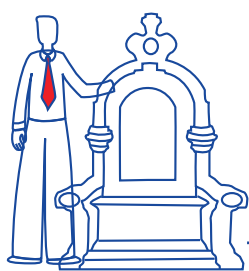
IN MONEY MATTERS, INSIGHT MATTERS.

The red tie man (archer Arjuna) has honed his skills. With the opportunity landscape opening up, he is banking on his insight to hit the target even through a mirror reflection.

The business of financial services revolves around two key pivots – money and intelligence. Figuring out the best course with money, while seeking or providing, is much more important than the money itself. A vast majority of country's business enterprises, non-listed ones in particular, is yet to explore and access financial services beyond routine banking. With India catching the imagination of global investor community once again, our financial services landscape is bound to evolve fast. Given the pressing need for reviving growth amid the tight prevailing liquidity crunch, importance of money matters has enhanced further more. Money matters need to be steered by insightful partners who bring in rich experience and demonstrated insights.

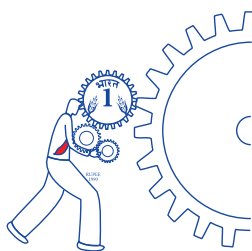
JM Financial has been a pioneer in the development of the country's financial services landscape. From advisory to deal making to capital markets to asset reconstruction, we have built a rich reservoir of knowledge, insight, prudence and brand equity over the last few decades. With green shoots appearing on the growth horizons of India, our insight shall assist investors, enterprises and entrepreneurs achieve their growth objectives.

OUR CORE VALUES



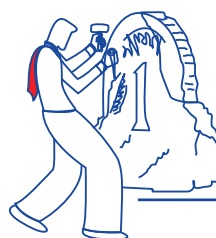
Client Focus

We always put the interest of our clients before our own. Understanding our client needs, seeking new opportunities for them, addressing them and delivering unique solutions as per their expectations is imperative to us. The success of our clients is the biggest reward for us.



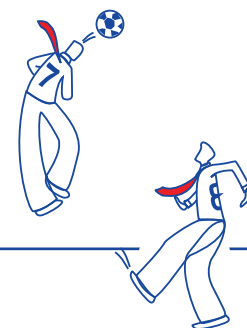
Implementation

Our expertise, experience and continuous focus on the quality of execution ensure effective implementation of our strategies.



Innovation

We understand our clients' needs and develop solutions for the most complex or the simplest financial transactions, whether for individuals or institutions. Creativity and innovation are driving factors in everything we do. Therefore, we encourage new ideas that help us address unique opportunities.



Team Work

We believe extensive teamwork is what makes it possible for us to work together towards a common goal. We value and respect each individual's commitment to group effort.



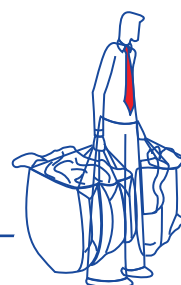
Integrity

Integrity is fundamental to our business. We adhere to moral and ethical principles in everything we do as professionals, colleagues and corporate citizens. Our reputation based on our high standards of integrity is invaluable.



Partnership

Our relationship with all our stakeholders reflects our spirit of partnership. Clients see us as trusted advisors, shareholders see us as partners and employees see us as family. We respect, trust, and support all our stakeholders.

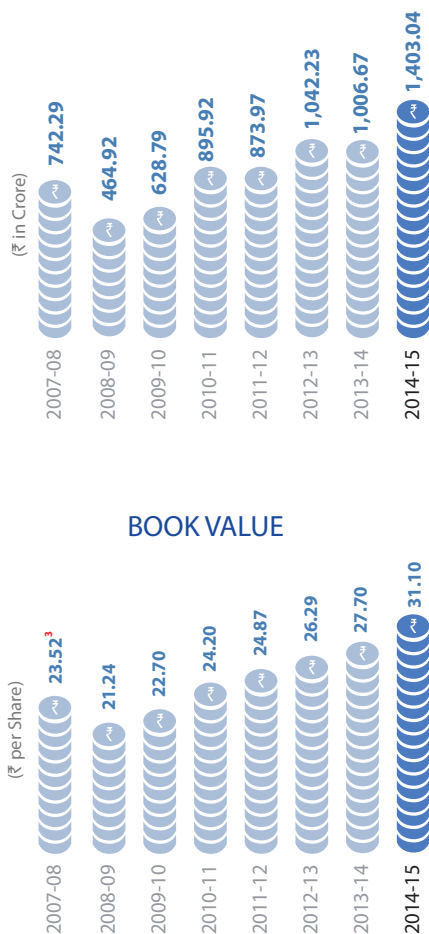


Performance

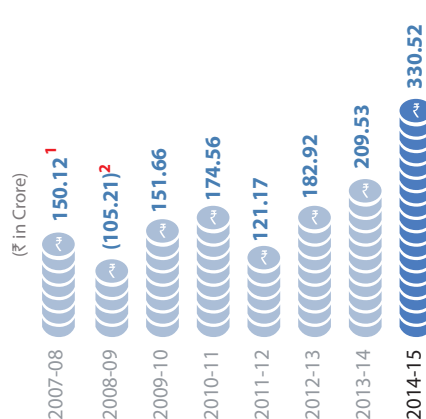
We believe in the development of our human resource and continuously hone our skills by setting higher targets of performance for ourselves. We strive to attract, develop and retain the best talent in the industry and also ensure they get their well-deserved rewards.

CONSOLIDATED PERFORMANCE REVIEW

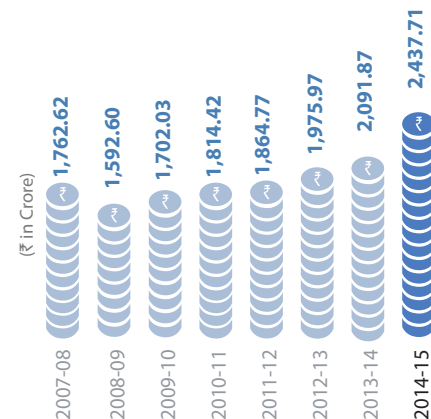
GROSS INCOME



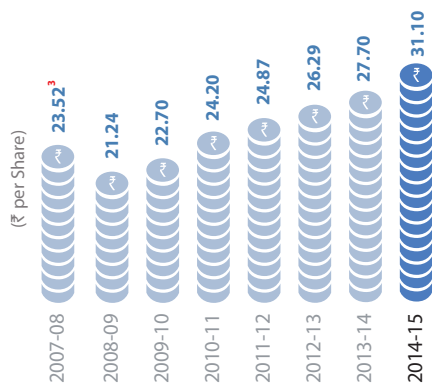
PROFIT / (LOSS)



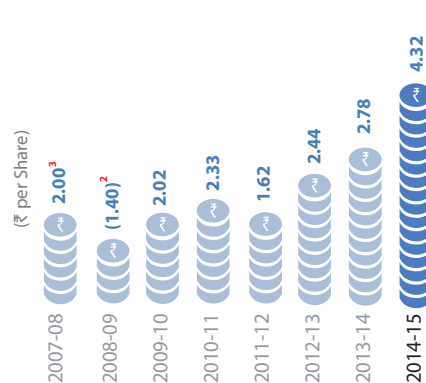
NETWORTH



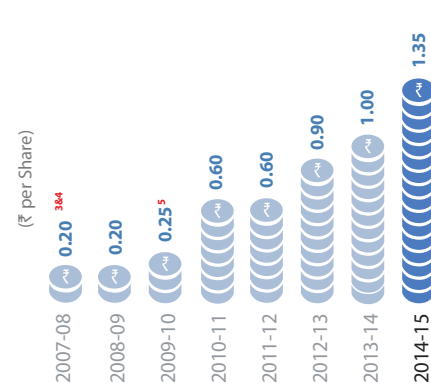
BOOK VALUE



EARNINGS PER SHARE



DIVIDEND PER SHARE

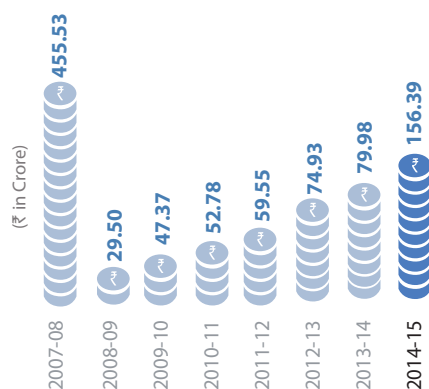


- 1 The profit after tax for the year 2007-08 excludes ₹ 1,156.95 crore towards exceptional income earned during the year.
- 2 As a matter of abundant caution, the Group had made a provision for diminution in value of long term investments aggregating ₹ 136.72 crore resulting in a loss during the year 2008-09.
- 3 Adjusted for split and bonus issue.
- 4 Excludes Special dividend of ₹ 0.80 per share.
- 5 Excludes Silver Jubilee Dividend of ₹ 0.25 per share.

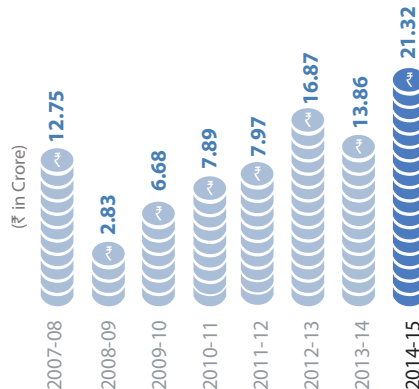
The graphs are not to scale.

CONSOLIDATED TAX INFORMATION

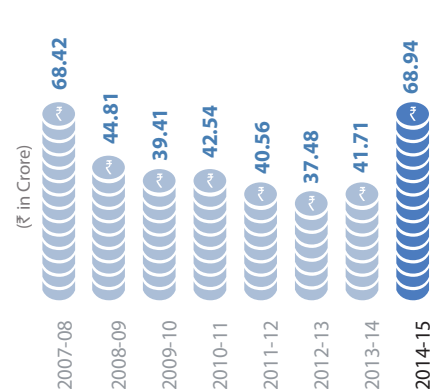
CORPORATE TAX¹



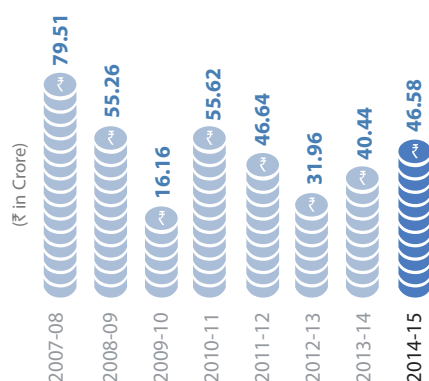
DIVIDEND DISTRIBUTION TAX²



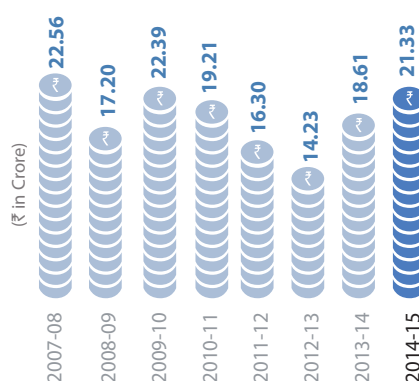
SERVICE TAX³



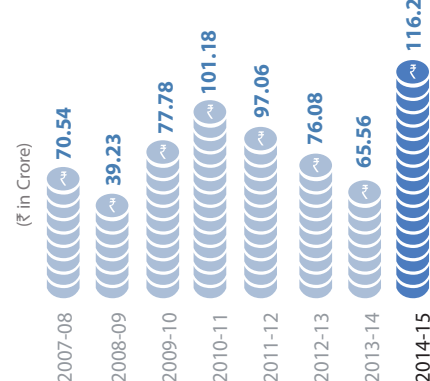
PAYROLL TAX⁴



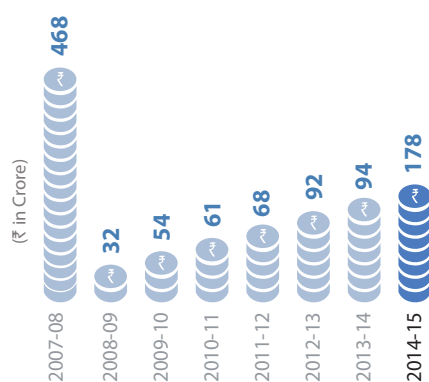
NON PAYROLL TAX⁵



SECURITIES TRANSACTION TAX⁶

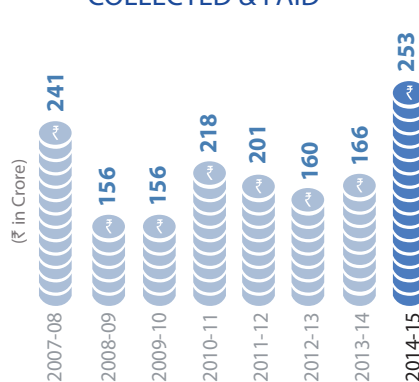


TOTAL TAX BORNE & PAID⁷



Total Tax Borne - ₹ 1,047 Crore

TOTAL TAX DEDUCTED / COLLECTED & PAID⁸



Total Tax Paid - ₹1,551 Crore

Total Tax Borne & Paid
and Total Tax Deducted /
Collected & Paid for last
Eight years-

₹ 2,598 Crore

The graphs are not to scale.

- ¹ Comprises provision for taxes, including deferred tax.
- ² Comprises tax on corporate dividend distributed, before minority interest.
- ³ Comprises gross service tax liability.
- ⁴ Comprises tax deducted at source from the employee remuneration and paid.
- ⁵ Comprises tax deducted at source from payments made to service providers / vendors and paid.
- ⁶ Comprises tax collected from the clients and paid to the Stock Exchanges.
- ⁷ Comprises corporate tax and dividend distribution tax.
- ⁸ Comprises service tax, payroll tax, non-payroll tax and Securities transaction tax.

The above information has been verified by an independent chartered accountant firm.

BOARD OF DIRECTORS



Ms. Jagi Mangat Panda
Non Executive
& Independent Director

Mr. Keki Dadiseth
Non Executive
& Independent Director

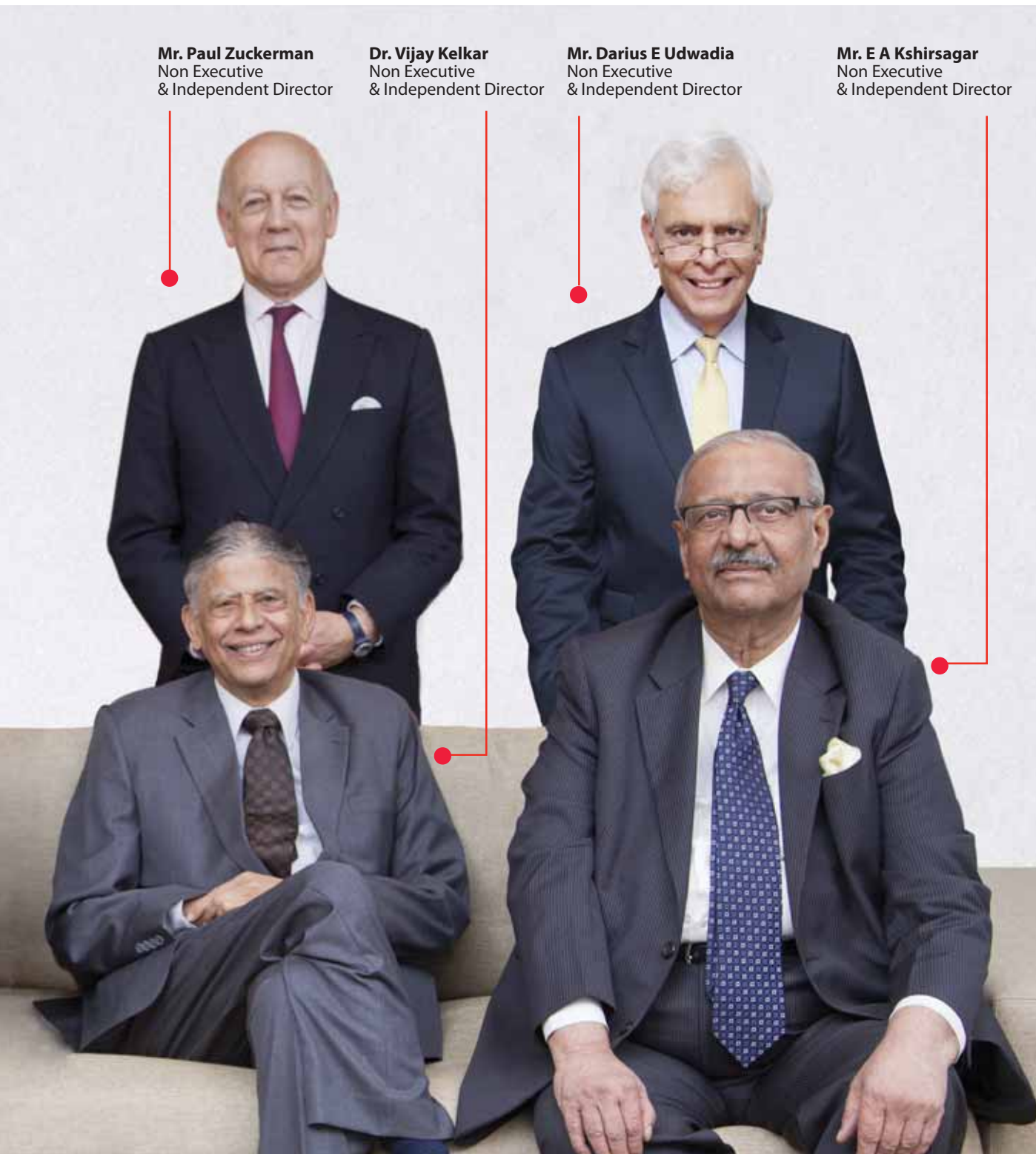
Mr. Nimesh Kampani
Chairman &
Managing Director

Mr. Paul Zuckerman
Non Executive
& Independent Director

Dr. Vijay Kelkar
Non Executive
& Independent Director

Mr. Darius E Udwadia
Non Executive
& Independent Director

Mr. E A Kshirsagar
Non Executive
& Independent Director



MANAGEMENT SPEAK



Nimesh Kampani

Group Chairman

The knowledge and experience garnered collectively by each one of us over the years has played a catalytic role in translating the aspirations of our clients into results in every sphere of financial service. JM Financial has effectively channelized these expertise and insights to emerge as a leader. We are geared up to connect with our clients and offer them the best possible solution and focus on our goal of multiplying the value for our stakeholders.



Dipti Neelakantan

Group Chief Operating Officer

JM Financial has harnessed well its inherent competencies on its march to emerge as a prominent player in the financial services sector. Every complex mandate became an opportunity to enhance our knowledge, even while delivering the best to our clients. Riding on these deep insights and experience, we will continue to focus on creating sustainable value for our stakeholders.



V P Shetty

Executive Chairman (JM Financial Asset Reconstruction Company Pvt Ltd)

We expect FY 2016 to bring in many challenges and a host of opportunities. Investment activities both from public and private sectors are gathering momentum. With our diversified products range, both in the capital & debt market, we are set to garner higher market share in all segments that we represent. At JM Financial, we are conscious that in the fast changing market dynamics, we cannot be complacent with our past laurels and may need to accelerate the speed of our performance manifold to stay ahead.

CLIENT TESTIMONIALS

"JM Financial was instrumental in TransUnion increasing its stake in CIBIL to achieve majority ownership. JM Financial guided TransUnion across purchase offers and negotiations with 13 different institutional sellers, ultimately closing 6 separate transactions while maintaining consistent terms across all. Beyond the excellent financial analysis and negotiation one expects of a top investment bank, JM's extensive network of relationships, high degree of customer service and relentless attention to detail enabled our success. Trans Union could not be more pleased with our selection of advisors for this process."

Curtis J. Miller

Global M&A Head, TransUnion Corp

"On behalf of HDFC Bank, I would like to thank you and the entire team at JM Financial for the impressive work done in successfully executing the domestic QIP issue of our bank in a timely and professional manner. We appreciate the hard work, constant support and the swiftness with which you were able to launch this unique QIP within hours of receiving the requisite regulatory approvals, while ensuring efficient and effective execution and a tight pricing. Keep up the good work."

Sashidhar Jagdishan

Chief Financial Officer, HDFC Bank

"JM Financial Singapore Pte Ltd advised the Modernform Group Thailand on the sale of its shares in MFEC to ITHD Japan. We were very pleased with the services provided by JM Financial Singapore Pte Ltd, their strong understanding of technology services, and the ability to bring in a good Japanese partner."

Mr. Thaksa Busayapoka

CEO, Modernform Group Public Company Limited, Thailand

"Dealing with JM FINANCIAL has been a pleasure. The detailed understanding of real estate in the senior team and the ability to understand the complexity of structured real estate financing and to provide customised solutions to client needs makes it a unique organisation."

Abhinandan Lodha

Deputy Managing Director, Lodha Group

BUSINESS HIGHLIGHTS

Institutional Securities Group



Vishal Kampani

MD & CEO (Institutional Securities Group)

The Institutional Securities Group, with a team of experienced professionals, driven by its market intelligence capabilities, has accelerated the growth of JM Financial. With changing market dynamics, accentuated by growing opportunities, we are well positioned to raise our benchmark of excellence.

Investment Banking



Atul Mehra

MD & Co-CEO

With the capital markets remaining buoyant and primary funding activities picking up in the economy, Group's Investment Banking arm continued to be involved in several marquee capital market deals such as:

- India's largest ever capital market offering through an Offer for Sale by Coal India (₹ 22,558 crore).
- Qualified Institutions Placement by Yes Bank (₹ 2,942 crore)
- Domestic only Qualified Institutions Placement by HDFC Bank (₹ 2,000 crore).
- Issue of Non-Convertible Debentures by Shriram Transport Finance (₹ 1,975 crore).



Adi Patel

MD & Co-CEO

With significant increase in M&A deals both in terms of Value and Volume during FY 2014-15, Group's Investment Banking arm built further on its M&A credentials and received the "M&A Deal Maker of the Year" award in the BW Business World Magna Awards 2015. JM Financial Institutional Securities Ltd acted as advisor to the following notable transactions:

- Manager to the Voluntary Open offer by Diageo in United Spirits.
- Lead financial and transactional advisor to Adani Enterprises on a composite scheme of arrangement involving demerger of its ports, power and transmission undertakings.
- Financial Advisor and Manager to Open Offer by Reliance Industries in Network18, TV18 and Infomedia Press.
- Financial Advisor to Financial Technologies (India) Limited for sale of its stake in MCX.

Singapore Operations



Prakash Chellam
MD & CEO

With international financial market slowly reviving during the year, we foresee opportunities to be explored going forward.

In FY2015, JM Financial Singapore Pte Ltd, built further on the platform of the revenues generated in FY2014 and acted as an advisor to the following notable transactions:

- Advisor to the shareholders of Thailand's leading IT services company MFEC, on the sale of their stake to IT Holdings Corporation Japan.
- Advisor to a large American origin BPO services on an equity restructuring exercise of its Asian operations, with a view to look at a potential future equity listing in Asia.
- Awarded "Deal of the Month" by the Acquisition International magazine for the Altran-Foliage deal.

Institutional Equities



Manish Prasad
MD & CEO

With policy relevance increasing, we experience revival in institutional investor sentiment during the year.

- Thematic research has been a focus at the research unit and some marquee reports such as Make in India, GST, Rural India Report amongst others have been well received by the institutional investors.
- Enhanced our geographic reach to cater to institutional investors.
- We had established a step down subsidiary in the US, which had applied for a broker-dealer license. We are elated to have received the approval from FINRA, as a new member and would be soon establishing an office in the United States.

Fixed Income and Lending for Commercial Real Estate



Shashwat Belapurkar
MD & CEO

With heightened activities across business, backed by steady revival in the Indian economy, fixed income business in India looks promising. With strong pedigree, highly experienced and motivated team, we are set on a high growth trajectory.

- Equity infusion in the new NBFC, focused on real estate financing by Mr. Vikram Pandit led fund of ~ ₹ 540 crore.
- Plans to enter into new geographies selectively to enhance our reach.
- The policy initiatives related to real estate namely infrastructure financing by the RBI, framework for REIT, relaxation of FDI norms in construction and Smart City has created positive impact during the year.
- Loans are conservatively underwritten. Diligent deliberation is undertaken with regards to various collaterals which plays an important parameter in determining the loan approval process.
- Adequately capitalized to take benefit of the improving economic scenario.

Investment Advisory, Distribution and Lending against Securities



Rajeev Chitrabhanu
MD & CEO

With the new government and proactive capital market reforms, new investment opportunities are opening up. We provide our clients an integrated solution of honest advice along with access to capital through lending to meet their investment goals.



Subodh Shinkar
MD & COO

Our clients are invested in various assets classes from real estate to equities. In order to generate long term returns we help our clients think through asset allocation and risk management.

Wealth Management Group



Vipul Shah
Head - Private
Wealth Group



Ajay Mishra
Head-Corporate
Wealth Group

Wealth Management offers advisory service for Ultra High Net-worth Individuals (UHNI), corporates and trusts by following a model of asset allocation and custody services.

- Wealth management services are being offered in eight major cities in India, with 51 wealth advisors advising over 1,200 High Net-worth Individuals and corporates with assets under management/advise of over ₹ 17,300 crore.
- Asset under Portfolio Management stands at ₹ 431 crores as on March 2015 which has increased by 109%.
- During the year, organization received award for "Best Performing National Financial Advisor-Institutional" for FY 2013-14 by UTI MF & CNBC TV18.

Equity Brokerage Group



Dimple Kumar Shah
Head- Retail Broking



Sanjay Bhatia
Head - Equity Trading

Equity Brokerage Group offers equity sales and trading services to HNI and corporate clients through its branches and servicing retail clients through franchise. This Group is supported by technical and fundamental research teams and derivative strategists who generate short term trading ideas.

- Equity broking services are offered through a network of 256 outlets with presence in 110 cities in India.
- Equity broking business has a sales team size of 222 people consisting of sales traders, dealers and acquisition managers.
- Equity broking business achieved Average Daily Equity Volume of ₹ 2,215 crore in FY 2014-15, an increase of 80% over FY 2013-14, with greater focus on cash delivery business.
- BSE Awarded JM Financial Services Ltd for "Top 10 Performers in the Equity Broking Segment (Retail Trading)".
- BSE Awarded JM Financial Services Ltd for "Top 5 Performers in MF Segment".
- NSE Awarded JM Financial Services Ltd "Certificate of Appreciation" for being among the top performing members in 2014 (Debt ETFs).

Independent Financial Distribution Group



Rohit Singh
Head - IFD Group

Independent Financial Distribution Group distributes various primary market products through network of IFDs, such as mutual funds, fixed deposits, IPOs, bonds etc. JM Financial Services Ltd is one of the largest distributors in India in this segment and have developed this network over the last 4 decades.

- The group supports a network of over 7,200 active Independent Financial Distributors (IFDs) who distribute various financial products across the country.
- During the year, IFD group mobilised more than ₹ 5,000 crore from various financial products.

Asset Reconstruction



Anil Bhatia
MD & CEO

- During the year, JM Financial Asset Reconstruction Company Pvt. Ltd. (JMFARC) acquired the dues of Hotel Leela Venture Ltd. from a consortium of 14 banks aggregating to over ₹ 4,100 crore and constituting more than 95% of the total consortium debt. Sale by majority of the consortium banks leads to better control and a focused approach towards resolution to create a win-win situation for all the stakeholders. JMFARC made upfront cash investment of ₹ 865 crore in this innovatively structured transaction. The transaction featured in Economic Times as one of the “Best Deals of the Year”. This was the first time in the history of ARC industry that a large consortium account was collectively offloaded by Banks to an ARC. With a precedent transaction now, it is expected that such large accounts will be collectively sold by banks to ARCs in the future too.
- JMF ARC’s focus remains on cash transactions. With a continuous regulatory push on banks to control their high level of stressed assets, it is expected that banks will continue to offload non-performing assets to ARCs and JMFARC is well positioned to take advantage of the opportunity.

Mutual Fund



Bhanu Katoch
MD & CEO

- The year has been good for the Mutual Fund Industry with the Industry AUM touching ₹ 12-trillion mark in FY 14-15.
- JM Financial Mutual Fund also did well in the last financial year with its Quarterly Average AUM at ₹ 12,231 crore as on March 31, 2015.
- Buoyant equity market and a decreasing interest rate cycle have provided a great opportunity for investors to create wealth across all products.

Corporate Functions



Prashant Choksi

Group Head
Compliance, Legal & Company Secretary

With the new corporate law regime, the business houses have begun to move their focus from traditional compliance to vigilant compliance, raised level of transparency and are working towards promotion of the rights of the stakeholders. We at JM Financial, are equipped to adapt to the fast changing laws. We facilitate the businesses undertaken by the group through meticulous compliance of the applicable laws.



Manish Sheth

Group Chief Financial Officer

We focus on the objective to upgrade our knowledge to adapt with the changing business complexities, develop commercial insights and build realistic business expectations, which plays a pivotal role in facilitating all businesses to achieve a common goal. Our endeavour is to ensure that business decisions are backed by sound financial insights to manage key risks thereby offering effective solutions.



Chaitanya Wagh

Group Head - Information Technology

With Technology based on scalable infrastructure, standardised processes and enterprise applications, we are geared up to manage business growth and seamlessly deploy new technologies such as cloud, social media. This enables us to pursue our journey of being a digital enterprise.



Anil Salvi

Group Head - Human Resources & Administration

The HR deliverables of the Group are prepared to support business priorities and enable leaders to manage HR challenges of talent engagement, development and management most efficiently. The HR business partners actively work along with businesses and assist in building an agile and competitive organisation without compromising the core values of the group.

YEAR AT A GLANCE



Mr. Nimesh Kampani, speaking at the 5th CII Capital Markets Summit



Mr. Vishal Kampani & Mr. Atul Mehra receiving the Business World "M&A Deal Maker of the year" award



Ms. Dipti Neelakantan participating at the 5th CII Capital Markets Summit



Employees enjoying at an offsite location



Employees participating in the Cricket Championship



Mr. Nimesh Kampani flagging off the walk at the JM Financial Walkathon 2015



Mr. Subodh Shinkar, receiving the award for the Best performing National Financial Advisor-Institutional at the 'UTI MF and CNBC TV-18 Financial Advisor Awards 2014'



JM Financial Services Team receiving the award from Great Place to Work Institute, for being ranked 4th amongst India's Best Companies To Work For - Financial Services

FEW PROJECTS SUPPORTED BY JM FINANCIAL FOUNDATION.



Supporting the training of athletes – team that won medals at 2014 CWG in Glasgow for Olympics



Differently abled children receiving special education



Building of sanitation blocks in rural areas



Facilitating change in the lives of the handicapped



Employee distributing blankets to Jammu & Kashmir flood victims



Educating children with activity based programs



Fulfilling wishes of chronically ill children to improve their quality of life



Employees visiting Sewadham in Ujjain – A home for destitutes

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman & Managing Director

Mr. Nimesh Kampani

Non Executive & Independent Directors

Mr. E.A. Kshirsagar

Mr. Darius E Udawadia

Mr. Paul Zuckerman

Dr. Vijay Kelkar

Mr. Keki Dadiseth

Ms. Jagi Mangat Panda (w.e.f 31.03.2015)

PRINCIPAL BANKER

HDFC Bank Limited

REGISTERED OFFICE

JM Financial Limited

7th Floor, Cnergy, Appasaheb Marathe Marg;

Prabhadevi, Mumbai- 400025

Tel: 91-22-66303030 Fax: 91-22-66303223

Email: shareholdergrievance@jmfl.com

Website: www.jmfl.com

CIN: L67120MH1986PLC038784

GROUP CHIEF OPERATING OFFICER

Ms. Dipti Neelakantan

GROUP HEAD - COMPLIANCE, LEGAL & COMPANY SECRETARY

Mr. P K Choksi

GROUP CHIEF FINANCIAL OFFICER

Mr. Manish Sheth

STATUTORY AUDITORS

M/s. Khimji Kunverji & Co.

REGISTRARS & SHARE TRANSFER AGENTS

Sharepro Services (India) Private Limited

13 AB, Samhita Warehousing Complex,

2nd Floor, Sakinaka Telephone Exchange Lane,

Off Andheri –Kurla Road, Sakinaka, Andheri (E),

Mumbai- 400 072

Email: sharepro@shareproservices.com

website: www.shareproservices.com

Notice

NOTICE IS HEREBY GIVEN THAT THE THIRTIETH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF JM FINANCIAL LIMITED (THE COMPANY) WILL BE HELD ON THURSDAY, JULY 30, 2015 AT 4.00 P.M. AT RAMA AND SUNDRI WATUMULL AUDITORIUM, KISHINCHAND CHELLARAM COLLEGE, 124, DINSHAW WACHHA ROAD, CHURCHGATE, MUMBAI 400 020 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited standalone financial statements and the audited consolidated financial statements consisting of the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend.
3. To appoint a Director in place of Mr. Nimesh Kampani (DIN: 00009071), the Managing Director, who though not liable to retire by rotation is retiring by rotation to enable compliance by the Company with the provisions of Section 152 of the Companies Act, 2013 (hereinafter called "the Act") and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s. Khimji Kunverji & Co., Chartered Accountants, Mumbai (Registration No. 105146W) as the Statutory Auditors of the Company to hold office from the conclusion of the Thirtieth Annual General Meeting until the conclusion of the Thirty First Annual General Meeting and to authorise the Board of Directors to fix their remuneration for the financial year 2015-16.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, as amended from time to time, Ms. Jagi Mangat Panda (DIN : 00304690), who was appointed as an additional director of the Company by the Board of Directors in terms of Section 161(1) of the Act and the Articles of Association of the Company and whose term of office expires at the Thirtieth Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of a Director,

be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from March 31, 2015."

6. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company through Postal Ballot on December 22, 2014 and pursuant to Sections 23, 42, 71 and other applicable provisions of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification or re-enactment thereof, for the time being in force) and pursuant to the applicable provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time, and the circulars and clarifications issued by the Reserve Bank of India from time to time to the extent applicable to the Company and subject to the provisions of the Company's Memorandum and Articles of Association, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any Committee thereof) to offer, issue and allot secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating up to ₹ 1,000 Crore (Rupees One Thousand Crore), on private placement basis and/or through public offer, on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto."

7. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Act and the Companies (Incorporation) Rules, 2014, (including any statutory modification or re-enactment thereof, for the time being in force) the new set of Articles of Association of the Company placed before the meeting and initialled by the Chairman for the purpose of identification be and is hereby approved and adopted in substitution for, and to the exclusion of the present Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable to give full effect to the above resolution."

Notice (contd.)

8. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company through Postal Ballot on December 22, 2014 and pursuant to the provisions of Section 188, if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49(VII) of the Listing Agreement as amended from time to time, consent of the Company be and is hereby accorded to the Board to enter into any and all transactions/contracts/arrangements with JM Financial Products Limited (JM Financial Products), a subsidiary of the Company and a 'related party' as defined in the Act and Clause 49(VII) (B) of the Listing Agreement, relating to making of loans to, and/or giving of guarantees or providing security on behalf of JM Financial Products and/or making of investments in the securities of JM Financial Products and the purchase from and/or sale to it of any securities by the Company, etc., on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with JM Financial Products and remaining outstanding at any time shall not exceed ₹ 500 Crore during any one financial year of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to the above resolution."

9. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company through Postal Ballot on December 22, 2014 and pursuant to the provisions of Section 188, if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49(VII) of the Listing Agreement as amended from time to time, consent of the Company be and is hereby accorded to the Board to enter into any and all transactions/contracts/arrangements with JM Financial Services Limited (JM Financial Services), a subsidiary of the Company and a 'related party' as defined in the Act and Clause 49(VII)(B) of the Listing Agreement, relating to making of loans to, and/or giving of guarantees or providing security on behalf of JM Financial Services and/or making of investments in the securities of JM Financial Services, purchase from and/or

or sale to it of any securities by the Company, availing or rendering of services and the giving or taking on lease any immovable property, etc., on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with JM Financial Services and remaining outstanding at any time shall not exceed ₹ 500 Crore during any one financial year of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to the above resolution."

10. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company through Postal Ballot on December 22, 2014 and pursuant to the provisions of Section 188, if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49(VII) of the Listing Agreement as amended from time to time, consent of the Company be and is hereby accorded to the Board to enter into any and all transactions/contracts/arrangements with JM Financial Asset Management Limited (JM Financial Asset Management), a subsidiary of the Company and a 'related party' as defined in the Act and Clause 49(VII)(B) of the Listing Agreement, relating to making of loans to, and/or giving of guarantees or providing security on behalf of JM Financial Asset Management and/or making of investments in the securities of JM Financial Asset Management and the purchase from and/or sale to it of any securities by the Company, etc., on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with JM Financial Asset Management and remaining outstanding at any time shall not exceed ₹ 200 Crore during any one financial year of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to the above resolution."

11. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company through Postal Ballot on December 22, 2014 and pursuant to the

provisions of Section 188, if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49(VII) of the Listing Agreement as amended from time to time, consent of the Company be and is hereby accorded to the Board to enter into any and all transactions/contracts/arrangements with JM Financial Credit Solutions Limited (JM Financial Credit Solutions), a subsidiary of the Company and a 'related party' as defined in the Act and Clause 49(VII)(B) of the Listing Agreement, relating to making of loans to, and/or giving of guarantees or providing security on behalf of JM Financial Credit Solutions and/or making of investments in the securities of JM Financial Credit Solutions, purchase from and/or sale to it of any securities by the Company, availing or rendering of services, etc., on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with JM Financial Credit Solutions and remaining outstanding at any time shall not exceed ₹ 500 Crore during any one financial year of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to the above resolution."

12. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company through Postal Ballot on December 22, 2014 and pursuant to the provisions of Section 188, if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49(VII) of the Listing Agreement as amended from time to time, consent of the Company be and is hereby accorded to the Board to enter into any and all transactions/contracts/arrangements with JM Financial Asset Reconstruction Company Private Limited (JM Financial ARC), an associate of the Company and a 'related party' as defined in the Act and Clause 49(VII)(B) of the Listing Agreement, relating to making of loans to, and/or giving of guarantees or providing security on behalf of JM Financial ARC and/or making of investments in the securities of JM Financial ARC and the purchase from and/or sale to it of any securities, etc., on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value

of all such transactions/contracts/arrangements that may be entered into by the Company with JM Financial ARC and remaining outstanding at any time shall not exceed ₹ 500 Crore during any one financial year of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to the above resolution."

13. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company through Postal Ballot on December 22, 2014 and pursuant to the provisions of Section 188, if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49(VII) of the Listing Agreement as amended from time to time, consent of the Company be and is hereby accorded to the Board to enter into any and all transactions/contracts/arrangements with M/s. Astute Investments, a partnership firm of which JM Financial Services Limited and JM Financial Commtrade Limited, subsidiaries of the Company are partners and a 'related party' as defined in the Act and Clause 49(VII)(B) of the Listing Agreement, relating to making of loans to Astute Investments on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with Astute Investments and remaining outstanding at any time shall not exceed ₹ 500 Crore during any one financial year of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to the above resolution."

By Order of the Board

P K Choksi

Group Head - Compliance, Legal
& Company Secretary

Date: May 29, 2015

Registered Office:

7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai - 400 025
(CIN: L67120MH1986PLC038784)

Notice (contd.)

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID MUST BE DULY FILLED IN ALL RESPECTS AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than ten percent of the total issued and paid up share capital of the Company. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. A member holding more than 10% of the total issued and paid up share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

1. The relevant statements to be annexed to the Notice pursuant to Section 102 of the Companies Act, 2013 (hereinafter called "the Act"), which sets out details relating to Special Business at item nos. 5 to 13 of the Notice set out above are annexed hereto.
2. Members are requested to:
 - i bring their copies of the annual report and the attendance slip duly completed and signed at the meeting.
 - ii quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.
3. Bodies Corporate, who are the members of the Company, are requested to send a certified copy of the board resolution authorising their representatives to attend and vote at the meeting.
4. The Register of Members of the Company will remain closed from Wednesday, June 10, 2015 to Friday, June 12, 2015 (both the days inclusive).
5. The final dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid on and from August 1, 2015 to those members:
 - i whose names appear in the Register of Members at the close of business hours on June 9, 2015, in respect of shares held in physical form; and
 - ii whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of the business hours on June 9, 2015, in respect of shares held in dematerialised form.

6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 (since the applicable Section of the Act has not yet been notified), the amount of dividend which remain unclaimed or unpaid for a period of seven years from the date of transfer of such amount to the Unpaid Dividend Account opened in pursuance of sub-section (1) of the said Section is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the unclaimed dividend in respect of the financial year 2007-08 is due for transfer to the IEPF in August 2015. The Company has been sending reminder letters to those members who have not claimed their dividend for the financial year 2007-08. Members, who have not yet claimed their dividend for the financial year 2007-08 or for any subsequent financial years, are requested to claim the same from the Company. No claims shall lie against IEPF or the Company in respect of the amount of dividend remaining unclaimed after the said transfer to IEPF.

The Ministry of Corporate Affairs (MCA) on May 10, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), to help the members ascertain status of the unclaimed dividend amounts. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends for the financial years from 2007-08 to 2012-13 as on the date of the Twenty Ninth Annual General Meeting (AGM) held on July 3, 2014, on the website of the IEPF viz., www.iepf.gov.in and under "Investor Relations" section on the Website of the Company viz. www.jmfl.com.

7. Pursuant to the provisions of Section 205A(5) of the Companies Act 1956, the Company has transferred an amount of ₹ 4,63,125/- being the unclaimed dividend for the financial year 2006-07 to IEPF on November 5, 2014.
8. Pursuant to the provisions of Sections 101 and 136 of the Act read with 'The Companies (Accounts) Rules, 2014' electronic copy of the Annual Report for the financial year 2014-15 is being sent to those members whose email IDs are registered with their respective Depository Participants (DPs), the Company or Sharepro Services (India) Private Limited unless any member has requested for a hard copy of the same. For members who have not registered their email addresses so far, are requested to promptly intimate the same to their respective DPs or to the Company/ Sharepro Services (India) Private Limited, as the case may be. Physical copies of the Annual Report for the year 2014-15 will be sent in the permitted mode in cases where the email addresses are not available with the Company.

9. Electronic copy of the Notice convening the Thirtieth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members who hold shares in dematerialised mode and whose email addresses are registered with their respective Depository Participants. For those members who have not registered their email address, physical copies of the said Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.
10. Members may also note that the Annual Report for the financial year 2014-15 including the Notice convening the Thirtieth Annual General Meeting will also be available on the Company's website www.jmfl.com, which can be downloaded from the site. The physical copies of the aforesaid documents will also be available at the Company's registered office in Mumbai for inspection during normal business hours on all the working days except Saturdays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the members may also send their requests to the Company's investor email id: shareholdergrievance@jmfl.com.
11. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company provides to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the Thirtieth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall also be made available at the AGM and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.
 - III. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on Monday, July 27, 2015 (9:00 am) and ends on Wednesday, July 29, 2015 (5:00 pm). During this period, the

members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of July 23, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- V. The process and manner for remote e-voting are as under:
 - A. In case a member receives an email from NSDL [for members whose email addresses are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "JM Financial remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - (iii) Click on member - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended that the members should not share their password with any other person and take utmost care to keep their password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "REVEN" of JM Financial Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

Notice (contd.)

- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail at jayshreedagli@gmail.com or shareholdergrievance@jmfl.com with a copy marked to evoting@nsdl.co.in.
- B. In case a member receives physical copy of the Notice of AGM [for members whose email IDs are not registered or have requested the physical copy]:
- a) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

REVEN (Remote e-Voting Event Number)	USER ID	PASSWORD/ PIN
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 - b) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication.
- IX. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of July 23, 2015.
- X. Any person, who becomes a member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e., July 23, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or shareholdergrievance@jmfl.com. However, if such member is already registered with NSDL for remote e-voting then he/she/it can use his/her/its existing user ID and password for casting the vote. The facility to reset the forgotten password is also provided by NSDL by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.
- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., July 23, 2015 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Ms. Jayshree S Joshi, Company Secretary (Membership No. FCS 1451), Proprietor of Jayshree Dagli & Associates, Company Secretaries, Mumbai has been appointed as the Scrutiniser by the Board of Directors of the Company to scrutinise the voting and e-voting process in a fair and transparent manner.
- XIII. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Results declared along with the report of the Scrutiniser will be placed on the website of the Company www.jmfl.com and on the website of NSDL immediately after the declaration of results by the Chairman or by a person duly authorised. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed.
12. Members are entitled to make nomination in respect of the shares held by them in physical form. Members desirous of making nominations may send their request in Form SH.13 in duplicate to the Registrars and Share Transfer Agents (RTA) of the Company. Members may obtain a blank Form SH.13 upon request to the Company or its RTA.
13. The Company has made necessary arrangements for the members to hold their shares in dematerialised form. Members are also entitled to make nomination in respect of the shares held by them in dematerialised form with their DPs. Those members who are holding shares in physical form are requested to dematerialise their shares

by approaching any of the DPs. In case any member wishes to dematerialise his/ her/its shares and needs any assistance, he/she/it may write to the Company Secretary at the registered office of the Company.

14. The Company has paid the annual listing fees for the financial year 2015-16 to BSE Limited and National Stock Exchange of India Limited.
15. Members holding the equity shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
16. Members are advised not to leave their demat accounts dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
17. Payment of dividend through Electronic Clearing Services (ECS)/National Electronics Clearing Services (NECS):

All companies are mandatorily required to use ECS/NECS facility wherever available for distributing dividends, wherein the dividend amount would be directly credited to the members' respective bank accounts.

Members holding shares in electronic form are hereby informed that bank particulars registered in their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective DPs of the members. Members holding shares in physical form and desirous of either registering their bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company or the RTA.

18. Members are requested to immediately notify any change in their address to:
 - their DPs in case they hold shares in electronic form; and
 - RTA of the Company along with their bank account details in case they hold shares in physical form

so as to enable the Company to dispatch the dividend cheques or the communication relating to the ECS/NECS at their new address.

REQUEST TO MEMBERS

Members are requested to send their question(s), if any, relating to the financial statements, shareholding, etc., to the Company Secretary/Chief Financial Officer at the Registered Office of the Company, on or before July 20, 2015, so that the answers/details can be kept ready at the Annual General Meeting.

Annexure to Notice

STATEMENT TO BE ANNEXED TO NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (HEREINAFTER CALLED "THE ACT")

Item no. 5

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, at its meeting held on March 31, 2015, appointed Ms. Jagi Mangat Panda as an additional director (Independent) under Section 161(1) of the Act read with Article 117 of the Articles of Association of the Company. Accordingly, Ms. Panda holds office as a director up to the date of the forthcoming Annual General Meeting. It is proposed to appoint her as a Non-executive and Independent Director of the Company for five consecutive years with effect from March 31, 2015 in terms of Section 149 of the Act.

The Company has received a notice along with the deposit of requisite amount under Section 160 of the Act from a member proposing Ms. Panda as a candidate for the office of a director of the Company. Ms. Panda has confirmed to the Board that she qualifies to be an independent director within the meaning of Clause 49(II)(B)(1) and Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. In the opinion of the Board, Ms. Panda fulfils the conditions specified in the Act and Rules made thereunder for her appointment as an Independent Director of the Company. The Directors are of the view that Ms. Panda would bring valuable experience and gender diversity to the Board and the Company would benefit from her appointment as Director. Accordingly, the Board commends the passing of the Ordinary Resolution proposed at item no. 5 of the Notice. A copy of the draft letter setting out the terms and conditions of her appointment as Independent Director will be available for inspection by members at the registered office of the Company between 2.00 p.m. and 4.00 p.m. on any working day (Monday to Friday), up to the date of the Annual General Meeting.

Brief profile of Ms. Panda and the disclosures required under Clause 49 of the Listing Agreement are given as additional information about the directors, which forms part of the Notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Ms. Panda, is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

Item no. 6

Pursuant to Sections 23, 42, 71 and other applicable provisions of the Act, if any, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a private placement or public issue of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the members of a company by a special resolution. In case of any offer or invitation to subscribe for Non-Convertible Debentures (NCDs), it shall be sufficient if such company passes the special resolution only once in a year for all such offers or invitations during the year.

The Company had already obtained the approval of members by way of Postal Ballot on December 22, 2014 for raising of funds of up to ₹ 1,000 Crore (Rupees One Thousand Crore only) by way of issue of NCDs, in one or more tranches. However, pursuant to the said approval, the Company has not raised any amount by way of issue of NCDs. The current approval of members is valid up to December 21, 2015. In order to facilitate the raising of funds by way of issue of NCDs, it would be necessary to have the approval of members without any break. Therefore, to avoid approaching members by way of Postal Ballot other than at the AGM and to achieve cost efficiency, it is considered desirable to obtain members' approval at the forthcoming AGM.

The proceeds of the issue of NCDs are proposed to be utilised by the Company, inter-alia, for grant of loans to its subsidiaries and/or group companies or for the acquisition of securities of its subsidiaries and/or group companies and for the general corporate purposes of the Company.

Accordingly, consent of the members is sought for issuing the NCDs aggregating up to ₹ 1,000 Crore by passing the Special Resolution set out at Item No. 6 of the Notice. This resolution will enable the Board of Directors to raise monies through the issue of NCDs, when required from time to time.

The Board commends passing of the Special Resolution set out at item no. 6 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, (except to the extent of the NCDs that may be offered to, and taken up by them), in the resolution set out at item no. 6 of the Notice.

Item no. 7

The Articles of Association of the Company as presently in force are based on and reflect the provisions of the Companies Act, 1956.

Following the enactment and coming into force of the Act, it is necessary to alter the present Articles of Association of the Company to bring them fully in conformity with the applicable/corresponding provisions of the Act.

In view thereof, it is proposed to substitute a new set of Articles of Association for the present Articles of Association; rather than making several piecemeal alterations in various provisions contained in the Article of Association.

Considering that most of the provisions of the Act, which deal with the general working of the Company are already in force and effect, it is proposed to amend the present Articles of Association of the Company to align them with the applicable provisions of the Act and the Rules framed thereunder.

Pursuant to Section 14 of the Act, the proposed new set of Articles of Association will require to be approved by the members in general meeting by a Special Resolution. Hence, the Special Resolution at item no. 7 of the Notice.

The following are the material alterations proposed to be made in the present Articles of Association. These are occasioned by the enactment of the Act and the applicable provisions thereof:

Sr. No.	Subject	Summary of Changes
1	Interpretation	Definitions are appropriately modified to align with the provisions of the Act.
2	Further issue of capital	To include offer of shares under employee stock option plan subject to applicable laws and regulations from time to time.
3	General Meetings	Amendments are proposed to align with the provisions of the Act regarding the requirement to whom the notice for the general meeting needs to be given, material facts to be set out in the explanatory statements, business to be transacted at the general meetings and other matters pertaining to general meeting.
4	Voting rights	To include voting through electronic means.
5	Capitalisation	To remove redundant provisions and to align new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalised.
6	Directors	Insertion of articles in respect of appointment of Independent Directors and Women Director in accordance with the provisions of the Act.
7	Proceedings of Board of Directors	Meetings of Board of Directors, quorum for the meetings, notice calling the meetings, etc., including the operational parts are amended to align with the provisions of the Act.
8	Powers of Directors	Specific powers of Directors to be exercised at the meeting of the Board amended in accordance with the Act.
9	Appointment of Key Managerial Personnel	Article introduced to align new provisions relating to appointment of Key Managerial Personnel (KMP) including Chief Executive Officer, Chief Financial Officer, Manager and Company Secretary.
10	Indemnity and Insurance to Directors and Officers	Amended to provide for indemnification to Directors and Officers in accordance with the provisions of the Act.
11	Notice and Service of Documents	Amended to align with the provisions of the Act.
12	General Powers	New article inserted to specifically authorise the Company to carry out such transactions as have been permitted by the Act without there being any specific article in that behalf provided in the Articles of Association.

A copy of the proposed new set of Articles of Association and a copy of the present Articles of Association of the Company will be available for inspection by members at the registered office of the Company between 2.00 p.m. and 4.00 p.m. on any working day (Monday to Friday), up to the date of the Thirtieth Annual General Meeting.

None of the Directors/Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of the Notice.

Item nos. 8 to 13

Pursuant to the provisions of Section 188, if and to the extent applicable, and other applicable provisions of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), all related party transactions beyond the thresholds mentioned in Rule 15(3) (a) require prior approval of the Members in general meeting. Further, as per the provisions of Clause 49 (VII) of the Listing Agreement, as amended from time to time, all related party transactions require prior approval of the Audit Committee and all material transactions with related parties require approval of the members of a public listed company through a special resolution and the related parties are required to abstain from voting on such resolution.

“Material Related Party Transaction” under Clause 49 means any transaction to be entered into individually or taken together

with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements. The annual consolidated turnover of the Company for the financial year 2014-15 is ₹ 1,403.04 Crore. Accordingly, any transaction(s) by the Company with a related party (except with its wholly owned subsidiaries) exceeding ₹ 140.30 Crore (10% of the Company’s annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members is required for the same.

The Company is a Core Investment Company (CIC) registered with the Reserve Bank of India (the RBI). In accordance with ‘The CICs (Reserve Bank) Regulations, 2011’ (the Regulations), the Company is required to hold not less than 90% of its net assets in the form of investments in equity shares, preference shares, bonds, debentures, debt or loans in its group companies. Further, the Company’s investments in the equity shares of group companies shall not be less than 60% of its net assets at any point of time. Accordingly, the Company has made investments in its group companies and it also makes further investments and/or lends funds in/to its group companies from time to time as and when they require funds for their business activities/working capital needs. Further, the Company may enter into transactions with its related parties for giving and taking of property on lease, availing of demat, brokerage and professional services, purchase and/or sale of securities, etc. from time to time.

Annexure to Notice (contd.)

The Company had already obtained the approval of members by way of Postal Ballot on December 22, 2014 for entering into transactions with the related parties mentioned in the resolutions at item nos. 8 to 13. The current approval of members is valid up to December 21, 2015. In order to have a continuity in entering into transactions with related parties, it would be

necessary to have the approval of members without any break. Therefore, to avoid approaching the members by way of Postal Ballot other than at the AGM and to achieve cost efficiency, it is considered desirable to obtain the members' approval at the forthcoming AGM.

Members' approval is hence sought for the following transactions which may be entered into by the Company with its related parties from time to time:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Amount (in ₹)
1.	JM Financial Products Limited (Item No. 8 of the Notice)	Subsidiary Company	Loans/Inter-corporate deposits/making investments/giving of guarantees or providing security/purchase and/or sale of securities, etc.	Up to ₹ 500 Crore
2.	JM Financial Services Limited (Item No. 9 of the Notice)	Subsidiary Company	Loans/Inter-corporate deposits/making investments/giving of guarantees or providing security/purchase and/or sale of securities/ availing or rendering of services/giving or taking of immovable property on lease, etc.	Up to ₹ 500 Crore
3.	JM Financial Asset Management Limited (Item No. 10 of the Notice)	Subsidiary Company	Loans/Inter-corporate deposits/making investments/giving of guarantees or providing security/purchase and/or sale of securities, etc.	Up to ₹ 200 Crore
4.	JM Financial Credit Solutions Limited (formerly known as FICS Consultancy Services Limited) (Item No. 11 of the Notice)	Subsidiary Company	Loans/Inter-corporate deposits/making investments/giving of guarantees or providing security/ purchase and/or sale of securities/availing or rendering of services, etc.	Up to ₹ 500 Crore
5.	JM Financial Asset Reconstruction Company Private Limited (Item No. 12 of the Notice)	Associate Company	Loans/Inter-corporate deposits/making investments/giving of guarantee or providing security/purchase and/or sale of securities, etc.	Up to ₹ 500 Crore
6.	Astute Investments (Partners - JM Financial Services Limited and JM Financial Commtrade Limited) (Item No. 13 of the Notice)	Partnership Firm in the Group	Loans	Up to ₹ 500 Crore

The above transactions, which are enabling in nature, have been approved by the Audit Committee and by the Board at its meetings held on May 27, 2015 and May 29, 2015, in terms of the requirements of the revised Clause 49 (VII).

The ceiling on the amounts of transactions specified as above would mean the transactions entered into and remaining outstanding at any point in time.

The Board commends passing of the Special Resolutions set out at item nos. 8 to 13 of the Notice.

Mr. Darius E Udawadia and Mr. E A Kshirsagar are Directors of JM Financial Products Limited and as such would be interested in the above transactions between the Company and JM Financial Products Limited.

Mr. Nimesh Kampani and Mr. Keki Dadiseth are Directors of JM Financial Services Limited and as such would be interested in the above transactions between the Company and JM Financial Services Limited.

Mr. Nimesh Kampani has 5.31% shareholding in JM Financial Asset Management Limited and as such he would be interested in the above transactions between the Company and JM Financial Asset Management Limited.

Mr. Vishal Kampani, son of Mr. Nimesh Kampani is a Director of JM Financial Products Limited, JM Financial Services Limited and JM Financial Credit Solutions Limited (formerly known as

FICS Consultancy Services Limited) and as such he would be interested in the above transactions between the Company and each of the said three related parties.

Mr. Manish Sheth is a Director of JM Financial Credit Solutions Limited and as such he would be interested in the above transactions between the Company and JM Financial Credit Solutions Limited.

Except the above persons, none of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way concerned or interested, financially or otherwise, in the Special Resolutions set out at item nos. 8 to 13 of the Notice.

By Order of the Board

P K Choksi

Group Head - Compliance, Legal
& Company Secretary

Date: May 29, 2015

Registered Office:

7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai - 400 025
(CIN: L67120MH1986PLC038784)

ADDITIONAL INFORMATION OF DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AT THE THIRTIETH ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT AS ON MARCH 31, 2015

Name of the Director	Mr. Nimesh Kampani		
Date of Birth	September 30, 1946		
Date of Appointment	June 12, 1987		
Qualifications	B.Com, FCA		
Expertise in specific functional areas	Investment Banking including Merger, Acquisitions & Restructuring, Corporate Finance and Capital Markets		
Brief Profile	Mr. Nimesh Kampani is the founder and Chairman of the JM Financial Group, one of India's leading players in the financial services space. Founded in 1973, JM Financial Group has interests in investment banking, institutional equity sales, trading and research, private and corporate wealth management, equity broking, portfolio management, non-banking financial activities, mutual fund management, alternative asset management (private equity fund and real estate fund), commodities broking and distressed debt acquisition and reconstruction. Beginning 1997, JM Financial had a decade long joint venture with Morgan Stanley in the areas of investment banking and securities business. In a career spanning over four decades, Mr. Kampani has made pioneering contributions to the development of the Indian capital market and has advised several corporates on their strategic and financial needs, especially, capital raising, mergers & acquisitions and investors on the focus areas for investing. Mr. Kampani has served as a member on several important committees constituted by the Ministry of Finance, Government of India, Reserve Bank of India, Securities and Exchange Board of India, Bombay Stock Exchange, National Stock Exchange of India Limited, Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI) and Institute of Chartered Accountants of India. He was a member of the High Powered Expert Committee constituted by the Ministry of Finance on making Mumbai an International Finance Centre and also a member of the Advisory Panel on Financial Regulation and Supervision of the Committee on Financial Sector Assessment constituted by the Reserve Bank of India. He was a member on the Bloomberg Asia Pacific Advisory Board and on the Advisory Board of Rieter India. Mr. Kampani is the Chairman of the CII's National Committee on Capital Markets. He is also on the Governing Board of Centre for Policy Research, which is a non-profit, non-partisan and autonomous research institution and one of India's premier think tanks in public policy. Mr. Kampani is also a member on the India Advisory Board of Bain & Company and Advisory Board of VentureStudio promoted by Ahmedabad University. VentureStudio has been setup by Ahmedabad University in collaboration with Centre for Design Research at Stanford University, California, USA. VentureStudio aims to create entrepreneurship in the young generation in India and provide them opportunities to start up new ventures. Mr. Kampani is actively engaged in social outreach through two foundations, namely, Kampani Charitable Trust (formed in February 1983) and JM Financial Foundation (formed in March 2001). These two foundations support several social causes ranging from healthcare, education, research in ayurvedic medicine, animal welfare, employment generation, entrepreneurship development, etc.		
Directorships held in other public companies	● Apollo Tyres Limited ● Britannia Industries Limited ● Deepak Nitrite Limited ● JM Financial Institutional Securities Limited ● JM Financial Services Limited ● Kampani Consultants Limited ● KSB Pumps Limited		
Membership of Committees in other public companies*	Name of the Company	Audit Committee	Stakeholders' Relationship Committee
	Britannia Industries Limited	Member	Member
	JM Financial Services Limited	Chairman	-
	JM Financial Institutional Securities Limited	Chairman	-
Shareholding in the Company	Mr. Kampani holds 13,53,57,500** as on March 31, 2015.		

*Only Audit Committee and Stakeholders' Relationship Committee memberships have been considered.

** Includes 12,50,000 equity shares held by Nimesh Kampani HUF.

Name of the Director	Ms. Jagi Mangat Panda		
Date of Birth	November 6, 1966		
Date of Appointment	March 31, 2015		
Qualifications	Bachelors in Biology and Chemistry, Osmania University (Hyderabad), 1987-88 Management Development Programme (Executive MBA) at the Indian Institute of Management Ahmedabad (IIM-Ahmedabad), 1996		
Expertise in specific functional areas	Media and Broadcasting		
Brief Profile	Ms. Jagi Mangat Panda is the Managing Director of Ortel Communications Limited since December 22, 2007. She holds a bachelor's degree in biology and chemistry from Osmania University and also participated in the three-tier middle management programme for management development at the Indian Institute of Management, Ahmedabad. She has been awarded and recognized as the "Young Global Leader" at the World Economic Forum in 2008. She has more than 19 years of experience in the media and broadcasting industry.		
Directorships held in other public companies	● Ortel Communications Limited ● Odisha Television Limited ● Metro Skynet Limited ● Tarang Broadcasting Company Limited		
Membership of Committees in other public companies*	Name of the Company	Audit Committee	Stakeholders' Relationship Committee
	Ortel Communications Limited	Member	-
	Odisha Television Limited	Chairperson	-
Shareholding in the Company	Ms. Panda did not hold any equity shares in the Company as on March 31, 2015 either on her own or through other persons on a beneficial basis.		

*Only Audit Committee and Stakeholders' Relationship Committee memberships have been considered.

Directors' Report

To

The Members,

The Directors of the Company take pleasure in presenting their Thirtieth Annual Report together with the annual audited financial statements for the financial year ended March 31, 2015.

FINANCIAL RESULTS

The summary of the Company's financial performance, both on a consolidated and standalone basis, for the financial year 2014-15 as compared to the previous financial year 2013-14 is given below:

(₹ in Crore)

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Gross income	1,403.04	1,006.67	104.54	87.16
Profit before depreciation and amortisation expenses, finance costs & tax expenses	955.16	603.23	88.49	75.27
Less: Depreciation and amortisation expenses	18.05	15.24	0.40	0.41
Finance costs	420.20	307.83	7.59	0.09
Profit before tax	516.91	280.16	80.50	74.77
Current tax	158.96	83.19	2.50	3.75
Deferred tax	(2.78)	(4.83)	(0.10)	(0.03)
Tax adjustments of earlier years (net)	0.21	1.62	-	-
Profit after tax but before minority interest and share in associate companies	360.52	200.18	78.10	71.05
Less: Share of minority interest	48.76	15.15	-	-
Add: Share in profit of associates	18.76	24.50	-	-
NET PROFIT	330.52	209.53	78.10	71.05

FINANCIAL PERFORMANCE

Consolidated

The consolidated turnover of JM Financial Group stood at ₹ 1,403.04 Crore for the financial year ended March 31, 2015 as against ₹ 1,006.67 Crore for the previous year. The Group made a net profit of ₹ 330.52 Crore for the year ended March 31, 2015 as compared to the net profit of ₹ 209.53 Crore in the previous year.

The consolidated financials reflect the cumulative performances of various subsidiaries and associates of JM Financial Group. Detailed description about these entities is contained in the Management Discussion and Analysis report forming part of the Annual Report.

Standalone

Being a Core Investment Company (CIC), most of our revenue is in nature of dividend income on investments in subsidiary companies.

The turnover of the Company stood at ₹ 104.54 Crore for the year ended March 31, 2015 as against ₹ 87.16 crore in the previous year. The Company made a net profit of ₹ 78.10 Crore for the year ended March 31, 2015 as compared to the net profit of ₹ 71.05 Crore in the previous year.

DIVIDEND

The Board of Directors, at its meeting held on January 28, 2015, had declared an interim dividend of ₹ 0.55 per equity share of the face value ₹ 1/- each (Previous year ₹ 0.45 per share), which was paid to the eligible members on February 11, 2015. The Directors are now pleased to recommend a final dividend of ₹ 0.80 per share for the financial year 2014-15. With this recommendation, the total dividend works out to ₹ 1.35 per share (Previous year ₹ 1/- per share). The total outgo on account of interim and final dividend would be ₹ 106.15 Crore for the financial year 2014-15 as against ₹ 75.60 Crore in the previous year. The total amount of dividend distribution tax, on a consolidated basis, is ₹ 20.22 Crore as against ₹ 13.58 Crore in the previous year.

The final dividend, if declared at the Thirtieth Annual General Meeting, will be paid on and from August 1, 2015 to those members whose names appear in the Register of Members at the close of the business hours on June 9, 2015. In respect of shares held in dematerialised form, dividend will be credited to the bank accounts of the members as per the data furnished by the Depositories as at the close of business hours on June 9, 2015.

Directors' Report (contd.)

APPROPRIATIONS

The following appropriations have been made from the profits of the Company:

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Net Profit	330.52	209.53	78.10	71.05
Add: Balance profit brought forward from previous year	1,456.70	1,379.51	1,062.74	1,075.90
Less: Depreciation of earlier years adjusted	0.28	-	#	-
Profit available for appropriation	1,786.94	1,589.04	1,140.84	1,146.95
Less: Appropriations				
Interim dividend	43.09	33.99	43.09	33.99
Proposed Final dividend	63.06	41.61	63.06	41.61
Dividend on equity shares allotted after the adoption of previous years' accounts	0.10	0.02	0.10	0.02
Dividend distribution tax	20.22	13.58	2.29	1.08
Transferred to General reserve	-	11.40	-	7.50
Transferred to Statutory reserve	63.39	27.10	15.63	-
Transferred to Capital redemption reserve	-	4.64	-	-
Surplus carried to balance sheet	1,597.08	1,456.70	1,016.67	1,062.74

denote amounts below ₹ 50,000/-

SHARE CAPITAL

Issue of shares pursuant to the exercise of right by Warrant-holders

The Allotment Committee of the Board allotted an aggregate of 2,32,93,878 equity shares of the face value of ₹ 1/- each to the following allottees, upon the exercise of right by them as Warrantholders.

Sr. No.	Name of the Allottees	No of Equity Shares allotted	Date of Allotment
1	Mr. Vikram Shankar Pandit	1,16,46,939	December 11, 2014
2	Mr. Hariharan Ramamurthi Aiyar	58,23,470	December 23, 2014
3	Mrs. Aparna Murthy Aiyar	58,23,469	December 23, 2014

Issue of shares arising out of Employee Stock Option Scheme

During the FY 2014-15, the Allotment Committee of the Board allotted an aggregate of 50,86,302 equity shares upon exercise of stock options by the eligible employees (the Employees) under Employees Stock Option Scheme – Series 4, Series 5 and Series 6.

Consequent upon the allotments made to the Warrantholders and the Employees as above, the paid-up equity share capital of the Company has increased to ₹ 78,37,23,677 (comprising 78,37,23,677 equity shares of ₹ 1/- each) as on March 31, 2015 from ₹ 75,53,43,497 as at the end of the previous financial year (comprising 75,53,43,497 equity shares of ₹ 1/- each).

Additionally, the Allotment Committee of the Board at its meetings held on April 16, 2015, May 13, 2015 and May 29, 2015, has respectively allotted 16,59,799, 21,13,641 and 7,67,257 equity shares to the Employees upon exercise of stock options by them. Upon these allotments, the paid-up equity share capital of the Company has increased post March 31, 2015 to ₹ 78,82,64,374 representing 78,82,64,374 equity shares of the face value of ₹ 1/- each.

EMPLOYEE STOCK OPTION SCHEME

The Nomination and Remuneration Committee (then called Compensation Committee) of the Board of the Company granted 44,85,267 stock options to the eligible employees (the Employees) under the Employee Stock Option Scheme – Series 7 on April 1, 2014. Out of the total number of stock options so far granted under Series 1 to 7, 47,11,289 stock options have lapsed and 1,05,60,299 stock options have been exercised by the Employees. The aggregate number of stock options outstanding as on March 31, 2015 is 2,40,49,622.

The Nomination and Remuneration Committee of the Board, at its meeting held on April 16, 2015, further granted 14,44,440 stock options to the Employees under the Employee Stock Option Scheme - Series 8.

The disclosures required to be made under applicable SEBI Regulations/Guidelines and Section 62(1) of the Companies Act, 2013 (hereinafter called "the Act") read with Rule 12(2) of the Companies (Share Capital and Debentures) Rules, 2014 are given in **Annexure I** to this Report.

DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from the public.

SUBSIDIARIES AND ASSOCIATES

As on March 31, 2015, the Company had 18 entities as its subsidiaries (including step down subsidiaries) and associates. The subsidiaries are ; JM Financial Institutional Securities Limited, JM Financial Services Limited, JM Financial Commtrade Limited, JM Financial Overseas Holdings Private Limited (Mauritius), JM Financial Singapore Pte Limited (Singapore), JM Financial

Securities, Inc. (Delaware - United States of America), PT JM Financial Securities Indonesia (Indonesia), JM Financial Products Limited, JM Financial Credit Solutions Limited (formerly known as FICS Consultancy Services Limited), JM Financial Investment Managers Limited, Infinite India Investment Management Limited, JM Financial Asset Management Limited, JM Financial Properties and Holdings Limited, CR Retail Malls (India) Limited, JM Financial Insurance Broking Private Limited and Astute Investments, a partnership firm in which JM Financial Services Limited and JM Financial Commtrade Limited, subsidiaries of the Company are partners.

The Company had 2 associates viz., JM Financial Asset Reconstruction Company Private Limited and JM Financial Trustee Company Private Limited.

During the year, pursuant to an Investment Agreement between the Company, Mr. Vikram Shankar Pandit and Mr. Hariharan Ramamurthi Aiyar, we capitalized JM Financial Credit Solutions Limited (NBFC) with ₹ 350 Crore. This NBFC also received an investment of ₹ 539.78 Crore (including ₹ 14.78 Crore received from Mrs. Aparna Murthy Aiyar) from funds managed by Mr. Vikram Shankar Pandit and Mr. Hariharan Ramamurthi Aiyar.

PT JM Financial Securities, Indonesia, is in the process of being wound up. This decision was made after long-drawn efforts to set up and build team for operations in Indonesia yielded sub-optimum results.

In accordance with Section 129(3) of the Act and Clause 32 of the Listing Agreement, the consolidated financial statements of the Company and all its subsidiary companies have been prepared and duly audited by the Auditors, and form part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary and associate companies is also included in the Annual Report at page nos. 132 & 133.

The Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company viz., www.jmfi.com in accordance with third proviso to Section 136(1) of the Act. Further, audited financial statements of each of the subsidiary companies have also been placed on the website of the Company. Members interested in obtaining a copy of the audited financial statements of the subsidiary companies may write to the Company Secretary at the Company's registered office.

The Company shall make available, the audited financial statements and related information of its subsidiaries, to those members who wish to have copies of the same and these documents will also be kept open for inspection by Members at the registered office of the Company between 2.00 p.m. and 4.00 p.m. on any working day (Monday to Friday), up to the date of the Thirtieth Annual General Meeting.

Reserve Bank of India (RBI) vide its notification dated November 27, 2014, revised guidelines for Licensing of Small Finance Banks and Payment Banks. The Company has decided to not apply for any of these licenses as in its view, the business model envisaged under the conditions of these guidelines are not complementary to its businesses housed in subsidiaries and associates.

AWARDS AND RECOGNITIONS

Various subsidiaries of the Company were conferred the following awards and recognitions during the year:

JM Financial Institutional Securities Limited

- At the Asset's Triple A Country Awards 2014, JM Financial Institutional Securities Limited received the award for the Best M&A House in India.
- At the BW Business World Magna Awards 2015, JM Financial Institutional Securities Limited received the award for the M&A Deal Maker of the Year.

JM Financial Services Limited

- At the UTI MF & CNBC-TV18's Financial Advisor Awards 2013-14, JM Financial Services Limited received the award for Best Performing National Financial Advisor (Institutional).
- At the Great Places to Work For 2014, conducted by The Great Place to Work Institute, India in Partnership with The Economic Times, JM Financial Services Limited received the following awards:
 - Ranked 41st amongst "India's 100 Best Companies to Work for 2014".
 - Ranked 4th best in the Industry (Financial Services) in "India's Best Companies To Work For 2014".

JM Financial Asset Management Limited

- At the Great Places to Work For 2014 conducted by The Great Place to Work Institute, India in Partnership with The Economic Times, JM Financial Asset Management Limited received the following awards:
 - Ranked 50th amongst "India's 100 Best Companies to Work for 2014".
 - Ranked 5th best in the Industry (Financial Services) in "India's Best Companies To Work For 2014".

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, the Board of Directors appointed Ms. Jagi Mangat Panda as an Additional Director (Independent) of the Company with effect from March 31, 2015. Ms. Panda holds office as Additional Director until the Thirtieth Annual General Meeting, and is eligible for appointment as a Director as provided under Article 117 of the Articles of Association of the Company. The Company has received a notice under Section 160 of the Act

Directors' Report (contd.)

from a member with requisite deposit signifying his intention to propose the candidature of Ms. Panda for the office of a Director. A brief profile of Ms. Panda is given in the Notice convening the Thirtieth Annual General Meeting.

Mr. Nimesh Kampani, the Chairman and Managing Director, though appointed as the Managing Director for a fixed term of 5 years with effect from April 1, 2012, will retire by rotation as a Director, to enable compliance by the Company with the provisions of Section 152 of the Act, and being eligible, has offered himself for re-appointment at the Thirtieth Annual General Meeting.

As on March 31, 2015, the Board of Directors of the Company comprised seven Directors, one of whom is the Chairman and Managing Director. The remaining six directors are Non-Executive and Independent Directors.

Mr. Nimesh Kampani, the Chairman and Managing Director is the Key Managerial Personnel (KMP) within the meaning of Section 203(1) of the Act.

Mr. P K Choksi and Mr. Manish Sheth are the other KMPs designated as the Company Secretary and the Chief Financial Officer (CFO) respectively.

All of the above KMPs have been appointed by the Board of Directors as required under the provisions of Section 203(1) of the Act.

DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS

All the Non-Executive and Independent Directors have confirmed to the Board that they qualify to be considered as independent as per the definition of 'Independent Director' stipulated in Section 149(6) of the Act and Clause 49(II)(B)(1) of the Listing Agreement. These confirmations have been placed before, and noted by the Board.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on the Company's policies and strategy apart from other Board matters. The tentative annual calendar of the Board and Committee Meetings is circulated in advance to facilitate the Directors to plan their schedule and to ensure participation in the meetings.

During the financial year 2014-15, eight board meetings were held on May 6, 2014, July 3, 2014, July 31, 2014, September 19, 2014, November 4, 2014, December 12, 2014, January 28, 2015 and March 31, 2015. The gap between the two board meetings did not exceed 120 days.

POLICIES ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policies of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act is appended as **Annexure II (a) & (b)** to this Report.

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee of the Board carried out the annual evaluation of the performance of the Board as a whole, the Directors individually as well as of various Committees of the Board. A structured evaluation feedback form was prepared after taking into consideration the inputs received from the directors, covering various aspects such as board structure and composition, effectiveness of board process, information and functioning, establishment and determination of responsibilities of Committees, and quality of relationship between the board and the management.

Also, a separate questionnaire was prepared to evaluate the performance of individual directors including the Chairman and Managing Director, which had parameters such as professional conduct, roles and functions, discharge of duties, and their contribution to Board/Committee/Senior Management. The performance evaluation of the Independent Directors was carried out by the Nomination and Remuneration Committee and noted in turn by the Board.

BOARD COMMITTEES

Your Company has five Committees of Board, viz,

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee
5. Allotment Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in 'Report on Corporate Governance' forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently and estimates and judgments made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

- (d) the annual accounts have been prepared on a going concern basis;
- (e) internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS

M/s. Khimji Kunverji & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office, in accordance with the provisions of the Act, for a period of three years viz., FY 2014-15, 2015-16 and 2016-17 from the conclusion of the Twenty Ninth Annual General Meeting until the conclusion of the Thirty Second Annual General Meeting i.e., upto the financial year 2016-17. As per Section 139 (2) of the Act and the applicable Rules of the Act, the appointment of Statutory Auditors needs to be ratified by the members at every Annual General Meeting. Accordingly, the members are requested to ratify the appointment of the Statutory Auditors at Thirtieth Annual General Meeting.

SECRETARIAL AUDIT

Pursuant to the requirements of Section 204(1) of the Act, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Naren Shroff & Associates, Company Secretary in Practice to conduct the secretarial audit for the financial year 2014-15.

The Secretarial Audit Report as received from Naren Shroff & Associates is appended to this Report as **Annexure III**.

COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations, adverse remarks or disclaimers made by M/s. Khimji Kunverji & Co., Statutory Auditors, in their Audit Report and by Naren Shroff & Associates, Company Secretary in Practice, in his Secretarial Audit Report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2014-15.

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The CSR Policy of the Company, inter alia, contains the activities that can be undertaken by the Company for CSR, composition and meetings of CSR Committee, details of existing Charitable trusts within the JM Financial group, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/implementation of CSR activities and the monitoring mechanism of CSR activities/projects. The details of CSR activities undertaken by the Company in the prescribed format are described in **Annexure IV** to this Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Company has a well-defined risk management framework in place. Further, it has established procedures to periodically place before the Board, the risk assessment and management measures. The details of the risks faced by the Company and the mitigation thereof are discussed in detail in the Management Discussion and Analysis report that forms part of the Annual Report.

REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS

The reports on Corporate Governance and Management Discussion and Analysis for the year under review, as stipulated under Clause 49 of the Listing Agreement form part of the Annual Report. The certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to the Corporate Governance Report.

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are provided in the Annual Report. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been appended to this Report as **Annexure V**.

The information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection by Members at the registered office of the Company between 2.00 p.m. and 4.00 p.m. on any working day (Monday to Friday), upto the date of the Thirtieth Annual General Meeting. Any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on such request.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments under Section 186 of the Act are not furnished since the provisions of Section 186 of the Act are not applicable to the Company, being a Core Investment Company registered with Reserve Bank of India.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 are appended as **Annexure VI**.

EXTRACT OF ANNUAL RETURN

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is given in the Report as **Annexure VII**.

Directors' Report (contd.)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3) (m) of the Act read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption, and research and development are not applicable to the Company.

During the year, the Company has not earned any foreign exchange on standalone basis; the details of the amount spent in foreign exchange is provided at note number 2.32 of the notes to the standalone financial statements which forms part of the audited financial statements.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, the concerns about behavior of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The details of the said Policy are included in the Report on Corporate Governance which forms part of the Annual Report.

During the financial year 2014-15, no cases under this mechanism were reported in the Company and any of its subsidiaries/associates.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Our policy against sexual harassment is embodied both in the Code of Conduct of JM Financial Group as also in a specifically

written policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2014-15, no cases in the nature of sexual harassment were reported at any workplace of JM Financial group.

ACKNOWLEDGEMENTS

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, Forward Markets Commission, Metropolitan Stock Exchange of India Limited, National Commodity and Derivatives Exchange Limited, National Securities Depository Limited, Central Depository Services (India) Limited, other government and regulatory authorities, lenders, financial institutions and the bankers of JM Financial group for their ongoing support.

The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company and its subsidiaries/associates across all levels, resulting in satisfactory performance during the year.

On behalf of the Board of Directors

Place : Mumbai
Date : May 29, 2015

Nimesh Kampani
Chairman and Managing Director

ANNEXURE I

Details of Employee Stock Option Scheme as stipulated under SEBI (Share Based Employee Benefits) Regulations, 2014 and Companies Act, 2013

1. Options granted during FY 2014-15	: 44,85,267																								
2. Pricing formula	: As determined by the Nomination and Remuneration Committee.																								
3. Options vested during FY 2014-15	: 62,49,616																								
4. Options exercised during FY 2014-15	: 50,86,302																								
5. Total number of shares arising as a result of exercise of Options during FY 2014-15	: 50,86,302																								
6. Options lapsed during FY 2014-15	: 5,27,356 (due to attrition)																								
7. Variation of terms of Options	: None																								
8. Money realised from the Employees by exercise of Options during FY 2014-15	: ₹ 50,86,302*																								
9. Total Options in force as on March 31, 2015	: 2,40,49,622																								
10. Employee wise details of Options granted to:																									
(i) senior managerial personnel	: 25,11,594 Stock Options have been granted to 20 senior managerial personnel (eligible employees/directors of the Company and/or its subsidiaries).																								
(ii) any other employee who received a grant in any one year of Option amounting to 5% or more Options granted during that year	: None																								
(iii) identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	: None																								
11. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) - 20 'Earnings Per Share'.	As per Standalone earnings: ₹ 1.00 As per Consolidated earnings: ₹ 4.25																								
12. Difference between the employee compensation cost using intrinsic value method and fair value method. The impact of this difference on profits and on EPS of the Company.	a. On Standalone basis Net profit would have been reduced by ₹ 2.37 Crore<table><tr><th>Particulars</th><th>As reported</th><th>As adjusted</th></tr><tr><td>Net profit (₹ in Crore)</td><td>78.10</td><td>75.73</td></tr><tr><td>Basic EPS (₹)</td><td>1.02</td><td>0.99</td></tr><tr><td>Diluted EPS (₹)</td><td>1.00</td><td>0.97</td></tr></table> b. On Consolidated basis Net profit would have been reduced by ₹ 1.95 Crore<table><tr><th>Particulars</th><th>As reported</th><th>As adjusted</th></tr><tr><td>Net profit (₹ in Crore)</td><td>330.52</td><td>328.57</td></tr><tr><td>Basic EPS (₹)</td><td>4.32</td><td>4.29</td></tr><tr><td>Diluted EPS (₹)</td><td>4.25</td><td>4.22</td></tr></table>	Particulars	As reported	As adjusted	Net profit (₹ in Crore)	78.10	75.73	Basic EPS (₹)	1.02	0.99	Diluted EPS (₹)	1.00	0.97	Particulars	As reported	As adjusted	Net profit (₹ in Crore)	330.52	328.57	Basic EPS (₹)	4.32	4.29	Diluted EPS (₹)	4.25	4.22
Particulars	As reported	As adjusted																							
Net profit (₹ in Crore)	78.10	75.73																							
Basic EPS (₹)	1.02	0.99																							
Diluted EPS (₹)	1.00	0.97																							
Particulars	As reported	As adjusted																							
Net profit (₹ in Crore)	330.52	328.57																							
Basic EPS (₹)	4.32	4.29																							
Diluted EPS (₹)	4.25	4.22																							
13. Weighted-average exercise prices and weighted average fair values of Options for Options whose exercise price is either equal to or exceeds or is less than the market price of the stock Options.	Weighted average exercise price: ₹ 1.00 Weighted average value of option: ₹ 19.83																								
14. A description of the method and significant assumptions used during the year to estimate the fair values of Options, including the following weighted-average information:																									
i. Risk-free interest rate	: 9.00%																								
ii. Expected life	: 5.5 years																								
iii. Expected volatility	: 57.32%																								
iv. Expected dividend yield	: 3.63%																								
v. The price of the underlying share in market at the time of Option grant	: ₹24.95																								

* In addition to the above an aggregate amount of ₹ 8,45,35,693 being the difference between the market price and the exercise price on the date of the grant of the stock options, is being paid by the respective subsidiary companies in respect of the Employees to whom stock options have been granted.

Directors' Report (contd.)

ANNEXURE II (a)

POLICY ON SELECTION AND APPOINTMENT OF DIRECTORS

Objective:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 (the Act), the Nomination and Remuneration Committee of a company is required formulate the criteria for determining the qualifications, positive attributes and independence of a director proposed to be appointed as an director on the board of the company.

This Policy document records the criteria for selection and appointment of directors on the Board of the Company.

Scope:

This Policy is applicable to selection and appointment of directors on the Board of the Company.

Criteria for selection of Directors:

The Nomination and Remuneration Committee ('the Committee') of the Board of the Company to keep the following criteria in mind while assessing the suitability of an individual as a director on the Board of the Company:

- Demonstration of independence, integrity, high personal and professional ethics;
- Ability and willingness to commit sufficient time to the responsibilities as a Board member;
- Understanding of the Company's/Group's business and related industry;
- General understanding of marketing, finance, and other disciplines relevant to the business of the Company/Group;
- Educational and professional background – professional qualification and/or experience of having run a business at senior management and decision making level;
- Age giving sufficient experience as well as length of service available;
- Ability to assessment the conflict of interest, if any;
- Personal accomplishments and ability to influence decisions.

The above are the broad parameters for assessing the candidate's suitability. The Committee has the discretion to apply additional or different criteria as it may deem fit.

The Committee may also consider the contributions that a board candidate can be expected to make to the collective functioning of the Board based upon the totality of the candidate's credentials, experience and expertise, the composition of the Board at the time, and other relevant circumstances.

The Committee will also keep in mind regulatory requirements in this regard. For example, a person cannot serve on more than seven public listed company boards in addition to the Company. Also a person who serves as the Managing Director/Chief Executive Officer (or equivalent position) of any company cannot serve on the Board of more than three additional public listed companies.

The Company may appoint or re-appoint any person as the Managing Director and/or Whole-time Director for a term not exceeding five years at a time. Further, they shall not be re-appointed earlier than one year before the expiry of their term.

An Independent Director can hold office for a term up to five consecutive years on the Board of the Company and he is eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director can hold office for more than two consecutive terms of five years, but such Independent Director is eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The Committee shall assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board.

Persons to be considered for appointment as directors are selected by the Nomination and Remuneration Committee in accordance with the policies and principles above and under the Act and the Listing Agreement. The invitation to join the Board may be extended by the Chairman of the Board.

ANNEXURE II (b)

POLICY ON PERFORMANCE EVALUATION AND REMUNERATION OF THE DIRECTORS

Scope:

- All members of the Board of Directors

Objective

- To assist in the process of assessing the participation and contribution in the Board level deliberations by the directors of JM Financial Limited
- To monitor and evaluate the attainment of the Board objectives
- To provide the Directors an opportunity to reflect on, and assess their areas of strength and development

Evaluation Process for Independent Directors:

JM Financial Group follows annual 360 degree evaluation for its Key Managerial Persons and other eligible employees including the senior management team. A process modelled on this method has been designed for evaluation of Directors. Under this process, the Company Management team will:

- help define criteria for evaluations
- formulate the process for evaluating and rating each Director
- design the evaluation templates/questionnaire and implementation process
- coordinate and collate feedback received from each Director
- analyse feedback received from each Director and prepare summary thereof
- share the evaluation summary with the Chairman of the Nomination and Remuneration Committee
- share the feedback with the Chairman of the Board

The above process will be implemented and controlled from the Chairman's office and the summary will be prepared without attributing any comment to the person who made it. Such summary of observations will be shared with the directors in confidence.

Key Evaluation Criteria

- Providing effective leadership and strategic guidance to the management
- Understanding the Business, including the Risks and regulatory landscape
- Attendance at, and active engagement in the discussion of business performance, competitive landscape and strategies
- Development and monitoring of leadership teams
- Compliance focus and insistence on ethical business practices
- Nudging for long term focus areas such as Succession Planning, Business Continuity Planning etc.
- Management of conflicts in Board discussion
- Management of Conflict of Interest

Criteria for determination of Remuneration of Directors

The Non-executive Directors and Independent Directors will receive remuneration by way of sitting fees for attending meetings of the Board and/or Committee thereof, as decided by the Board from time to time subject to the limits specified under the Companies Act, 2013 (the Act) including any amendments thereto. In addition to the sitting fees, the Non-executive and Independent Directors may also be paid commission as may be determined by the Board subject to the limits specified under the Act.

The remuneration of Non-executive Directors and Independent Directors will be governed by the role assumed, number of meetings of the Board and the committees thereof attended by the directors, the position held by them as the Chairman and member of the committees of the Board and overall contribution to the business. Besides these, the determination of remuneration of independent directors will also depend on the external competitive environment, track record, individual performance of the directors and performance of the Company as well as the industry standards.

The compensation structure for Executive Director consists of two parts – Fixed and Variable:

▪ Fixed compensation

The objective of fixed compensation is to ensure internal and external parity. The fixed component is reviewed annually and a market aligned fixed compensation structure is proposed.

▪ Variable compensation

Apart from the fixed component, Executive Directors are eligible for a performance linked variable compensation component i.e. 'Discretionary Bonus'. The payout of this component depends on Executive Director's individual performance and performance of the Company.

The compensation strategy of the Company is meritocracy-based and the remuneration policy is designed to encourage high performance culture while aligning itself to the highly competitive business environment.

The compensation structure of the Executive Director is also being reviewed by the Nomination and Remuneration Committee and approved by the Shareholders of the Company.

The Fixed and Variable compensation of Executive Director is determined on the basis of:

- Market benchmarking
- Individual performance
- Performance of the Company

Secretarial Audit Report

For the Financial Year ended 31st March, 2015

ANNEXURE III

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
JM FINANCIAL LIMITED
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi,
Mumbai - 400025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JM FINANCIAL LIMITED (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. We have examined the Secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, as shown to us during our audit, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

II. We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.

III. During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

IV. We further report that, having regard to the compliance system prevailing in the Company and on examination of relevant documents and record in pursuance thereof, the Company has complied with the following Regulation applicable specifically to the Company;

Core Investment Companies (Reserve Bank) Directions, 2011.

V. We further report that since the Secretarial Standards issued by The Institute of Company Secretaries of India were not notified by 31st March, 2015, we have not commented on the compliance of the same.

VI. The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 ('SEBI Act') were, in our opinion, not attracted during the financial year under report;

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

VII. The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder in relation to Overseas Direct Investment and External Commercial Borrowings were not attracted during the financial year under report.

VIII. We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors/Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

IX. We have relied on the representation made by the Company and its officers for the compliance of various applicable laws, rules, regulations and guidelines and after examining the system and mechanism followed by the Company for compliances we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure the compliance of applicable laws, rules, regulations and guidelines.

- X. We further report that during the audit period the Company has;
 - a. Allotted 2,32,93,878 equity shares of Re. 1/- each on conversion of equal number of warrants issued on preferential basis.
 - b. Allotted 50,86,302 equity shares of Re. 1/- each under Employees Stock Option Scheme, on various dates.
 - c. Authorised the Board of Directors of the Company under section 180(1)(a) of the Act to create charge on the Company's assets/properties vide special resolution passed through Postal Ballot.

For **Naren Shroff & Associates**
Company Secretaries

Naren S. Shroff
Proprietor
FCS-2414, CP-1563

Dated : 29/05/2015
Place : Mumbai

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

ANNEXURE A

(To the Secretarial Audit Report of JM FINANCIAL LIMITED for the financial year ended 31st March, 2015)

To,
The Members,
JM FINANCIAL LIMITED
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400025

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. In respect of the filing of forms/returns by the Company, related to the period under audit, we have not observed any material non-compliance, which can have bearing on the financials of the Company and hence have not reported in our audit report.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Naren Shroff & Associates**
Company Secretaries

Naren S. Shroff
Proprietor
FCS-2414, CP-1563

Dated : 29/05/2015
Place : Mumbai

Directors' Report (contd.)

ANNEXURE IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

- The CSR Policy of the Company contains the activities that can be undertaken by the Company for CSR, composition of CSR Committee, details of existing charitable trusts within the JM Financial group, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/implementation of CSR activities and the monitoring mechanism of CSR activities/projects. The CSR Policy is hosted on the Company's website viz., www.jmfl.com.

The details of the projects undertaken by the Company are given in the Management Discussion and Analysis Report forming part of the Annual Report.

- The Composition of the CSR Committee:
 - Mr. Nimesh Kampani (Chairman)
 - Mr. Paul Zuckerman (Independent Director)
 - Mr. Keki Dadiseth (Independent Director)
- Average net profit of the Company for last three financial years : ₹ 7.80 Crore
- Prescribed CSR Expenditure (two per cent of the amount at item 3 above) : ₹ 15.60 Lakh
- Details of CSR spent during the financial year :

Total amount to be spent for the financial year	: ₹ 16.00 Lakh
Amount unspent, if any	: Nil

Manner in which the amount spent during the financial year is detailed below :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or activity identified.	Sector in which the Project is covered	Projects or programmes a. Local area or other b. Specify the State and the State and district where projects or programmes was undertaken.	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (i) Expenditure on projects or programs. (2) Overheads.	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency.
1	Ashoka University	Education	Sonipat, Haryana	₹ 8.84 Lakh	The whole amount as mentioned under column no. 5 of this table will be spent on education and healthcare sectors by the Company through its implementing agencies, viz., JM Financial Foundation and Kampani Charitable Trust. However, the said foundation/trust will spend the amount on CSR activities as per the specific instructions given by the CSR Committee over a specified time frame. No overhead expenditure is proposed to be incurred on these projects.	₹ 8.84 Lakh	The earmarked amount has been contributed to JM Financial Foundation and Kampani Charitable Trust through whom the CSR activities will be undertaken. Details regarding the activities of these Trusts are given under the Corporate Social Responsibility section of Management Discussion and Analysis Report.
2	SRCC's Children's Hospital	Healthcare	Mumbai, Maharashtra	₹ 7.16 Lakh		₹ 7.16 Lakh	

- In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: **Not Applicable**

The CSR committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

for **JM Financial Limited and Corporate Social Responsibility Committee**

Nimesh Kampani
Chairman and Managing Director &
Chairman of Corporate Social Responsibility Committee

ANNEXURE V

Disclosures pursuant to rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Disclosure Requirement	Disclosure Details																				
1.	Ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Mr. Nimesh Kampani, the Chairman & Managing Director Ratio: 18.49 times																				
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<table><tr><th>Director/KMP</th><th>Designation</th><th>% increase/ (decrease) in Remuneration</th></tr><tr><td>Mr. Nimesh Kampani</td><td>Chairman & Managing Director</td><td>5.35%</td></tr><tr><td>Mr. P K Choksi</td><td>Group Head – Compliance, Legal & Company Secretary</td><td>14.31%</td></tr><tr><td>Mr. Manish Sheth</td><td>Group Chief Financial Officer</td><td>12.05%</td></tr></table>	Director/KMP	Designation	% increase/ (decrease) in Remuneration	Mr. Nimesh Kampani	Chairman & Managing Director	5.35%	Mr. P K Choksi	Group Head – Compliance, Legal & Company Secretary	14.31%	Mr. Manish Sheth	Group Chief Financial Officer	12.05%								
Director/KMP	Designation	% increase/ (decrease) in Remuneration																				
Mr. Nimesh Kampani	Chairman & Managing Director	5.35%																				
Mr. P K Choksi	Group Head – Compliance, Legal & Company Secretary	14.31%																				
Mr. Manish Sheth	Group Chief Financial Officer	12.05%																				
3.	Percentage increase in the median remuneration of employees in the financial year	11.75%																				
4.	Number of permanent employees on the rolls of Company at the end of the year	13																				
5.	Explanation on the relationship between average increase in remuneration and Company performance	The remuneration expenses of the Company has increased by 9.38% as against 41.12% increase in the revenues for the FY 2014-15. The increase in the remuneration is based on the following factors: ● Performance of the Company on consolidated basis. ● Individual performance. ● Compensation benchmarking with market and trends in the industry.																				
6.	Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company	Aggregate compensation of KMPs has increased by 8.93% as against 41.12% increase in revenues for the FY 2014-15.																				
7.	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	<table><tr><th>Particulars</th><th>March 31, 2015</th><th>March 31, 2014</th><th>Variation (%)</th></tr><tr><td>Market Capitalisation</td><td>₹ 3,738.36 Crore</td><td>₹ 1,888.36 Crore</td><td>197.97%</td></tr><tr><td>Price earnings ratio (based on consolidated EPS)</td><td>11.04</td><td>8.99</td><td>22.80%</td></tr></table> As on March 31, 2015, the shares of the Company were quoted at ₹ 47.70 per share on National Stock Exchange of India Limited and ₹ 48.05 per share on BSE Limited. The Stock price as at March 31, 2015 has increased 11,963% to ₹ 47.70/48.05 over the last public offering in April 1991 at a price of ₹ 0.40 per share (adjusted for sub-division and bonus in 2008).	Particulars	March 31, 2015	March 31, 2014	Variation (%)	Market Capitalisation	₹ 3,738.36 Crore	₹ 1,888.36 Crore	197.97%	Price earnings ratio (based on consolidated EPS)	11.04	8.99	22.80%								
Particulars	March 31, 2015	March 31, 2014	Variation (%)																			
Market Capitalisation	₹ 3,738.36 Crore	₹ 1,888.36 Crore	197.97%																			
Price earnings ratio (based on consolidated EPS)	11.04	8.99	22.80%																			
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The aggregate remuneration of employees other than managerial personnel has increased by 10.78% and that of the KMPs has increased by 8.93%.																				
9.	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	<table><tr><th>Directors/KMP</th><th>Designation</th><th colspan="2">Remuneration – FY 2014-15</th></tr><tr><td></td><td></td><th>% of PBT (standalone)</th><th>% of PBT (Consolidated)</th></tr><tr><td>Mr. Nimesh Kampani</td><td>Chairman & Managing Director</td><td>4.74%</td><td>0.74%</td></tr><tr><td>Mr. P K Choksi</td><td>Group Head – Compliance, Legal & Company Secretary</td><td>2.21%</td><td>0.34%</td></tr><tr><td>Mr. Manish Sheth</td><td>Group Chief Financial Officer</td><td>2.04%</td><td>0.32%</td></tr></table>	Directors/KMP	Designation	Remuneration – FY 2014-15				% of PBT (standalone)	% of PBT (Consolidated)	Mr. Nimesh Kampani	Chairman & Managing Director	4.74%	0.74%	Mr. P K Choksi	Group Head – Compliance, Legal & Company Secretary	2.21%	0.34%	Mr. Manish Sheth	Group Chief Financial Officer	2.04%	0.32%
Directors/KMP	Designation	Remuneration – FY 2014-15																				
		% of PBT (standalone)	% of PBT (Consolidated)																			
Mr. Nimesh Kampani	Chairman & Managing Director	4.74%	0.74%																			
Mr. P K Choksi	Group Head – Compliance, Legal & Company Secretary	2.21%	0.34%																			
Mr. Manish Sheth	Group Chief Financial Officer	2.04%	0.32%																			

10. Key parameters for any variable component of remuneration availed by the directors	The key parameters for variable component of remuneration availed by directors are: ● Group Performance; ● Business Performance; and ● Individual Performance.
11. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not applicable.
12. Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid to the employees including KMPs is as per the Remuneration Policy of the Company

Note:

The Non-executive and Independent Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the members. The details of remuneration of Non-executive and Independent Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-executive and Independent Directors Remuneration is therefore not considered for the above purpose.

On behalf of the Board of Directors

Place : Mumbai

Date : May 29, 2015

Nimesh Kampani

Chairman and Managing Director

ANNEXURE VI

FORM AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto

1. Details of material contracts or arrangements or transactions not at arm's length basis:

All contracts/arrangements/transactions entered into during the year ended March 31, 2015, were at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any.	Amount paid as advances, if any.
JM Financial Products Limited (Subsidiary Company)	Sale of 9,50,50,000 Preference Shares of JM Financial Properties and Holdings Limited, a wholly owned subsidiary of the Company.	Not applicable	Sale consideration - ₹ 95,05,00,000	Not applicable.	Not applicable.

On behalf of the Board of Directors

Place : Mumbai

Date : May 29, 2015

Nimesh Kampani

Chairman and Managing Director

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	: L67120MH1986PLC038784
ii) Registration Date	: January 30, 1986
iii) Name of the Company	: JM Financial Limited
iv) Category/Sub-Category of the Company	: Company limited by shares and an Indian Non-Government Company.
v) Address of the Registered office and contact details	: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai-400025 T: 022-6630 3030 F: 022-6630 3223 Email: prashant.choksi@jmfml.com Website: www.jmfml.com
vi) Whether listed company	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	: Sharepro Services (India) Private Limited 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai-400072 T: 022-6772 0300 F: 022-2285 1568 Email: sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Core Investment Company	64200	-
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	JM Financial Institutional Securities Limited (formerly known as JM Financial Institutional Securities Private Limited) 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U65192MH1995PLC092522	Subsidiary	100.00	2(87)(ii)
2	JM Financial Products Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U74140MH1984PLC033397	Subsidiary	90.00	2(87)(ii)
3	JM Financial Asset Management Limited (formerly known as JM Financial Asset Management Private Limited) 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U65991MH1994PLC078879	Subsidiary	53.47	2(87)(ii)
4	JM Financial Investment Managers Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U74100MH1985PLC035954	Subsidiary	100.00	2(87)(ii)
5	Infinite India Investment Management Limited (formerly known as Infinite India Investment Management Private Limited) 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U74140MH2006PLC163489	Subsidiary	100.00	2(87)(ii)
6	JM Financial Credit Solutions Limited (formerly known as FICS Consultancy Services Limited) 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U74140MH1980PLC022644	Subsidiary	50.01	2(87)(ii)

Directors' Report (contd.)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
7	JM Financial Properties and Holdings Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U65990MH2010PLC201513	Subsidiary	100.00	2(87)(ii)
8	JM Financial Insurance Broking Private Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U66000MH2008PTC184656	Subsidiary	100.00	2(87)(ii)
9	JM Financial Services Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U67120MH1998PLC115415	Subsidiary	100.00*	2(87)(ii)
10	JM Financial Commtrade Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U51100MH2005PLC153110	Subsidiary	100.00*	2(87)(ii)
11	CR Retail Malls (India) Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U92190MH1999PLC122208	Subsidiary	100.00*	2(87)(ii)
12	JM Financial Overseas Holdings Private Limited C/o Minerva Fiduciary Services (Mauritius) Limited Suite 2004, Level 2, Alexander House 35 Cybercity, Ebène, Republic of Mauritius	-	Subsidiary	100.00*	2(87)(ii)
13	JM Financial Singapore Pte Limited 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624	-	Subsidiary	100.00*	2(87)(ii)
14	JM Financial Securities, Inc 2711 Centerville Road, Suite 400, City of Wilmington, Country of New Castle, Delaware 19808 United States of America	-	Subsidiary	100.00*	2(87)(ii)
15	PT JM Financial Securities Indonesia Gedung Artha Graha, 27 Floor, Suite 2705 SCBD, I. Jend. Sudirman Kav 52-53, Jakarta 12190, Indonesia.	-	Subsidiary	99.00*	2(87)(ii)
16	JM Financial Asset Reconstruction Company Private Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U67190MH2007PTC174287	Associate	50.00	2(6)
17	JM Financial Trustee Company Private Limited 141, Maker Chambers III, Nariman Point, Mumbai 400 021	U65991MH1994PTC078880	Associate	25.00	2(6)
18	Astute Investments 1st & 2nd Floor, Suashish IT Park, Plot No. 68E, Off Datra Pada Road, Opp. Tata Steel, Borivali (East), Mumbai 400 066	-	Partnership Firm in which Subsidiary Companies are Partners	-	-

* Holding together with the Company's subsidiary(ies)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category wise Shareholding

as on the financial year ended on March 31, 2015	No of shares held at the beginning of the year				No of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A (i) Promoters									
(1) Indian									
a) Individual/HUF	135,357,500	-	135,357,500	17.92%	135,357,500	-	135,357,500	17.27%	-0.65%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	203,406,600	-	203,406,600	26.93%	203,406,600	-	203,406,600	25.95%	-0.98%
e) Banks/Fls	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
A (ii) Promoter Group									
(1) Indian									
a) Individual/HUF	56,256,757	-	56,256,757	7.45%	56,256,757	-	56,256,757	7.18%	-0.27%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	122,768,408	-	122,768,408	16.25%	122,768,408	-	122,768,408	15.67%	-0.58%
e) Banks/Fls	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	517,789,265	-	517,789,265	68.55%	517,789,265	-	517,789,265	66.07%	-2.48%
(2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corporate	-	-	-	-	-	-	-	-	-
j) Banks/Fls	-	-	-	-	-	-	-	-	-
k) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of promoter (A) = (A)(1)+(A)(2)	517,789,265	-	517,789,265	68.55%	517,789,265	-	517,789,265	66.07%	-2.48%
B. Public Shareholding									
1 Institutions									
a) Mutual Funds	22,654,620	-	22,654,620	3.00%	22,653,646	-	22,653,646	2.89%	-0.11%
b) Banks /Fls	323,708	-	323,708	0.04%	147,964	-	147,964	0.02%	-0.02%
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Fls	71,347,281	-	71,347,281	9.45%	108,069,862	-	108,069,862	13.79%	4.34%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
Sub total (B)(1):-	94,325,609	-	94,325,609	12.49%	130,871,472	-	130,871,472	16.70%	4.21%
2. Non-institutions									
a) Bodies Corporate									
i) Indian	22,585,423	39,750	22,625,173	2.99%	14,868,183	39,750	14,907,933	1.90%	-1.09%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	61,661,868	5,702,975	67,364,843	8.92%	43,101,386	5,495,147	48,596,533	6.20%	-2.72%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	50,838,790	-	50,838,790	6.73%	58,041,630	211,995	58,253,625	7.43%	0.70%
c) Others									
i) NRIs	2,017,742	5,000	2,022,742	0.27%	12,922,774	5,000	12,927,774	1.65%	1.38%
ii) Trust	2,575	374,500	377,075	0.05%	2,575	374,500	377,075	0.05%	0.00%
Sub total (B)(2):-	137,106,398	6,122,225	143,228,623	18.96%	128,936,548	6,126,392	135,062,940	17.23%	-1.73%
Total Public Shareholding (B) = (B)(1)+(B)(2)	231,432,007	6,122,225	237,554,232	31.45%	259,808,020	6,126,392	265,934,412	33.93%	2.48%
C. Shares held by Custodian for GDRs and ADRs									
Grand Total(A+B+C)	749,221,272	6,122,225	755,343,497	100.00%	777,597,285	6,126,392	783,723,677	100.00%	0.00%

Note:

The % change in shareholding of the promoter is due to the following events:

- Allotment of an aggregate of 50,86,302 equity shares by the Company pursuant to exercise of stock options by eligible employees under Employee Stock Option during FY 2014-15.
- Allotment of 2,32,93,878 equity shares by the Company pursuant to exercise of right by the warrant holders by subscribing to the above shares on December 11, 2014 and December 23, 2014.

Directors' Report (contd.)

(ii) Shareholding of Promoters

as on the financial year ended on March 31, 2015

	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1	J. M. Financial & Investment Consultancy Services Pvt Ltd	203,406,600	26.93%	0.00	203,406,600	25.95%	0.00	(0.98%)
2	J M Assets Management Pvt Ltd	102,268,408	13.54%	0.00	102,268,408	13.05%	0.00	(0.49%)
3	JSB Securities Ltd	6,505,000	0.86%	0.00	6,505,000	0.83%	0.00	(0.03%)
4	Nimesh Kampani	135,357,500*	17.92%	0.00	135,357,500*	17.27%	0.00	(0.65%)
5	SNK Investments Pvt Ltd	11,660,000	1.54%	0.00	11,660,000	1.49%	0.00	(0.06%)
6	Persepolis Investments Company Pvt Ltd	1,650,000	0.22%	0.00	1,650,000	0.21%	0.00	(0.01%)
7	Kampani Consultants Ltd	685,000	0.09%	0.00	685,000	0.09%	0.00	(0.00%)
8	Aruna Kampani	38,451,250	5.09%	0.00	38,451,250	4.91%	0.00	(0.18%)
9	Vishal Kampani	9,805,419	1.30%	0.00	9,805,419	1.25%	0.00	(0.05%)
10	Amishi Kampani	8,000,000	1.06%	0.00	8,000,000	1.02%	0.00	(0.04%)
11	Ashith Kampani	88	0.00%	0.00	88	0.00%	0.00	(0.00%)
	Total	517,789,265	68.55%	0.00	517,789,265	66.07%	0.00	(2.48%)

* Includes 1,250,000 Equity Shares held by Nimesh Kampani HUF.

Note:

The % change in shareholding of the promoter is due to the following events:

- 1 Allotment of an aggregate of 5,086,302 equity shares by the Company pursuant to exercise of stock options by eligible employees under Employee Stock Option during FY 2014-15.
- 2 Allotment of 23,293,878 equity shares by the Company pursuant to exercise of right by the Warrantholders by subscribing to the above shares on December 11, 2014 and December 23, 2014.

(iii) Change in Promoters' shareholding (please specify, if there is no change)

as on the financial year ended on March 31, 2015

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	517,789,265	68.55%		
Date wise Increase/Decrease in Promoters shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/bonus/sweat equity, etc.)	Nil	(2.48%)	Not Applicable	
At the end of the year	517,789,265	66.07%		

Note:

The % change in shareholding of the promoter is due to the following events:

- 1 Allotment of an aggregate of 5,086,302 equity shares by the Company pursuant to exercise of stock options by eligible employees under Employee Stock Option during FY 2014-15.
- 2 Allotment of 23,293,878 equity shares by the Company pursuant to exercise of right by the Warrantholders by subscribing to the above shares on December 11, 2014 and December 23, 2014.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	Shareholder's Name For each of the Top Ten Shareholders	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	% of total Shares of the Company
		No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total Shares of the Company				No. of Shares	
1	MORGAN STANLEY ASIA (SINGAPORE) PTE.	25,086,030	3.32%	01.04.2014				
				04.04.2014	(380,530)	Transfer	24,705,500	3.27%
				02.05.2014	4,073,348	Transfer	28,778,848	3.81%
				09.05.2014	2,810,000	Transfer	31,588,848	4.18%
				16.05.2014	2,040,767	Transfer	33,629,615	4.45%
				23.05.2014	1,131,444	Transfer	34,761,059	4.59%
				30.05.2014	3,305,750	Transfer	38,066,809	5.02%
				06.06.2014	1,474,025	Transfer	39,540,834	5.21%
				13.06.2014	1,435,906	Transfer	40,976,740	5.40%
				18.07.2014	628,706	Transfer	41,605,446	5.49%
				25.07.2014	2,000,000	Transfer	43,605,446	5.75%
				01.08.2014	778,766	Transfer	44,384,212	5.85%
				08.08.2014	554,961	Transfer	44,939,173	5.92%
				15.08.2014	409,705	Transfer	45,348,878	5.97%
				22.08.2014	2,347,199	Transfer	47,696,077	6.28%
				29.08.2014	1,583,682	Transfer	49,279,759	6.49%
				05.09.2014	610,860	Transfer	49,890,619	6.57%
				12.09.2014	255,636	Transfer	50,146,255	6.60%
				03.10.2014	202,000	Transfer	50,348,255	6.63%
				10.10.2014	633,744	Transfer	50,981,999	6.71%
				17.10.2014	748,840	Transfer	51,730,839	6.81%
				24.10.2014	371,522	Transfer	52,102,361	6.86%
				31.10.2014	1,592,876	Transfer	53,695,237	7.06%
				07.11.2014	758,070	Transfer	54,453,307	7.16%
				21.11.2014	(145,989)	Transfer	54,307,318	7.15%
				28.11.2014	1,682,296	Transfer	55,989,614	7.37%
				05.12.2014	650,000	Transfer	56,639,614	7.45%
				06.02.2015	(359,522)	Transfer	56,280,092	7.18%
				27.03.2015	767,410	Transfer	57,047,502	7.28%
				31.03.2015	261,418	Transfer	57,308,920	7.31%
2	IDFC PREMIER EQUITY FUND	57,308,920	7.31%	31.03.2015				
		22,650,000	3.00%	01.04.2014				
					No change in the shareholding during the year			
		22,650,000	2.89%	31.03.2015				
3	AZIM HASHAM PREMJI	21,875,000	2.90%	01.04.2014				
					No change in the shareholding during the year			
		21,875,000	2.79%	31.03.2015				
4	VALIANT MAURITIUS PARTNERS OFFSHORE LIMITED	12,260,608	1.62%	01.04.2014				
				23.01.2015	1,241,407	Transfer	13,502,015	1.72%
		13,502,015	1.72%	31.03.2015				

Directors' Report (contd.)

Sr. No	Shareholder's Name For each of the Top Ten Shareholders	Shareholding No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15) No. of Shares	% of total Shares of the Company
5	VALIANT MAURITIUS PARTNERS LIMITED	13,825,792	1.83%	01.04.2014				
				16.01.2015	(1,241,407)	Transfer	12,584,385	1.61%
		12,584,385	1.61%	31.03.2015				
6	VIKRAM SHANKAR PANDIT	0	0.00%	01.04.2014				
				11.12.2014	11,646,939	Allotment pursuant to exercise of rights attached to warrants	11,646,939	1.51%
		11,646,939	1.49%	31.03.2015				
7	HARIHARAN RAMAMURTHI AIYAR	0	0.00%	01.04.2014				
				23.12.2014	5,823,470	Allotment pursuant to exercise of rights attached to warrants	5,823,470	0.74%
		5,823,470	0.74%	31.03.2015				
8	APARNA MURTHY AIYAR	0	0.00%	01.04.2014				
				23.12.2014	5,823,469	Allotment pursuant to exercise of rights attached to warrants	5,823,469	0.74%
		5,823,469	0.74%	31.03.2015				
9	DIMENSIONAL EMERGING MARKETS VALUE FUND	4,580,382	0.61%	01.04.2014				
					No change in the shareholding during the year			
		4,580,382	0.58%	31.03.2015				
10	TATA INVESTMENT CORPORATION LIMITED	3,529,000	0.47%	01.04.2014				
					No change in the shareholding during the year			
		3,529,000	0.45%	31.03.2015				

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No	Shareholder's Name For each of the Directors and Key Managerial Personnel	Shareholding No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15) No. of Shares	% of total Shares of the Company
1	Mr. Nimesh Kampani Chairman & Managing Director	135,357,500*	17.92%	01.04.2014			-	-
					No change in the shareholding during the year			
		135,357,500*	17.27%	31.03.2015			-	-
2	Mr. E A Kshirsagar Non-Executive & Independent Director	0	0.00	01.04.2014			-	-
					No change in the shareholding during the year			
		0	0.00	31.03.2015			-	-
3	Mr. Darius E Udwardia Non-Executive & Independent Director	0	0.00	01.04.2014			-	-
					No change in the shareholding during the year			
		0	0.00	31.03.2015			-	-
4	Mr. Paul Zuckerman Non-Executive & Independent Director	0	0.00	01.04.2014			-	-
					No change in the shareholding during the year			
		0	0.00	31.03.2015			-	-
5	Dr. Vijay Kelkar Non-Executive & Independent Director	0	0.00	01.04.2014			-	-
					No change in the shareholding during the year			
		0	0.00	31.03.2015			-	-
6	Mr. Keki Dadiseth Non-Executive & Independent Director	0	0.00	01.04.2014			-	-
					No change in the shareholding during the year			
		0	0.00	31.03.2015			-	-
7	Ms. Jagi Mangat Panda Non-Executive & Independent Director	0	0.00	01.04.2014			-	-
					Not applicable since appointed on March 31, 2015			
		0	0.00	31.03.2015			-	-
8	Mr P K Choksi Group Head-Compliance, Legal & Company Secretary	92,349	0.01%	01.04.2014			-	-
				29.04.2014	62,841	Allotment pursuant to exercise of Stock Options	155,190	0.02%
				19.05.2014	16,667	Allotment pursuant to exercise of Stock Options	171,857	0.02%
		171,857	0.02%	31.03.2015				
9	Mr. Manish Sheth Group Chief Financial Officer	87,977	0.01%	01.04.2014				
				19.05.2014	77,321	Allotment pursuant to exercise of Stock Options	165,298	0.02%
		165,298	0.02%	31.03.2015				

* Includes 12,50,000 Equity Shares held by Nimesh Kampani HUF.

Note:

The % change in shareholding of Mr. Nimesh Kampani, Chairman & Managing Director is due to the following events:

- Allotment of an aggregate of 5,086,302 equity shares by the Company pursuant to exercise of stock options by eligible employees under Employee Stock Option during FY 2014-15.
- Allotment of 23,293,878 equity shares by the Company pursuant to exercise of right by the Warranholders by subscribing to the above shares on December 11, 2014 and December 23, 2014.

Directors' Report (contd.)

V. INDEBTEDNESS

as on the financial year ended on March 31, 2015

(₹ In Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	47.46	-	-	47.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	47.46	-	-	47.46
Change in indebtedness during the financial year				
Addition	8.66	40,000.00	-	40,008.66
Reduction	18.19	27,500.00	-	27,518.19
Net Change	(9.53)	12,500.00	-	12,490.47
Indebtedness at the end of the financial year				
i) Principal amount	37.93	12,500.00	-	12,537.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	37.93	12,500.00	-	12,537.93

Note: The Indebtedness in respect of unsecured loans at the end of financial year is ₹ 12,187.87 Lakh, after excluding the unamortised discount on commercial papers.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lakh)

Sr. no.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
		Mr. Nimesh Kampani	
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	302.52	302.52
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	78.72	78.72
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	381.24	381.24
	Ceiling as per the Act		429.28

B. REMUNERATION TO OTHER DIRECTORS:

Sr. no.	Particulars of Remuneration	Name of Directors					(₹ In Lakh)
		Mr. E A Kshirsagar	Mr. Darius E Udawadia	Mr. Paul Zuckerman	Dr. Vijay Kelkar	Mr. Keki Dadiseth	Ms. Jagi Mangat Panda*
1.	Independent Directors						
	Fee for attending board committee meetings	10.80	9.30	8.40	8.40	7.40	-
	Commission	18.00	16.00	16.00	18.00	16.00	-
	Others (Fee for attending Independent Directors meeting)	1.00	1.00	1.00	1.00	1.00	-
	Total (1)	29.80	26.30	25.40	27.40	24.40	-
2.	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	29.80	26.30	25.40	27.40	24.40	-
	Total Managerial Remuneration**						514.54
	Overall Ceiling as per the Act						515.13

* Appointed with effect from March 31, 2015

**Total remuneration of Managing Director and other Directors (being total of A and B)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		(₹ In Lakh)
		Company Secretary	Chief Financial Officer	Total Amount
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	160.70	148.18	308.88
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	16.86	16.39	33.25
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	Cost included in 1(b) above		
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	TOTAL	177.56	164.57	342.13

Directors' Report (contd.)

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

as on the financial year ended on March 31, 2015

Type	Section of the Companies Act	Brief Description	Details of Penalties / Punishment / Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

On behalf of the Board of Directors

Place : Mumbai
Date : May 29, 2015

Nimesh Kampani
Chairman and Managing Director

Management Discussion and Analysis

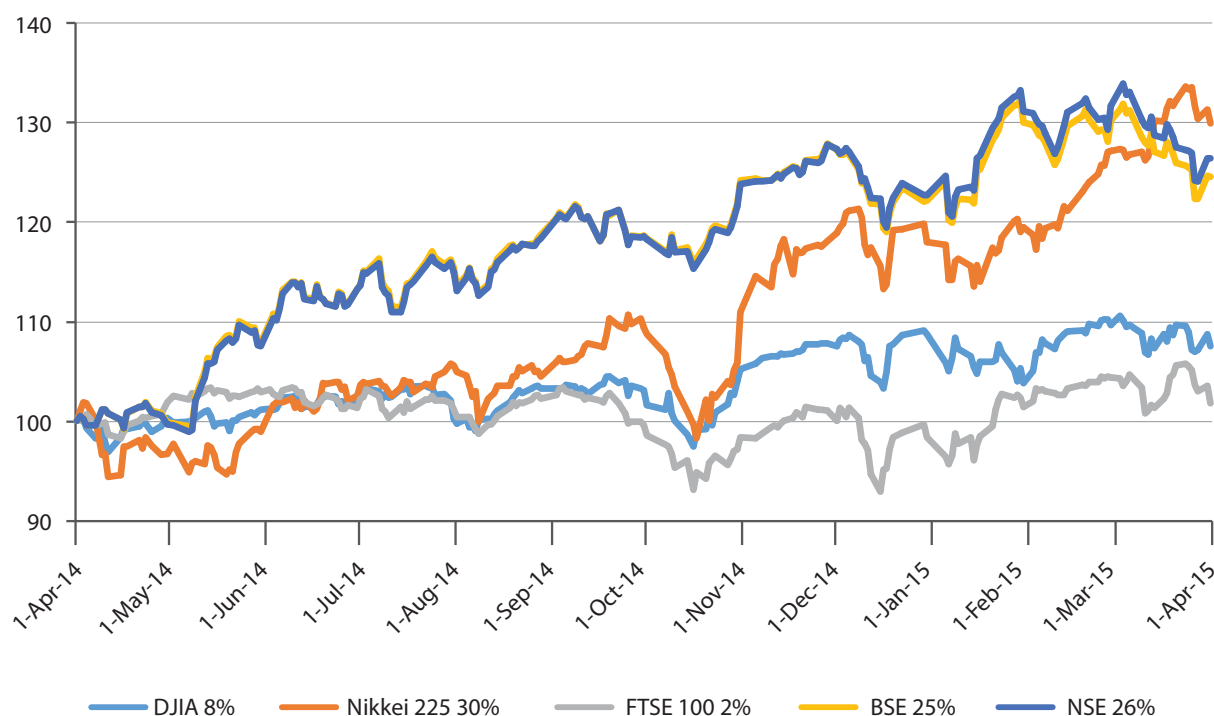
GLOBAL ECONOMIC CONDITIONS – UNEVEN GLOBAL GROWTH, SLOWER INFLATION

Global growth is forecasted to increase with uneven prospects across different countries and regions. Growth in many emerging market economies is softening, reflecting an adjustment to diminished medium-term growth expectations and lower revenues from commodity exports, as well as country-specific factors. The outlook for advanced economies led by the US is showing signs of improvement, owing to the boost to disposable incomes from lower oil prices, continued support from accommodative monetary policy stances, and more moderate fiscal adjustment. The decline in oil prices, if sustained, could boost consumption and support growth. Geopolitical tensions continue to pose threats, and risks of disruptive shifts in asset prices remain relevant. In some advanced economies, protracted low inflation or deflation also pose risks to activity.

Headline inflation has declined in advanced economies reflecting the decline in oil prices, softer prices for other commodities, and a weakening of demand in a number of countries already experiencing below-target inflation, such as the euro area and Japan. With regard to emerging markets, lower prices of oil and other commodities have generally contributed to reduction in inflation, with the notable exception of countries suffering sizeable exchange rate depreciation, such as Russia.

Global growth is projected to increase slightly to 3.50% in 2015 from 3.40% in 2014 and then to rise further in 2016 to 3.80% according to the International Monetary Fund (IMF). The increase in 2015 will be driven by are bound in advanced economies (which is expected to increase to about 2.4% in 2015, compared to 1.8% in 2014) supported by the decline in oil prices, with the United States playing the most important role in the recovery. In emerging and developing markets, in contrast, growth is projected to decline to 4.3% in 2015 compared to 4.6% in 2014, reflecting downward revision for oil exporters, a slowdown in China which reflects a move toward more sustainable growth that is less reliant on investment, and a weaker outlook for Latin America resulting from softening of commodity prices.

Stock markets of advanced nations continued to perform well in FY 2014-15. The Dow Jones Industrial Average closed the year at 17,776 after touching a high of 18,288 and a low of 16,026 during FY 2014-15, up 8% YoY. Japan's Nikkei 225 rose 30% YoY to close at 19,206 after touching a high of 19,754 and a low of 13,910 during FY 2014-15. UK's FTSE 100 touched a high of 7,038 and a low of 6,183 during FY 2014-15 and closed at 6,773 - a rise of 2% YoY. Back in India, the BSE Sensex was up 25% YoY after touching an all-time high of 29,682 and a low of 22,277 during FY 2014-15. The Nifty also touched an all-time high of 8,996 and dropped to a low of 6,653 during FY 2014-15, closing at 8,491 up 26% YoY. The comparative movement of the above indices is given below.



Management Discussion and Analysis (contd.)

INDIAN ECONOMY

India's economic growth rate in the FY 2014-15 was 7.3%, an improvement to the previous year (6.9% in FY 2013-14), mainly on the back of recent policy initiatives, pick up in investments and lower oil prices. Going forward, growth rate is estimated at 7.5% by IMF, which would mean that India will outpace China in successive years to become the fastest growing emerging economy. This is achieved mainly because of restoring macroeconomic stability achieved on account of fiscal consolidation, control over inflation and support from fall in the global commodity prices.

As per the advance estimates for FY 2014-15, the Central Statistical Office (CSO) has projected a growth rate of 1.1% in agriculture and allied sectors, compared to 3.7% a year earlier. Manufacturing, however, is expected to register a growth of 6.8% in FY 2014-15 - up from a growth of 5.3% in the previous year. According to the advance estimates, the services sector, including finance, insurance, real estate and business services sectors, is likely to grow 13.7% this year up from 7.9% in FY 2013-14. Mining and quarrying is likely to grow slower at 2.3%, compared with a 5.4% growth a year ago. Growth in construction is likely to improve to 4.5% from 2.5% in FY 2013-14. According to the CSO's advance estimates, growth in electricity, gas and water production is likely to improve to 9.6% in FY 2014-15 from 4.8% in FY 2013-14. The trade, hotel, transport and communication sectors are projected to grow by 8.4% as against 11.1% in FY 2013-14. Public administration, defence and other services growth would be better at 9.0% compared with 7.9% in FY 2013-14.

Fiscal balance further improved with Government's fiscal deficit has fallen to 4.1% of GDP in FY 2014-15 from 4.5% of GDP in FY 2013-14, this fall is aimed to be achieved through the government's stake sale in state owned entities and rationalization of fuel subsidy amid higher devolution to the states as per the recommendation of the 14th Finance Commission. The government has increased the share of capital expenditure in total expenditure to kick-start investments in the economy through higher allocation to transportation infrastructure including roads, railways and ports. Fiscal deficit is projected to be at 3.9% of the GDP for the FY 2015-16. Government is also confident of achieving the FRBM fiscal target of 3% of GDP by FY 2017-18. However, it is important to note that fiscal consolidation as envisaged is subject to risks; especially with respect to lower tax revenues if the economy does not grow on expected lines.

The fall in international crude prices translated into a sizable saving on account of petroleum and oil imports, despite a pick-up in import volumes in Q3. Gold imports also moderated, coming off the seasonal cum pent-up demand spurt in September-November. On the other hand, non-oil non-gold import growth remained relatively firm leading to decline in overall imports in

December. Hence, the estimate of the current account deficit (CAD) for FY 2014-15 is currently placed at 1.3 per cent of GDP, significantly lower than earlier projections. The CAD has been comfortably financed by net capital inflows, mainly in the form of buoyant portfolio flows but also supported by foreign direct investment inflows and external commercial borrowings. The exchange rate during FY 2014-15 averaged ₹ 61.15 per US\$ after touching an all-time low of ₹ 63.67 per US\$. Foreign exchange reserves were US\$ 341.64 billion at the end of March 2015.

The outlook for growth has improved modestly on the back of disinflation, real income gains from decline in oil prices, easier financing conditions and some progress on stalled projects. These conditions should augur well for a reinvigoration of private consumption demand, but the overall impact on growth could be partly offset by the weaker global growth outlook and very short-run fiscal drag due to likely compression in plan expenditure in order to meet consolidation targets set for the year. Domestically, conditions for growth are slowly improving with easing input cost pressures, supportive monetary conditions and recent measures relating to project approvals, land acquisition, mining and infrastructure.

INFLATION

In January 2014, the Reserve Bank formally adopted a glide path for disinflation in terms of headline consumer prices, with milestones of 8 per cent by January 2015 and 6 per cent by January 2016. Reserve Bank maintained tight stance in subsequent policy reviews so as to set the economy firmly on the disinflation path. Reflecting the ongoing transmission of monetary policy impulses through the economy, inflation excluding food and fuel has declined from 8.5 per cent in September 2013 to 6.9 per cent in August 2014. Food inflation has also moderated in tandem from double digits to 9.2 per cent in August 2014, punctuated by sharp inclement weather-driven spikes. In September, however, inflation eased by 140 basis points. From September to November, disinflation gathered momentum and turned out to be faster than initially anticipated under the combined influence of a large decline in global commodity prices, softening of prices of fruits and vegetables domestically, continuing slack in the economy and the favourable 'base effect' of higher inflation a year ago. The momentum of headline inflation continued to be weak through December-February, mostly due to the prices of non-durable goods, especially perishable foods. The annual rate of inflation, based on monthly WPI, stood at -2.33% for the month of March 2015 over March 2014. The provisional annual inflation rate based on CPI for March 2015 was 5.17% over March 2014.

MONETARY CONDITIONS

Overall credit growth over last year slowed down to less than 10% in FY 2014-15. Slowdown was largely contributed by industry (6% growth YoY) and services (7% growth YoY) sectors, while the growth for agriculture and allied activities (16 per cent year on year) and personal loans (16 per cent YoY) remained better.

Broad money (M3) growth remained low during Q3 and Q4. With credit and deposit growth moving broadly in tandem, liquidity conditions in the system remained comfortable throughout, barring transient liquidity mismatches due to frictional factors. Currency demand started picking up since Q3 with the festival season and drained some liquidity, but timely liquidity provision by the Reserve Bank smoothened these short-lived spikes. The provision of primary liquidity was augmented by the large expansion in net foreign assets of the Reserve Bank. Active sterilisation operations, however, contained the growth of reserve money. The Reserve Bank's pro-active liquidity management operations ensured that the call rates stayed range bound around the policy rate, reducing day-to-day volatility.

The Indian rupee remained fairly resilient versus other emerging market peers despite noises about a possible Fed rate hike during H2 FY 2015-16 on the back of strong capital inflows and reserve build-up by the RBI. The RBI reduced the Repo rate two times in Q4 FY 2014-15 totalling 50bps as a response to sharp

deceleration in inflation and a union budget that largely catered to both qualitative and quantitative improvements in the fiscal situation as expected by the RBI.

The Government of India and the Reserve Bank in Q4 FY 2014-15 committed to an institutional architecture that accords primacy to price stability as an objective of monetary policy. The Monetary Policy Framework Agreement envisages the conduct of monetary policy around a nominal anchor numerically defined as below 6% CPI inflation for FY 2015-16 (to be achieved by January 2016) and 4%(+/- 2%) for all subsequent years, with the mid-point of this band, i.e., 4 per cent to be achieved by the end of FY 2017-18.

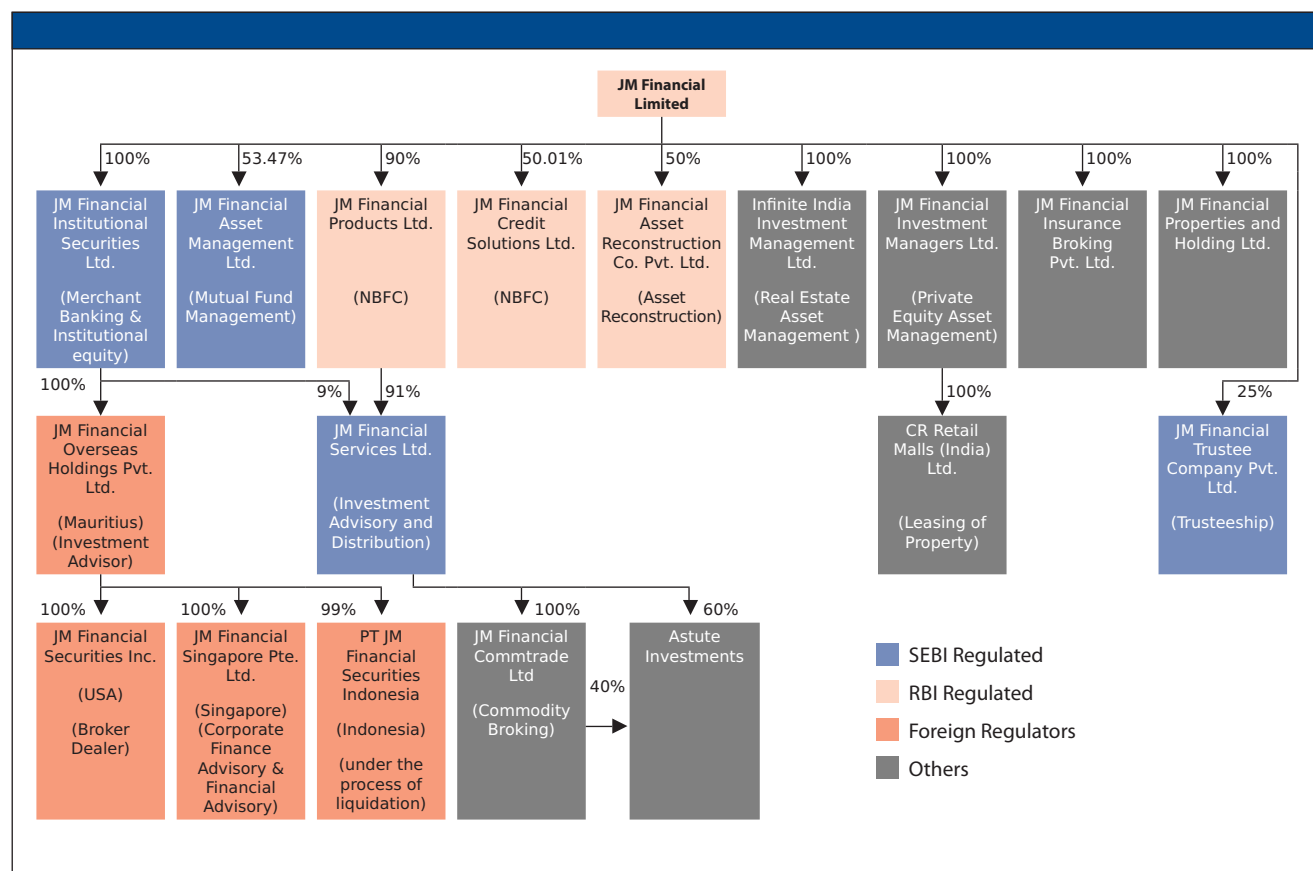
As on March 31, 2015, CRR was at 4%, SLR at 21.5%, repo rate at 7.5%, reverse repo at 6.5% and MSF/bank rate at 8.5%.

Source: Various reports of RBI, International Monetary Fund, Advance Estimates by CSO, SEBI, Bloomberg and other print & electronic media.

DISCUSSION ON BUSINESSES AND OPERATIONAL PERFORMANCE

JM Financial Limited ("the Company") is a Core Investment Company (CIC) registered with Reserve Bank of India and its subsidiaries and associates (Group Entities) are engaged in the operating businesses.

The corporate structure of JM Financial Group ("the Group") is presented below:



Management Discussion and Analysis (contd.)

As a pure holding company, the income of the Company consists only of investment income in the form of interest, dividend and capital gain. Considering the regulatory requirement applicable to it as a CIC of deploying a minimum of 90% of its net assets in its "Group Entities", most of the income is also received from these Group Entities.

The Company is the only entity in the Group whose equity shares are listed on the stock exchanges. In view of the above structure, the way to understand the activity of the Company is to analyse the businesses of its Group Entities. It may be noted that the Group is focused on financial services as its core business area. Various businesses in the Group are divided in four reportable segments. These are: **investment banking and securities business** comprising investment banking, institutional and non-institutional equity sales, trading, research, broking and distribution, private and corporate wealth management, commodity broking, portfolio management, depository participation; **fund based activities** comprising non banking financial activities (NBFC), investments, asset reconstruction; **alternative asset management** comprising private equity and real estate fund management and **asset management** comprising mutual fund management business.

Various operating businesses are carried out by Group Entities having independent management teams and regulatory licences.

Our Group wide clients include public and private sector corporations, multinational corporations, financial institutions, institutional investors – both domestic and global, high net-worth individuals and retail investors as well as market intermediaries.

Financial performance of the Company on Standalone basis:

The net worth of the Company is ₹ 1,643.18 Crore as on March 31, 2015. The Company started borrowing in a small way during the year and raised ₹ 122.26 Crore by way of borrowing.

The total assets of ₹ 1,948.67 Crore are invested in the operating businesses of the Group as follows:

Segments	(₹ in Crore)	
	As on March 31, 2015	As on March 31, 2014
Investment Banking and Securities Business	366.09	366.09
Fund Based activities	1,065.55	622.31
Alternative Asset Management	95.54	95.54
Asset Management	131.41	131.41
Other investments including deposits with Banks	290.08	575.52

The Company earned a total income of ₹ 104.54 Crore divided in dividend income of ₹ 74.40 Crore (of which ₹ 73.31 Crore was from the Group companies), interest income of ₹ 28.06 Crore (of which ₹ 22.06 Crore was from the Group companies) and other income of ₹ 2.08 Crore (of which ₹ 1.74 Crore was from the Group companies). Net revenue for the year was ₹ 104.54 Crore and Profit after tax was ₹ 78.10 Crore.

The Equity capital of the Company as on March 31, 2015 stood at ₹ 78.37 Crore compared to ₹ 75.53 Crore on March 31, 2014. The increase is on account of new shares allotted on exercise of warrants to Mr. Vikram Shankar Pandit (1,16,46,939 equity shares), Mr. Hariharan Ramamurthi Aiyar (58,23,470 equity shares) and Mrs. Aparna Murthy Aiyar (58,23,469 equity shares) and on exercise of stock options granted to the eligible employees in the Group (50,86,302 equity shares). Addition to the securities premium account on these allotments is ₹ 53.12 Crore.

The income of the Company on standalone basis will continue to depend on the dividend income from its investments in subsidiaries and associates. The intrinsic value of the Company is also derived from the overall value of its operating Group companies. The management remains continuously focused on improving the performance of operating Group companies.

The market environment and the operational performance of various businesses undertaken by the Group companies is discussed in detail below:

INVESTMENT BANKING AND SECURITIES BUSINESS

Market Environment

Primary Markets

Equity capital raising activity witnessed a small up trend this year after subdued performance in the previous two years. The Initial Public Offer (IPO) market witnessed 46 IPOs of equity for raising an aggregate of ₹ 3,039 Crore and 24 debt issuances for raising an aggregate of ₹ 9,422 Crore in FY 2014-15 as against 38 IPOs of equity aggregating ₹ 1,236 Crore and 35 debt issuances aggregating ₹ 42,383 Crore in FY 2013-14. This fiscal year there was no Follow-on Public offer (FPO) compared to 2 FPO's in FY 2013-14 which raised an amount of ₹ 7,457 Crore. During the year, the corporates preferred to raise funds through qualified institutions placement raising an aggregate of ₹ 29,102 Crore from 51 issuances as against ₹ 13,663 Crore from 17 issuances in FY 2013-14. Corporates also raised ₹ 6,750 Crore through 18 Rights Issues in FY 2014-15 as against ₹ 4,576 Crore through 15 Rights Issues in FY 2013-14.

The breakup of funds raised in public markets during FY 2014-15 as compared to the FY 2013-14 is as follows:

Primary market	FY 2014-15		FY 2013-14	
	No.	₹ in Crore	No.	₹ in Crore
IPO	46	3,039	38	1,236
FPO	0	0	2	7,457
Rights Issue	18	6,750	15	4,576
QIP	51	29,102	17	13,663
Total Equity Raised	115	38,891	72	26,932
Total Debt raised through Public issue	24	9,422	35	42,383
Total Amount Raised	139	48,313	107	69,315

There were 28 transactions of Offer for Sale for an aggregate amount of ₹ 26,935 Crore as against 79 transactions for ₹ 6,859 Crore during FY 2013-14.

In FY 2014-15, private equity deals worth ₹ 78,154 Crore were announced compared to ₹ 52,143 Crore in FY 2013-14, registering an increase of 49.9%. The sectors that experienced the maximum interest from private equity investors include IT/ITES, Financial Services and Healthcare.

Secondary Equity Market

With the formation of a stable government at the centre, Indian equity markets witnessed a sudden surge on the back of renewed investor confidence and new policy initiatives. In addition, the fall in oil prices post Q2 of FY 2014-15 also helped revive the economy. As a result, Indian markets emerged as one of the better performing markets in the world. The BSE Sensex was up 25% YoY after touching an all-time high of 29,682 and a low of 22,277 during FY 2014-15. The Nifty also touched an all-time high of 8,996 and dropped to a low of 6,653 during FY 2014-15, closing at 8,491 - up 26% YoY. The surge in the markets can be

attributed to expectation of pick up in investments, progressive policy initiatives from a stable government at the Centre and lower deficit.

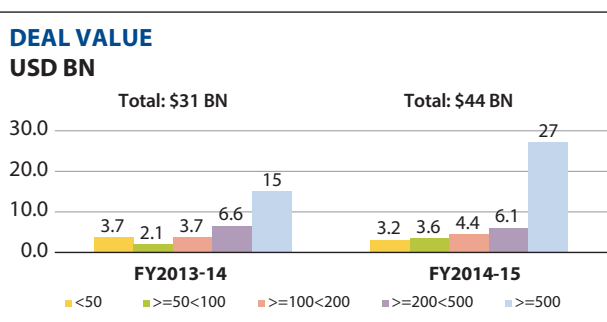
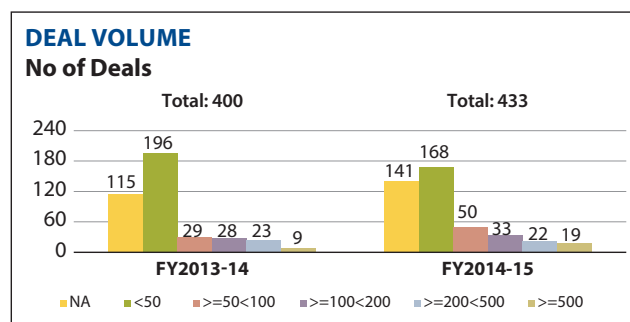
During FY 2014-15, Foreign Institutional Investors invested ₹ 1,11,333 Crore (₹ 79,709 Crore in FY 2013-14) in the Indian equity markets and ₹ 1,66,127 Crore in debt instruments (compared to sale of debt instruments worth ₹ 28,060 Crore in FY 2013-14). The aggregate amount of ₹ 2,77,460 Crore is the largest FII investment into India in a single financial year (and a substantial jump from ₹ 51,649 Crore in FY 2013-14).

The total market capitalisation of the companies listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) as on March 31, 2015, stood at ₹ 1,01,49,290 Crore and ₹ 99,30,122 Crore respectively as compared to ₹ 74,15,296 Crore and ₹ 72,77,720 Crore as on March 31, 2014. The comparative details of average daily turnover in the Cash and Derivative segments of BSE and NSE are given below :

	(₹ in Crore)	
Average Daily Turnover	FY 2014-15	FY 2013-14
Cash		
BSE	3,518	2,078
NSE	17,818	11,189
Derivatives		
BSE	83,797	36,731
NSE	2,28,833	1,52,237

Mergers and Acquisition

During FY 2014-15, 433 deals were announced as compared to 400 deals in FY 2013-14. Total value of the deals announced in FY 2014-15 was ~ \$44 Bn (this does not include 141 deals for which deal value was not available) as against ~ \$ 31 Bn (this does not include 115 deals for which deal value was not available) for FY 2013-14.



Source: MergerMarket

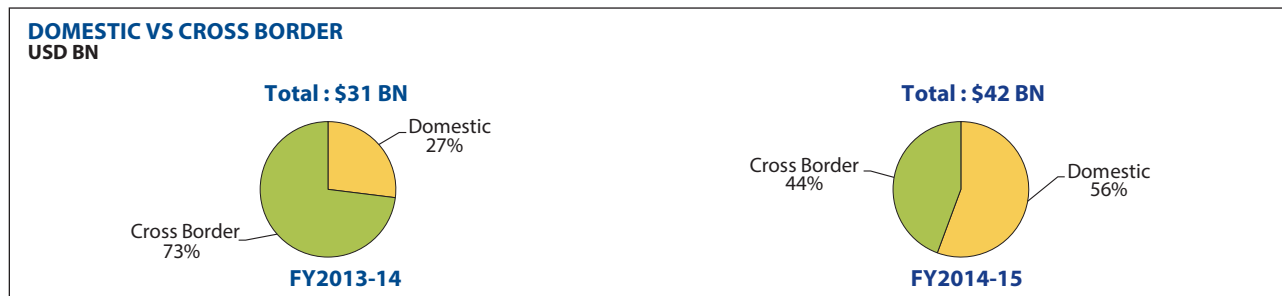
Notes

1. Deals are on announced basis
2. Deals for which both Target and Bidder are outside India have not been considered

Management Discussion and Analysis (contd.)

Domestic v/s Cross-Border Activity

During FY 2013-14, domestic transactions contributed equally to the overall M&A activity with deal value aggregating \$ 23.4 Bn which was ~56% of the total M&A deal value.



Source: MergerMarket

Notes

1. Deals are on announced basis
2. Deals for which both Target and Bidder are outside India have not been considered.

Operational Performance of Investment Banking and Securities Business

Investment Banking Business

Equity Capital Markets

We increased focus on private sector offerings during FY 2014-15.

We acted as investment bank in the following transactions:

- Rights issue of Compulsorily Convertible Debentures by Indian Hotels Company Limited – ₹ 1,000 Crore
- Rights issue of Future Retail Limited – ₹ 1,589 Crore
- Rights issue of GMR Infrastructure Limited – ₹ 1,402 Crore
- Qualified Institutions Placement by Yes Bank Limited (₹ 2,942 Crore), IDFC Limited (₹ 1,000 Crore), HDFC Bank Limited (₹ 2,000 Crore), Ceat Limited (₹ 400 Crore), Capital First Limited (₹ 300 Crore) and Karur Vysya Bank Limited (₹ 625 Crore)
- Public issue of Non Convertible Debentures by Shriram Transport Finance Company Limited – ₹ 1,975 Crore
- Seller's brokers to Government of India in their Offer for Sale of equity shares in Coal India Limited – ₹ 22,558 Crore.
- Advisor to Riddhi Siddhi Gluco Biols Ltd. for its buyback of equity shares.

We acted as advisor to the following companies/funds in private equity advisory:

- Future Lifestyle Fashions for raising ₹ 125 Crore from Premji Invest;
- Future Group for raising ₹ 175 Crore through a structured finance deal;
- ICICI Ventures for block deal exit in Shriram City Union Finance for ₹ 116 Crore;
- KKR for block deal exit in Bharti Infratel Limited for ₹ 623 Crore.

Mergers & Acquisitions

We acted as the advisor in the following transactions:

- Manager to Voluntary Open offer by Diageo plc for equity shares in United Spirits Limited.
- Lead financial and transactional advisor to Adani Enterprises Limited on a composite scheme of arrangement involving demerger of its ports, power generation and power transmission undertakings.
- Financial Advisor and Manager to Open Offer by Reliance Industries Limited in Network18 Media Investments Limited, TV18 Broadcast Limited and Infomedia Press Limited.
- Financial Advisor to Financial Technologies (India) Limited for sale of its stake in MCX.
- Manager to the Open Offer announced by Reliance Infrastructure Limited in Pipavav Defence and Offshore Engineering Company Limited.
- Advisor to TransUnion for reaching majority ownership in CIBIL.
- Manager to Open Offer by Deepak Fertilisers Petrochemicals Corporation Limited in Mangalore Chemicals Fertilizers Limited.
- We also provided fairness opinion in the following transactions;
 - Demerger of the financing undertaking of IDFC Limited into IDFC Bank.
 - Ultratech Cement Limited's acquisition of business units from Jaiprakash Associates Limited pursuant to a Scheme.
 - Merger of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited.

Institutional Equities Business

Our **Institutional Equities** business offers broking services in both cash and derivatives segments to Indian and global institutional clientele. We strive to provide high quality research with a focus on new stock ideas, intensive client servicing and efficient trade execution complemented by hassle free post-trade settlement. Over the years, our research has been making a mark in the investor community for identifying ideas for investments.

We currently cater to 115 institutional clients that include FIIs, domestic mutual funds and insurance companies. Our research covers over 170 companies across sectors which together account for nearly 73% of the total market capitalisation.

Our focus in this business is on developing an integrated practice around credible corporates and investors who, while being focused on profits are committed to do the business with a view of long term best practice. The sales and research teams have received very good client reviews and we rank among the top ten brokers with many domestic mutual funds and insurance companies.

During the year, we hosted a number of investor meets, road shows and conferences including:

- Conference in Singapore and Hong Kong in August 2014, attended by 105 investors and 22 corporates.
- The flagship India conference, hosted in Mumbai in November 2014 with participation of 319 investors and 79 corporates.
- Conference in New York in March 2015, attended by 24 investors and 11 corporates.

Investment Advisory and Distribution

Our **Investment Advisory and Distribution** business focuses on research based investment advisory, broking and distribution catering to corporates, ultra high net-worth and high net-worth investors, banks and institutions. We offer a wide range of products and services to our clients ranging from broking services for equity, derivatives, fixed income products, portfolio management services and distribution of financial products including public issues, mutual funds, alternative assets, corporate bonds and fixed deposits products. We operate in open architecture model for distribution and are among the largest distributors of third party products in India.

Our investment advisory and distribution business has three main divisions: Wealth Management, Equity Brokerage and Independent Financial Distribution.

The Wealth Management Group caters to ultra high net-worth and high net-worth investors, corporates, banks and institutions. We follow the asset allocation model and provide a complete range of financial and custody solutions to clients including family office, advisory and execution services. As on March 31, 2015, the assets under management of the Wealth Management Business stood at approximately ₹ 17,383 Crore.

The Equity Brokerage Group offers research based equity advisory and trading services to high net-worth individuals and corporate investors. Retail clients are serviced through a network of branches/franchisees. The Investment Advisory business has its presence in 110 top cities in India through its branches and franchisee network. The combination of branches and franchisee has helped us in achieving a de-risked business model and a wide spread presence.

Independent Financial Distribution (IFD) division has a network of over 7,200 active Distributors who distribute various financial products such as mutual funds, fixed deposits, IPOs, bonds, etc. We mobilised approximately ₹ 3,450 Crore in various company fixed deposits and fixed income products during the year and have established a clear leadership position in this segment.

In the Commodity broking business our focus is to provide research based advice to clients on bullion, base metals, crude and other commodities. The commodity business volumes have grown by approximately 19% in FY 2014-15 compared to FY 2013-14. National Spot Exchange Limited (NSEL) suspended its trading and settlement operations from July 31, 2013. We had an outstanding amount to be recovered from NSEL of ₹ 15.03 Crore on account of our own arbitrage book as on March 31, 2015. Our clients had also invested in NSEL and had an outstanding recoverable amount of ₹ 61.07 Crore from NSEL as on March 31, 2015.

International Operations

We have established subsidiaries/step down subsidiaries in Mauritius, Singapore and USA to cater to and service overseas clients/investors and carry out permitted business activities in these jurisdictions.

In FY 2014-15, JM Financial Singapore Pte Ltd. (JM Financial Singapore), built further on the platform of the revenues generated in FY2013-14, with focus on South East Asian countries. We advised the shareholders of Thailand's leading IT services company MFEC, on the sale of their stake to IT Holdings Corporation Japan. We also advised a large American origin BPO services on an equity restructuring exercise of its Asian operations, with a view to look at a potential future equity listing in Asia. In June 2014, the Acquisition International magazine awarded the Altran-Foliage transaction advised by JM Financial Singapore during FY 2013-14, as the Deal of the Month.

Financial Industry Regulatory Authority (FINRA), USA has granted the approval to the new membership application filed by JM Financial Institutional Securities INC, our Step Down Subsidiary (SDS) in the USA, which approval is contingent upon completion of certain requirements. By virtue of this membership, our SDS in the USA will be able to carry on the broker dealer business among others. This membership would enable the Group to increase its reach and expand activities in the USA.

Management Discussion and Analysis (contd.)

Financial performance of Investment Banking and Securities Business

	(₹ in Crore)	
Particulars	FY 2014-15	FY 2013-14
Gross income	521.93	407.89
Profit before tax	123.99	45.16
Profit after tax	84.75	42.88
Segment capital employed	599.88	561.02

FUND BASED ACTIVITIES

Market Environment

We are engaged in Securities Backed Financing activities which cover loan against shares and loan against commercial real estate/properties. Loan against commercial real estate includes residential project financing, land acquisition financing and specific property financing.

The real estate market has experienced slowdown over past few years owing to sluggishness in the economy. This led to liquidity crunch in the market affecting the real estate financing environment. The weakening of economy led to lower demand and slowdown in the construction activities. In such a scenario, Banks became more risk averse towards lending to the real estate segment. This resulted in real estate developers looking at NBFCs to seek financing. The trend amongst the NBFCs was to finance residential projects rather than commercial units owing to lower risk and visibility of returns.

Real estate financing is driven by the real estate sector which in turn is determined by (a) government policies and regulations; (b) rapid urbanisation and improved infrastructure facilities; (c) India's emergence as an attractive off-shoring destination and availability of a pool of high skilled labour; and (d) rise in disposable income and growing middle class, increasing demand for quality residential real estate and real estate as an investment option.

Loan against Shares (LAS) include Margin Funding, ESOP Financing, Loan against Commodities/Bonds/Mutual Funds, Promoter Financing. It also includes financing clients for applications in select primary issuances in the equity and debt markets.

In August 2014, to curb potential volatility on stock markets due to bad loans, RBI put limits on the amount that NBFCs can lend against shares pledged as collateral. Now NBFCs will be required to maintain a loan-to-value ratio of 50%. Also, NBFCs can only accept Group 1 shares as collateral for loans amounting to ₹ 5 lakh and above. Group 1 shares are those that were bought and sold on at least 80% of the trading days in the previous 18 months on the stock exchanges and the mean impact cost incurred due to a price decline is less than 1%.

With pickup in the capital markets, LAS is also on upswing. Over the next 5 years (FY 2013-14 to FY 2018-19), the LAS segment

is expected to increase at a CAGR of 15-16 percent with the expected economic recovery and growth in performance of the equity market. Other factors that are likely to have a positive impact on LAS include favourable interest rates in the backdrop of a gradual recovery in the economy. Also, the nature of collateral, instant liquidity, interest only on outstanding amount etc., will aid the growth of this segment.

Wholesale Lending Business

During the year, we capitalised JM Financial Credit Solutions Limited (NBFC) with ₹ 350 Crore. This NBFC also received an investment of ₹ 539.78 Crore (including ₹ 14.78 Crore received from Mrs. Aparna Murthy Aiyar) from funds managed by Mr. Vikram Shankar Pandit and Mr. Hariharan Ramamurthi Aiyar.

We continued the thrust on lending against mortgages and wholesale securities backed loans to select corporates and also undertook Sponsor Financing (Loan against shares). Considering the growth in the real estate sector and large untapped real estate market, we are confident of strong growth in coming years. Currently, the focus is on clients based in Mumbai, Pune, Bangalore and Chennai. We plan to enter into new geographies selectively to expand our business. With strong pedigree, highly experienced and motivated management we are set on a high growth trajectory in coming years.

Retail lending business

During the year, we continued the financing activities which cover loan against shares, Margin Funding, ESOP Financing, Loan against Commodities/Bonds/Mutual Funds, Sponsor Financing. We have also been financing clients for applications in select primary issuances in the equity and debt markets.

We have been very selective and remained focused on the asset quality and net interest margins in our securities backed financing business. As on March 31, 2015, our total loan book stood at ₹ 5,388 Crore. We achieved NIM in the range of 6.50% to 7.00% on our book in these businesses.

Trading in Fixed Income Securities

During the year, we carried out transactions in Government securities and Non SLR securities. Our treasury book in government securities stood at ₹ 359 Crore at the end of the financial year FY 2014-15 as against ₹ 534 Crore at the end of the previous financial year.

Credit Ratings

CRISIL re-affirmed the "CRISIL A1+" (highest grading) rating for our Commercial Paper program which indicates a very strong degree of safety with regard to timely payment of financial obligations. CRISIL also re-affirmed "CRISIL AA-/Stable" rating for long term NCD issuances and bank loan rating, which indicates high degree of safety with regard to timely payment of interest and principal on the instruments. Both instruments are considered to carry very low credit risk.

ICRA has assigned the rating of "[ICRA] A1+" (highest grading) rating for the Commercial Paper program and "[ICRA]AA/Stable" and "[ICRA]AA-/ Stable" rating for long term NCD issuances and bank loans. ICRA has also assigned "PP-MLD[ICRA]AA" for long term principal protected equity linked debenture program. All these instruments indicate a very high degree of safety with regard to timely payment of financial obligations and considered to carry very low credit risk.

Borrowings

We continued our focus on elongating the maturity profile of the borrowing program. As on March 31, 2015 our total borrowing stood at ₹ 4,204 Crore through long-term and short-term paper with maturity period ranging upto 36 months.

Asset Reconstruction Business

Asset quality continues to be a concern for Indian banks. The gross non-performing assets ratio of Scheduled Commercial Banks was at 4.5 percent in September 2014. Stressed advances defined as GNPA's plus restructured standard advances increased to 10.7 per cent in September 2014 from 10.0 per cent in March 2014. In September 2014, the stressed advances of public sector banks were at 12.9 per cent and private sector banks at 4.4 per cent.

In August 2014, Reserve Bank of India notified amendments to the Regulatory Framework for Securitisation/Reconstruction Companies, which is expected to have a positive impact on the industry in the long run. ARCs are now required to invest a minimum of 15% in each class of Security Receipts. The amendments are expected to improve quality of sell-down by Banks at proper valuation, better due diligence by ARCs and speedy recovery due to early involvement of ARCs in the resolution process. The notified disclosure requirements will bring in more transparency and help disseminate information about fraudulent Companies and recalcitrant external agencies. However, post the notified amendments, the acquisition activity by ARCs has slowed down considerably.

The **Asset Reconstruction** business is engaged in acquisition of non-performing and distressed assets (NPAs) from Banks and Financial Institutions (FIs). The strategy of acquisition of corporate and retail portfolios and focussed resolution/recovery was continued during the FY 2014-15.

During the year, we concluded 19 transactions with outstanding dues of around ₹ 5,936 Crore acquired by issuing Security Receipts worth ₹ 5,027 Crore. The year saw a consortium of Banks jointly off loading a single large account to JM Financial Asset Reconstruction, a first of its kind deal in the ARC industry. Till March 31, 2015, we have acquired total outstanding dues of ₹ 17,963 Crore at a gross consideration of ₹ 8,995 Crore. Resolution strategies were initiated for majority of the assets acquired. Accounts worth ₹ 595 Crore were restructured and Security Receipts worth ₹ 276 Crore were redeemed during the year. The outstanding Security Receipts stood at ₹ 8,398 Crore as on March 31, 2015.

Resource Mobilisation:

As on March 31, 2015, long term borrowing (including current maturities of long term borrowings) stood at ₹ 569.97 Crore. The Group has availed long term secured loans from banks primarily to fund the medium to long term requirements of its lending business. These loans are mainly secured against receivables.

At the same time, the Group also continued its dependence on short term borrowing during the year. Share of Commercial paper in total borrowing stood at 77.64% as at March 31, 2015 as compared to 69.72% as at March 31, 2014. Major component of the Group's short-term borrowing in the form of unsecured loans as on March 31, 2015 stood at ₹ 3,750.51 Crore compared to ₹ 2,082.81 Crore as at the previous year end.

With the visibility of addition in the bank refinanciable assets, going forward the Group's dependence on the short term liability will gradually be reduced. Group will also explore variety of new avenues of financing going forward to further diversify its borrowing profile.

Financial performance of Fund Based Business

Particulars	(₹ in Crore)	
	FY 2014-15	FY 2013-14
Gross income	806.21	529.19
Profit before tax	347.44	199.51
Profit after tax	216.59	142.37
Segment capital employed	2,104.17	1,062.97

ALTERNATIVE ASSET MANAGEMENT (PRIVATE EQUITY AND REAL ESTATE FUND MANAGEMENT)

Market Environment

In FY 2014-15, as per our estimate, the Private Equity (PE) investments increased by 49.9% to ₹ 78,154 Crore (436 deals) as compared to ₹ 52,143 Crore (359 deals) during FY 2013-14.

Year	Private Equity Investment (₹ in crore)	Number of Deals	Average Deal Size (₹ in crore)	Top Sectors where PE investments were made
2014-15	78,154	436	240	IT/ITES, Financial Services and Healthcare
2013-14	52,143	359	194	IT/ITES, Telecom and Healthcare

IT/ITES especially ecommerce sector accounted for more than half (51%) of the total PE investments in FY 2014-15. Other sectors which witnessed high activity in terms of deal value were Financial Services and Healthcare accounting for 14% and 8% respectively of the total PE investments.

Total PE exits increased by 77.3% to ₹ 29,123 Crore (131 deals) in FY 2014-15 as compared to ₹ 16,429 Crore (79 deals) in FY 2013-14. Secondary market transactions for listed companies and Sponsor to Sponsor transactions for unlisted companies were the preferred exit routes for PE Investors.

(Source: JM Financial estimates)

Management Discussion and Analysis (contd.)

Operational Performance

JM Financial India Fund (the Fund) is a private equity fund, focused on providing growth capital to dynamic, fast growing companies in India. The Fund has fully drawn down and deployed its corpus and has made investments in companies in various business segments and at different stages of life-cycle. During the year, the Fund distributed monies from sale of two of its investments. Till date the Fund has made an aggregate distribution of ₹ 682 Crore being 70% of the total capital contribution in INR terms. The Fund has Assets under Management (AUM) of ₹ 640 Crore as at March 31, 2015. The Fund is presently working closely with its portfolio companies in helping them grow their businesses as well as to seek exit opportunities.

JM Financial Property Fund (the Fund) is a real estate fund focussed on investing in residential, commercial, retail and hospitality development assets in India at project level as well as in real estate development companies. The Fund has two schemes; one dedicated for the domestic Indian investors and the second dedicated for the offshore investors. Both schemes are fully invested. The Fund has Assets under Management (AUM) of ₹ 302 Crore as at March 31, 2015.

During the year, significant progress was made in realising some of the investments of the Fund. Total distributions made by JM Financial Property Fund-I, the domestic scheme, as of March 31, 2015 now aggregate 50% of the capital contribution received by it. JM Financial Property Fund-II, the offshore scheme, also made its first distribution during the year aggregating 13% of its capital contribution on Indian Rupee basis. The Fund continues to focus towards working on realisation from its portfolio companies.

Financial performance of Alternative Asset Management Business

Particulars	(₹ in Crore)	
	FY 2014-15	FY 2013-14
Gross income	27.44	30.41
Profit before tax	14.95	18.76
Profit after tax	11.06	13.44
Segment capital employed	84.72	90.22

The following tables illustrate the mobilisation of resources in the Indian Mutual Fund Industry and according to scheme objectives respectively:

Period	Gross Mobilisation			Redemption			Net Inflow / (Outflow)		
	Private Sector	Public Sector	Total	Private Sector	Public Sector	Total	Private Sector	Public Sector	Total
	(₹ in Crore)								
FY 2014-15	91,43,962	19,42,297	110,86,259	90,40,262	19,42,710	109,82,972	1,03,700	(413)	1,03,287
FY 2013-14	80,49,398	17,18,703	97,68,101	80,00,559	17,13,759	97,14,318	48,838	4,945	53,783

ASSET MANAGEMENT (MUTUAL FUND)

Market Environment

As expected from SEBI's long-term policy for mutual funds in India, which inter alia includes enhancing the reach of mutual fund products, promoting financial inclusion, tax treatment, obligation of various stakeholders, increasing transparency, etc. the Mutual Fund industry has grown impressively during FY 2014-15.

FY 2014-15 has been good for the Indian markets with BSE Sensex and Nifty posting their biggest gain in the past five years with a return of nearly 25%. Most fund categories performed with gains, thanks to a buoyant equities market and a reducing interest rate cycle. In FY 2014-15, the country's 44 fund houses together saw a growth of 31 per cent in their asset base to ₹ 10.83 Lakh Crore at the end of March 31, 2015, according to data released by the Association of Mutual Funds in India. The assets under management (AUM) were ₹ 8.25 Lakh Crore on March 31, 2014 and have been on the rise since FY 2011-12. In February 2015, the asset base of all the mutual funds crossed the ₹ 12 Lakh Crore mark. It took over 15 years for the Indian Mutual Fund industry to grow from ₹ 79,500 Crore (in July 1999) to ₹ 12.02 Lakh Crore in February 2015. There is still a long way to go for the mutual fund industry's AUM as compared to Bank deposits that are more than seven times as much, at ₹ 85 Lakh Crore.

The net amount mobilised by the mutual funds was ₹ 1,03,287 Crore (₹ 1,03,700 Crore in private sector and ₹ (413) Crore in public sector) as against ₹ 53,783 Crore (₹ 48,838 Crore in private sector and ₹ 4,945 Crore in public sector) in FY 2013-14. The mobilisation was mainly on account of inflow of ₹ 71,030 Crore in the growth/equity oriented schemes, and income/debt oriented schemes. The cumulative market value of assets under management of mutual funds was ₹ 10,82,757 Crore as on March 31, 2015 as against ₹ 8,25,240 Crore on March 31, 2014, an increase of 31% YoY. Reflecting the growth in assets under management, the number of investor folios in the MF Industry increased by around 22 lakh from 3.95 Crore as on March 31, 2014 to 4.17 Crore as on March 31, 2015. Due to buoyant equity markets, Equity segment did very well in terms of number of folios as well. The number of investor folios for equity-oriented scheme increased by 25 lakh folios from 2.92 Crore as on March 31, 2014 to 3.17 Crore as on March 31, 2015.

Nature of Scheme	(₹ in Crore)					
	Gross Mobilisation		Redemption		Net Inflow/(Outflow)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Income/Debt Oriented Schemes	109,12,088	97,09,762	108,89,532	96,46,422	22,556	63,340
Growth/Equity Oriented Schemes	1,48,171	46,093	77,142	55,362	71,029	(9,269)
Balanced Schemes	15,417	3,435	5,591	5,420	9,826	(1,985)
Exchange Traded Funds	9,974	6,870	9,198	6,274	776	596
Fund of funds (investing overseas)	609	1,941	1,509	840	(900)	1,101

(Source: SEBI website)

Operational Performance

At JM Financial Mutual Fund, we offer a wide range of investment options that cover the entire risk spectrum, catering to the diverse needs of the Institutional and the Non-institutional Investors.

The good performance of the mutual fund industry is also reflected in the performance of JM Financial Mutual Fund. During the FY 2014-15 the Quarterly Average Assets under Management (QAAUM) of JM Financial Mutual Fund more than doubled from around ₹ 6,046 Crore as at March 31, 2014 to around ₹ 12,231 Crore as at March 31, 2015.

Financial performance of Asset Management Business

(₹ in Crore)

Particulars	FY 2014-15	FY 2013-14
Gross income	46.75	26.55
Profit before tax	17.81	3.83
Profit after tax	9.65	2.91
Segment capital employed	137.58	120.22

ANALYSIS OF FINANCIAL PERFORMANCE

The consolidated gross income of the Company stood at ₹1,403.04 Crore as against ₹1,006.67 Crore in the previous year. Earnings before interest, depreciation and tax during the year stood at ₹955.16 Crore as against ₹603.23 Crore, in the previous year. The Profit before and after tax stood at ₹516.91 Crore and ₹330.52 Crore respectively as against the ₹280.16 Crore and ₹209.53 Crore in the previous year.

Fees and commission earned during the year were ₹301.47 Crore as against ₹246.32 Crore during the previous year, constituting 21.49% of the total revenue. Brokerage income earned during the year was ₹145.25 Crore as against ₹94.16 Crore during the previous year, constituting around 10.35% of the total revenue. Interest and other income in fund based activities continued to be a major contributor of the gross revenue at ₹749.51 Crore as against ₹488.47 Crore during the previous year, constituting around 53.42% of the total revenue. We continued enhanced focus on this segment while keeping a close watch on risk management. Revenue from treasury operations and investment income was ₹206.81 Crore as against ₹177.72 Crore during the previous year, representing around 14.74% of the total revenue.

The following table describes consolidated expenditure during the year:

(₹ in Crore)

Particulars	For the Year ended	
	March 31, 2015	March 31, 2014
Employee benefits expense	235.24	203.16
Finance costs	420.20	307.83
Depreciation and amortisation expenses	18.05	15.24
Other expenses	212.64	200.28
TOTAL	886.13	726.51

Employee Benefits Expense

The increase in employee costs by about 15.79 % is mainly on account of normal annual increment and expansion of operations.

Finance Cost

The increase in finance cost is on account of increase in the borrowings during FY 2014-15. Group borrowing stood at ₹4,721.40 Crore as against ₹2,987.33 Crore in the previous year. Group level gearing increased to 1.94x vis a vis 1.43x.

Depreciation and Amortisation Expenses

The increase in depreciation and amortisation expenses was mainly on account of the office premises purchased by the Group during the year.

Other Expenses

Other expenses comprise sub-brokerage, fees & commission and administrative costs. The sub-brokerage, fees & commission mainly relates to secondary market and distribution business. We strived to maintain these expenses at the same level as in the previous year. Administrative costs mainly comprise expenses incurred on rent, legal & professional fees, information technology, manpower, membership & subscription, rates & taxes, travelling, hotel & conveyance, electricity, communication, printing & stationery, provisions and write-off.

Management Discussion and Analysis (contd.)

The break-up of revenues under key segment on a consolidated basis are as under:

Segment Revenue	FY 2014-15		FY 2013-14		Growth %
	Amount (₹ In Crore)	% to total revenue	Amount (₹ In Crore)	% to total revenue	
Investment banking and securities business	521.93	37.20%	407.89	40.52%	27.96%
Fund based activities	806.21	57.46%	529.19	52.57%	52.35%
Alternative asset management	27.44	1.96%	30.41	3.02%	(9.77%)
Asset management	46.75	3.33%	26.55	2.64%	76.08%
Others	139.17	9.92%	116.88	11.61%	19.07%
Total Segmental revenue	1,541.50	109.87%	1,110.92	110.36%	38.76%
Less:- Inter segmental revenue	(138.46)	(9.87%)	(104.25)	(10.36%)	32.82%
Total revenue	1,403.04	100.00%	1,006.67	100.00%	39.37%
Segment Results (Profit Before Tax)					
Investment banking and securities business	123.99	23.99%	45.16	16.12%	174.56%
Fund based activities	347.44	67.21%	199.51	71.21%	74.15%
Alternative asset management	14.95	2.89%	18.76	6.70%	(20.31%)
Asset management	17.81	3.45%	3.83	1.37%	365.01%
Others	12.72	2.46%	12.90	4.60%	(1.40%)
TOTAL RESULTS (PROFIT BEFORE TAX)	516.91	100.00%	280.16	100.00%	84.51%

(₹ in Crore)

Segment Capital Employed	March 31, 2015	% of Segment Result to Segment Capital Employed	March 31, 2014	% of Segment Result to Segment Capital Employed
Investment banking and securities business	599.88	20.67%	561.02	8.05%
Fund based activities	2,104.17	16.51%	1,062.97	18.77%
Alternative asset management	84.72	17.65%	90.22	20.79%
Asset management	137.58	12.95%	120.22	3.19%
Others	165.96	7.66%	422.41	3.05%
Total Capital Employed	3,092.31		2,256.84	

Investment Banking and Securities Business

The investment banking and securities business registered a growth of 27.96% over the previous year as a result of improved performance in the investment banking business. During the year, the percentage of segment results to segment capital employed rose sharply to 20.67% as against 8.05% in the previous year. This segment contributed 25.64% to our consolidated profit after tax.

Fund based activities:

Fund based activities continues to be the growth engine for the Group. This segment registered a growth of 52.35% in the revenue over the previous year. During the year, the percentage of segment results to segment capital employed in the segment was 16.51% as against 18.77% in the previous year. This was on account of capitalisation in the third quarter of the year and the related low gearing on new capital in the remaining months of the financial year. This segment contributed 65.53% to our consolidated profit after tax.

Alternative asset management:

This segment registered revenue of ₹ 27.44 Crore during the year. JM Financial India Fund, a private equity fund and JM Financial Property Fund are working closely with their portfolio companies in helping them grow their businesses as well as to seek exit opportunities. The reduction in the revenue is on account of reduced management fee which is attributable to the exits made by the Funds. This trend will continue in respect of these funds except in case there is earning in the nature of carry on completion of all exits.

Asset management:

The asset management business registered a remarkable growth of 76.08% in the revenue over the previous year. During the year, the percentage of segment results to segment capital employed in the segment was 12.95% as against 3.19% in the previous year. This segment contributed 2.92% to our consolidated profit after tax. Our focus on our marquee products and consistent approach to fund management helped us achieve much better results in this segment.

On a standalone basis, the Company earned a gross income of ₹ 104.54 Crore during the year as against ₹ 87.16 Crore in the previous year. The gross income includes ₹ 73.31 Crore on account of dividend received from subsidiaries as against ₹ 65.34 Crore in the previous year. The profit before tax stood at ₹ 80.50 Crore as against ₹ 74.77 Crore in the previous year and the profit after tax stood at ₹ 78.10 Crore as against ₹ 71.05 Crore in the previous year.

OUTLOOK AND STRATEGY

The Indian economy, expected to grow at 7.4% is firmly on the recovery path and the key indicators support the perception of recovery. The improved performance of the industrial and services sector is also reflected in the improved profitability in the corporate sector. This is achieved mainly because of restored macroeconomic stability on account of fiscal consolidation, control over inflation and support from fall in the global prices of oil and commodities. Acceleration of reforms and capital inflows will spur investment; however, the risks from high inflation, higher cost of capital arising from high fiscal deficit and exit from the expansionary monetary policy could have a dampening effect on the growth. India's growth prospects remain bright with its growth being well balanced and largely driven by domestic consumption.

With strengthening of the economy and stable economic and political environment, the Indian capital market is expected to perform well. Given the robust growth prospects, we seek to consolidate our position further both in capital market and financial market. Our strategy will continue to be deepening our portfolio of financial services and products, client centric focus, effective risk management and build a business model that is well diversified across financial market activities. Focus on delivering client centric solutions, investing in human capital and strong risk management will remain our basis for patient and responsible growth.

We believe that in medium to long term, a large part of our revenue growth will be in the fund based and fund management activities. These businesses provide a steady business model that lends itself to reasonable level of planning. We propose to deepen our product suite in the NBFC business and utilise higher capital, both in the form of net worth and borrowed funds towards carefully selected transactions targeting higher earnings from this business.

In the advisory business, we understand the opportunities, risks and feasibility very well. We also understand the cyclicity of these businesses and remain ready with team that has right skills and expertise to capitalise on the active phase in capital markets.

As a part of our strategy to expand internationally, the Group has established its presence in Mauritius, Singapore and USA. Our company in Singapore has a Capital Markets Services Licence for its corporate financial advisory activities. This has enabled the

Group to target a broader category of investors and corporates in overseas market. Financial Industry Regulatory Authority (FINRA), USA has granted the approval to the new membership application filed by JM Financial Institutional Securities INC, our Step Down Subsidiary (SDS) in the USA, which approval is contingent upon completion of certain requirements. By virtue of this membership, our SDS in the USA will be able to carry on the broker dealer business among others. This membership would enable the Group to increase its reach and expand activities in the USA.

We intend to add focus on the opportunities in the alternative asset management area during the FY 2015-16. However, our immediate focus will continue to be on the exit in current funds.

In the mutual funds management, our fixed income schemes continue to deliver steady returns that are in top quartile. Our investors continue to repose their confidence in our fixed income schemes. In recent times, reinstatement of our focus on our marquee equity arbitrage fund and balanced fund also yielded very good response from investors. We intend to continue our focus on these schemes. We have restructured our equity schemes and have delivered better than benchmark returns in most of these schemes during FY 2014-15.

OPPORTUNITIES AND THREATS

Global and domestic growth is forecast to increase owing to the boost in disposable incomes from lower oil prices, continued support from accommodative monetary policy stances, and more moderate fiscal adjustment. A stable and pro-reforms government at the center has resulted in strong capital inflow and the surge in stock markets indices to their life time highs. This will present ongoing opportunities for financial intermediaries to spread and benefit from the investment culture across the country. The following factors present specific opportunities across our businesses:

- Expected GDP growth rate of 7.4% coupled with reforms push by the government relating to project approvals, land acquisition, mining, and infrastructure will lead to huge investments by both the public and private sector companies. There will be huge capital requirement to fund these investments which will present opportunities for investment banking and advisory business;
- Fall in global commodity prices will reinvigorate private consumption demand and lead to capacity expansion by the industry;
- Corporates are looking at expanding in domestic as well as overseas markets through mergers & acquisitions which offer opportunities for the corporate advisory business.
- Growing mid-size segment of corporates where the need for customised solutions is particularly high will present opportunities for our advisory businesses;
- With increase in the income levels, change in attitude

Management Discussion and Analysis (contd.)

from wealth protection to wealth creation and risk taking abilities of the youth, there is also a huge market opportunity for wealth management service providers.

- Improved sentiments in the secondary markets will also enhance the participation of investors across segments thereby helping the prospects of equity brokerage business. We expect economic activity to pick up from grass root levels presenting opportunities in both lending and asset reconstruction business.

Despite the above opportunities, our performance could be affected by following perceived threats to our businesses:

- Impact of abnormal monsoon, rising fiscal deficit, sustained high interest rates and high inflation;
- Geopolitical tensions across the globe;
- Regulatory changes impacting the landscape of business;
- Increased intensity of competition from players across the segment/industry;
- Attrition of employees caused by strong demand from ever increasing number of market participants;
- Continuous downward pressure on the fees, commissions and brokerages caused by heightened competition and willingness of most players to deliver services at very low fees;
- Entry of corporate heavy weights and global players in the lending business. Given their capital strength as well as access to cheaper sources of capital will increase pressure on us to remain competitive and impact margins.

RISKS AND CONCERNS

The financial services industry is subject to continuously evolving legislative and regulatory environment due to increasing globalisation, integration of world markets, newer and more complex products & transactions and an increasingly stringent regulatory framework. Risk is an integral part of the business and almost every business decision requires the management to balance risk and reward. The inability to manage these risks can cause permanent damage. As a result, today's operating environment demands a rigorous and integrated approach to

risk management. The risk is managed through risk management architecture as well as through policies and processes approved by the Board of Directors and the Firm Management encompassing independent identification, measurement and management of risk across various businesses of the Group.

The Company, being a holding company with no operating business on a standalone basis derives its income mainly from dividend, interest and capital gains and hence is not directly exposed to risks. The risk for the Company emanate from the risks associated with the businesses of various operating entities within the group.

Timely and effective risk management is of prime importance to our continued success. We believe that risk assessment is the first step in a sound risk management procedure. We, at JM Financial, have developed comprehensive risk management policies and processes to deal with the risks that are encountered in conducting business activities in an effective manner.

The Group's business is exposed to many internal and external risks. We have put in place robust systems and processes, along with appropriate review mechanisms to actively monitor, manage and mitigate these risks. Our team of experienced and competent professionals, both at business level as well as group level, identify and monitor the risks on an ongoing basis. There is a continuous focus on the maker-checker and sponsorship processes. Detailed regulatory prescription as well as regular inspections also help test our processes and compliances.

Report of top risks and risk event update is periodically placed before the Board of Directors of the Company. The Directors review these reports and the course of action taken or to be taken to manage and mitigate the risks. Additionally, independent Internal Audit firms, not from within the JM Financial Group, are appointed to review and report on the business processes and policies in all operating companies of the group. The report of internal auditors is reviewed and discussed by the Audit Committee of the respective operating companies including the Company to review compliance with the set processes and any risk events.

The various risks associated with the businesses of various companies within the group and its management are discussed in detail below:

Key Risks	Description/Impact of Risk	Risk Mitigation
Credit Risk	Credit risk is most simply defined as the potential that a borrower or counterparty will fail to meet its financial obligations in accordance with agreed terms. Thus credit risk is a loss as a result of non-recovery of funds lent on both principal and interest counts. As our credit exposure increases, it could have an adverse effect on our business and profitability, if material unexpected credit losses occur.	A comprehensive credit approval and review process by the senior most team, extensive credit appraisal, proper documentation, periodic reviews, etc., is conducted in order to mitigate the credit risk. Stringent standards have been stipulated for customer identification and evaluations of credit proposal. Regular portfolio risk analysis is done on various financial and policy parameters for making required changes in the credit policy as a proactive approach to risk management.

Key Risks	Description/Impact of Risk	Risk Mitigation
Market Risk	Market risk is the risk of losses arising from the movements in market price of various securities, which may impact our earnings and capital. The risk may pertain to interest bearing securities (interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk). We are exposed to potential changes in the value of financial instruments held by us caused by fluctuations in interest rates, equity and commodity prices and/or other risks. Any decline in the price of our investments in quoted securities may affect our financial performance and position.	Our portfolios and collaterals/ securities are continuously monitored and also the usage of derivative instruments as a hedging mechanism minimises the impact of market risk.
Liquidity Risk	An entity's inability to raise funds at short notice by selling its assets or borrowing from the market. It also refers to the risk that arises from the difficulty of selling an asset without a high impact cost. Our liquidity may be impaired due to severe liquidity crunch in the market, general market disruptions or disruptions for any specific class of assets or an industry event. Our clients' inability to arrange liquidity to honour their commitments to us in such situation can also impact our ability to meet our obligations.	We have a strong financial position and all our businesses are adequately capitalised, have good credit rating and appropriate credit lines are set up to address liquidity risk. We also maintain a part of our capital in liquid assets to manage any sudden liquidity needs.
Operational Risk	Operational risks may emanate from inadequate and/ or missing controls in internal processes, people and systems or from external events or a combination of all. The rapid development and establishment of financial services businesses in new markets may raise unanticipated operational or control risks. Such risks could have material adverse effects on our financial position and the result of its operations.	We have well defined operational processes, policies and systems which are reviewed on a periodical basis. Regular audits by internal auditors ensure that the operating teams adhere to the defined processes and policies. Maker/Checker mechanism has been put in place to ensure compliance with laid down systems and procedures in all areas of functioning of the Company. Also the Company's key management team consists of professionals of high level of commitment and employment history with the Group. This team is well versed in the key issues relevant to the holding company structure. They also understand all the businesses in the group very well and they help them grow in a well-managed and a compliant manner.
Reputation Risk	Reputation risk is related to the trustworthiness of the business. It arises from the adverse perception of the Company in the mind of various stakeholders. Reputation risk is a very high risk and can cause long term and sometime irreparable loss of business/ revenue.	We conduct our business with high levels of diligence, using best practices and in fair and transparent manner and endeavour to disseminate timely information to the clients, shareholders, investors and regulators. We continuously train and remind our employees to focus on doing business in a diligent and above board manner and to remain conscious about the first class reputation and importance of keeping it first class.

Management Discussion and Analysis (contd.)

Key Risks	Description/Impact of Risk	Risk Mitigation
Regulatory and Compliance Risk	Most of our businesses as well as the Company itself operate in strongly regulated business segments. The risk arising out of changes in laws and regulations governing our business. It could also arise on account of inadequate compliance with regulatory requirements or difference in interpretation of regulations vis-à-vis the regulators. This risk is heightened in setting up global offices as familiarisation with global regulations and practices can take time as well as lead to risk of inadequate understanding. In recent times, these risks have spread to tax laws and unexpected demands being raised by various tax authorities. New laws or regulations or changes in the enforcement of existing laws and regulations may adversely affect the business/revenue/profits. Non-compliance with regulations may invite strictures, penalties and even punitive action from the Regulators.	We have a team of experienced professionals reporting to Group Head – Compliance, Legal & Company Secretary which takes care of compliance with applicable laws, rules, regulations and guidelines affecting our businesses. We also take external advice and appoint well qualified professionals in respective functions in various offices and functions. All the critical Policies of the Company are carefully framed in terms of applicable laws and the business is conducted in accordance with the approved Policies. All matters relating to compliance with the applicable guidelines of market regulator SEBI are routed through the compliance teams. Internal audit is carried out by external professional firms to monitor compliance with best practices, approved policies and applicable regulations. Our business team is strongly supported by our Corporate Functions team to quickly calibrate our actions in such an event.
Competition Risk	The financial sector industry is becoming increasingly competitive and our growth will depend on our ability to compete effectively. The liberalization of the Indian financial sector has led to a greater presence or entry of new foreign financial companies offering a wide range of products and services. Increased competition from local and global players operating in India may lead to attrition of our key personnel.	Our strong brand image, wide and ever expanding distribution network, diversified and innovative suite of products and services, fair and transparent business practices enable us to differentiate ourselves from our competitors. Our human resource policies and a healthy positive work environment help us attract and retain best talent on a continuous basis.
Business Continuity Risk	In the event of disruption in the conduct of business in the event of incidents like fire, natural calamity, breakdown of infrastructure, acts of terrorism etc. We are exposed to the risk of loss of data, clients and/or business that can adversely affect our financial results.	We have in place Business Continuity Plan (BCP) to mitigate the impact of any such exigencies. We continuously test check the processes laid out under the BCP and review the same.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We maintain adequate internal control systems commensurate with the nature of business, size and complexity of its operations. We have well-established processes, guidelines and procedures to augment the internal controls. This, coupled with adequate internal information systems ensures proper information flow for the decision-making process. Adherence to these processes is ensured through frequent internal audits. The internal control system is designed to ensure maintenance of proper accounting controls, monitoring of operations, protection and conservation of assets and compliances with applicable laws and regulations. These controls ensure that financial and other records are reliable for preparing financial statements and other information.

An extensive programme of internal audit is conducted by an independent firm and reviewed by the Audit Committee. Internal audit also evaluates and suggests improvement in effectiveness

of risk management, control and governance process. All our operating subsidiaries are subject to internal audits to assess and improve the effectiveness of risk management, control and governance process. These procedures ensure that all transactions are properly reported and classified in the financial records.

The Audit Committee of Board provides necessary oversight and directions to the internal audit function and periodically review the findings and ensures corrective measures are taken keeping in mind the organisation's requirements, growth prospects and ever evolving business environment. This system enables us to capture a precise reflection of the organisation's position at all times and also facilitates timely detection and plugging of anomalies by various business groups.

We also address any issues identified by regulatory inspection teams very diligently and report the same to the Board of Directors and the regulators.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

At JM Financial, CSR extends beyond a statutory obligation. We are an organization that voluntarily takes steps to improve the quality of life for people in our ecosystem as well as for the society at large.

In order to inculcate the philosophy of Corporate Social Responsibility (CSR) amongst the companies, Section 135 of the Companies Act, 2013 ('the Act') has mandated every company having a networth of ₹ 500 Crore or more, or turnover of ₹ 1,000 Crore or more or net profit of ₹ 5 Crore or more to spend in every financial year at least 2% of its average net profits made during the three immediately preceding financial years on CSR activities as enumerated in Schedule VII to the Act.

JM Financial Foundation established in the year 2001 and Kampani Charitable Trust established in the year 1983, to support the causes of socio-economic, educational and health care are two arms through which the Group has been contributing to deserving causes since over three decades. The recently introduced statutory provisions only add to the contribution we make in this direction.

In accordance with the CSR activities enshrined in the CSR Policy adopted by the Board pursuant to the provisions of Section 135 of the Act, JM Financial Group approved an aggregate contribution of ₹ 5.43 Crore to be released over three years to its philanthropic arms viz. JM Financial Foundation and Kampani Charitable Trust for supporting the following projects:

- ASHOKA UNIVERSITY** – International Foundation for Research & Education (IFRE) is a non-profit Company registered under Section 25 of the Companies Act, 1956. The primary object of IFRE is promotion of education by establishing schools, colleges and education and research centres for the upliftment of society, not with the motive of profit. IFRE commenced operations in 2008 and in 2011 IFRE launched its one year Post Graduate Program, more popularly known as the Young India Fellowship (YIP) Program.

IFRE is the sponsor body that set up Ashoka University, which is an independent non-profit private university under the Haryana Private Universities Act, 2006, that is engaged in providing Bachelors, Masters and Post Graduate education to students. Situated in Sonapat, Haryana, students undergo a rigorous merit based admission process and have access to world class education at Ashoka University.
- SRCC CHILDREN'S HOSPITAL** - The Society for Rehabilitation of Crippled Children (SRCC) is constructing a Children's Hospital in Haji Ali, Mumbai. Narayana Health, one of India's largest and most economical healthcare service providers, will manage the hospital for SRCC and provide best-in-class treatment for children.

The first phase of construction has commenced in September 2014 and is slated to be complete by October 2016. The hospital will then start operations with about 200 beds. Children from across the country, who are suffering from any ailment, will receive world class investigation facilities and free/subsidised treatment from the hospital.

ONGOING GIVING AND SUPPORT ACTIVITIES

1. Giving and Charity

JM Financial Foundation and Kampani Charitable Trust identify and work with several credible NGOs on a number of outreach programs in various fields such as education, healthcare and disaster relief. Some of the programs supported in this manner are listed below.

Education

Education is the most powerful weapon we can use to change the world and to bring about this change we have focused on access to quality education and offer scholarships to children at the bottom of the socio-economic pyramid.

We promote girl child education by providing academic, material and social support that allows them to access quality education and to attend school with dignity.

One of the partners that we support deploys the Activity Based Curriculum that empowers children to cope with different real life situations with lessons learnt while engaging in active play.

We have partnered with professionals to work with children having developmental disabilities particularly Autism. We also support schools that run programs for children coming from diverse socio-economic backgrounds and disabilities.

Entrepreneurship promotion

As an extension of our focus on education, we believe that development of entrepreneurship is very important part of the long term goal of nation building. In our endeavour to support the objective of development of entrepreneurship, JM Financial, together with a few like-minded entities, supports the initiative called Venture Studio of Ahmedabad University.

Health Initiatives

We have associated with partners to provide the needy with effective medical treatment free or at a subsidised cost. The health initiatives include rehabilitation of the physically challenged, treatment for cancer patients, free health camps for the underprivileged, promotion of alternative medicine like Ayurveda, sponsorship of camps for detection and treatment of neurological diseases, etc.

Management Discussion and Analysis (contd.)

Building of sanitation blocks in a rural area of Maharashtra was completed with a partner NGO. Granting of wishes to chronically ill children was also supported by the Foundation. We also provide aid to a home for destitutes – both young and old where all their daily and medical needs are looked after.

Vocational Training

We have backed the initiatives to train the under privileged and school dropout youth in vocational skills viz., Computers, Mechanic, Carpentry, Tailoring, Beautician, etc. to enable them to become economically independent and start life afresh.

Disaster Relief

Through our partners we worked extensively to help rehabilitate the victims of the Jammu & Kashmir floods.

Others

Apart from the above, we supported activities related to promotion of sports arts and culture.

2 Employee Activities

Project Drishti

Under this project all glossy magazines are accumulated both in our offices and employees' homes and sent to a school for the blind at regular intervals. The paper from these magazines is used for preparing reading and learning material in Braille.

Sparsh

This is an employee volunteering initiative at JM Financial. Employees help the lesser privileged aged members of society through the SPONSOR A GRAN program of Helpage India and mentor children from Akanksha by counseling them on career options, self-confidence, academic help, etc.

Joy of Giving

JM Financial celebrates the "Joy of Giving Week" every year. Typically the Joy of Giving week entails the following activities –

- 1) Joy Boxes are placed at our office premises through the week. Employees are encouraged to place various items such as clothes, stationary, household items, etc., which are donated to Goonj, an NGO dedicated to the re-distribution of such items to the needy across India.
- 2) Blood Donation camps across the offices of the Group in Mumbai.
- 3) Paraplegic Foundation - a display of an array of items for sale such as envelopes, candles, table linen, etc., all made exclusively by paraplegics, usually receives an excellent response from employees.

3. Walkathon

We organise the JM Financial Walkathon, which is an annual event, where we invite clients and employees to pledge their support and to walk for a better future for the under-privileged. The Walkathon also serves as a fund-raiser where we invite contributions towards the various causes supported by the JM Financial Foundation. The event was thrown open to a wider audience this year, utilising social media inviting public participation. The funds raised from the Walkathon are utilised towards various initiatives through the year, which focus on the betterment of various segments of the communities. This year, the Walkathon was held on Sunday, February 15, 2015 and witnessed approximately 700 enthusiastic participants.

HUMAN RESOURCES

At JM Financial, people are our most valuable asset and we believe that the ultimate identity and success of our Firm lie in the excellent quality of our people and their dedicated commitment towards attaining our Organisation's vision.

Human Resources plays the role of an effective business partner in building the Group HR strategy and supports all our businesses by delivering best in class HR policies and practices. HR coverage team members responsible for individual business units support employee engagement, resourcing, data analysis, employee relations & guidance, performance management, compensation & benefits and learning & development services.

HR function plays a critical role in managing the Group's most important asset, our people. HR team's broad range of activities includes:

- Talent Management
- Retention programs
- Succession planning
- Workforce diversity
- Progressive compensation and benefits design and implementation
- Employee relation and Employee engagement
- Learning & Development
- Performance Management System
- Rewards & Recognition

Talent Management

Building and consolidating our talent pool has always been one of our top priorities and we have been successful in attracting varied talent that brings sound expertise, new perspectives and infectious enthusiasm. JM Financial has a strong brand presence in the market and our empanelled business partners help us study, survey and attract the best in the market.

Workforce diversity

We have employees from extremely diverse backgrounds in terms of experience, culture and heritage. This goes a long way

in building our culture as people from various cults bring with them fresh ideas and innovations, unique styles and practices.

Campus Hiring

HR has instituted the Management Analyst (MA) program for the Group. The program focuses on building a strong pool of professional talent, whose competencies can be developed by orientation/rotation with various businesses. The batch of 2014-15 comprised graduates from premier Business schools and Chartered Accountants.

Learning & Development

We have an environment for continuous learning which we have enabled through various forums, databases, online resources. Employees are given avenues to hone their skills. We also arrange for various behavioral and technical trainings which are facilitated by external and internal faculty members.

Performance Management

We follow a comprehensive 360 degree performance evaluation process for annual reviews. Employees across levels benefit from the development oriented approach of this system. This practice helps us to identify the standout skills of employees and leverage on the same. It also helps us to structure and impart training in the identified areas for identified employees.

Engagement

Offsites lay down a platform for each business to focus on business strategy for the coming year, team building to reinforce inter-team functionalities and interaction with senior management. HR plays a key role in organising offsites for different businesses and ensures that adequate sessions are organised for knowledge sharing and ideation.

Rewards & Recognition

At JM Financial, we pride ourselves in our people and their achievements. It is therefore important to us that we recognize their hard work, dedication and commitment. Our Rewards and Recognition program provides a framework for encouraging and recognizing long service and exemplary performance of our employees. The Group has an annual Reward and Recognition Program which appreciates and recognises talent, silent yet valuable efforts and initiatives. The reward is in the form of a memento and a certificate.

Sports Center

We have set up JM Financial Sports Center with the objective of creating a platform for employees to get-together and enjoy

various sporting activities, foster a habit of team-work and healthy competition by using sports as a medium, promote a healthy work-life balance and an opportunity to de-stress by engaging in sports. We participated in some exciting sports events. Men's soccer team finished runners-up in the Challenger's Cup category at the Inter-corporate Soccer tournament. Our Men's and Women's soccer teams participated in the Inbox Football League 2014. JM Financial Cricket Championship 2014-15 was also held with a team winning the Champions Trophy.

Great Place to Work Awards

The Great Place to Work Institute, India has recognized JM Financial Group with the following awards:

- JM Financial Services ranked 41st amongst Top 100 'India's Best Companies To Work For 2014'.
- JM Financial Services ranked 4th best in the industry (Financial Services) in 'India's Best Companies To Work For 2014'.
- JM Financial Asset Management ranked 50th amongst Top 100 'India's Best Companies To Work For 2014'.
- JM Financial Asset Management ranked 5th best in the industry (Financial Services) in 'India's Best Companies To Work For 2014'.

Promoting internal mobility, recruiting talent, encouraging sustained employee development, offering competitive compensation and engaging work environment are all factors that make JM Financial an attractive employer.

SAFE HARBOUR

This report describing our activities, projections and expectations for the future, may contain certain 'forward looking statements' within the meaning of applicable laws and regulations. The actual results of business may differ materially from those expressed or implied due to various risk factors and uncertainties. These risk factors and uncertainties include the effect of domestic as well as global economic and political events, volatility in interest rates and in the securities market, new regulations and government policies that may impact our businesses as well as ability to implement our strategies. We are under no obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events and assume no liability for any action taken by anyone on the basis of any information contained herein.

Report on Corporate Governance

1. CORPORATE GOVERNANCE

Corporate Governance represents the value framework, rules, practices by which a company conducts its business activities. Corporate Governance essentially involves balancing the interests of many stakeholders in a company which include its shareholders, management, customers, suppliers, financiers, government and the community.

2. PHILOSOPHY OF JM FINANCIAL ON CORPORATE GOVERNANCE

At JM Financial, we believe in adopting the best in class Corporate Governance practices and strive to improve them continuously. We emphasise the importance of transparency and accountability in all our businesses. We believe good Corporate Governance is not just a principle but it is embedded in the manner every individual working in our companies conducts himself/herself.

Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical, in the interest of our stakeholders and is in compliance with applicable legislation. Our values reflect our continued commitment to ethical business practices across our operations.

Securities and Exchange Board of India has issued guidelines on the Corporate Governance for all listed companies. These are incorporated in Clause 49 of the Listing Agreement. At JM Financial, we diligently follow these guidelines.

Our multiple initiatives towards maintaining the highest standards of governance are detailed in this Report.

3. BOARD OF DIRECTORS

The Board of Directors of the Company are eminent people from various fields who in their individual capacity also focus on following the good governance practises. The Board oversees various aspects of business operations with an eye on right business practices.

A. COMPOSITION OF THE BOARD

The Board of Directors comprises 7 (seven) members out of which 6 (six) are Non-executive and Independent Directors and 1 (one) Chairman and Managing Director. The Board also has a Woman Director as required under Clause 49 of the Listing Agreement. The Directors have expertise in the fields of strategy, management, finance, law and economics. The Board provide leadership, strategic guidance, objective and independent views to the Company's management, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures.

The Board has received confirmation from the Non-Executive and Independent Directors that they qualify to be considered as independent as per the definition of 'Independent Director' stipulated in Clause 49 (II)(B) (I) of the Listing Agreement and Section 149(6) of the Companies Act, 2013 (hereinafter called "the Act"). None of the Directors of the Company is related to each other.

None of the Directors hold directorships in more than 20 companies. Further, any individual director's directorships in public companies do not exceed 10. None of the Directors is serving as a member of more than ten committees or as the Chairman of more than five committees across all the public companies of which he is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2015 have been made by the Directors.

B. MEMBERSHIPS OF OTHER BOARDS

The number of directorships and committee Chairmanships/Memberships held by the Directors in other public companies as on March 31, 2015 are given below:

Name of the Director	Category	Number of directorships in other public companies	Number of committee positions held in other public companies		No. of shares held in the Company
			Chairman	Member	
Mr. Nimesh Kampani	Chairman & Managing Director	7	2	2	13,53,57,500*
Mr. E A Kshirsagar	Non-Executive & Independent Director	6	4	2	Nil
Mr. Darius E Udawadia	Non-Executive & Independent Director	9	2	7	Nil
Mr. Paul Zuckerman	Non-Executive & Independent Director	2	-	2	Nil
Dr. Vijay Kelkar	Non-Executive & Independent Director	6	1	1	Nil
Mr. Keki Dadiseth	Non-Executive & Independent Director	9	4	6	Nil
Ms. Jagi Mangat Panda	Non-Executive & Independent Director	4	1	1	Nil

* Includes 12,50,000 Equity Shares held by Nimesh Kampani HUF.

Notes

1. Directorships mentioned as above do not include directorships of private limited companies, companies under Section 8 of the Act and of companies incorporated outside India.
2. Positions in only the Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning the number of Chairmanships and Memberships held by the Directors.
3. None of the Non-Executive and Independent Directors has any material pecuniary relationship or transactions with the Company, other than the commission and sitting fees received by them for attending the meetings of the Board and its Committee(s) and professional fees received by the firm in which a Director is a partner.

C. BOARD MEETINGS AND BOARD PROCEDURE

The Company plans and prepares the schedule of the Board meetings in advance to assist the Directors in planning their calendar. The Board members are also given the option to attend the meetings through video conference. The schedule of meetings and the agenda thereof are finalised in consultation with the Chairman &

Managing Director. The agenda are pre-circulated with presentations, explanatory notes, supporting documents and executive summaries, if any, required.

The Board meets at regular intervals. Generally, seven meetings are held every year with at least one meeting in every quarter, inter alia, to consider, review and approve the quarterly results. Review of the business of the operating subsidiaries of the Group is a regular item on board agenda. Additional meetings of the Board are held when deemed necessary. In case of business exigencies or urgencies, the resolutions are passed by way of circulation to the extent permissible under the Act.

The Board meetings are generally held at the registered office of the Company. The Board met eight times during the financial year 2014-15 – on May 6, 2014, July 3, 2014, July 31, 2014, September 19, 2014, November 4, 2014, December 12, 2014, January 28, 2015 and March 31, 2015. The gap between two meetings did not exceed 120 days. The required quorum was present at all the above meetings. The details of the attendance of the Directors at the Board Meetings and the last Annual General Meeting is as below:

Name of the Director	Category	No. of Board meetings held	No. of Board meetings attended	Attendance at the previous Annual General Meeting
Mr. Nimesh Kampani	Chairman & Managing Director	8	8	Yes
Mr. E A Kshirsagar	Non-Executive & Independent Director	8	8	Yes
Mr. Darius E Udawadia	Non-Executive & Independent Director	8	8	Yes
Mr. Paul Zuckerman	Non-Executive & Independent Director	8	7	Yes
Dr. Vijay Kelkar	Non-Executive & Independent Director	8	6	Yes
Mr. Keki Dadiseth	Non-Executive & Independent Director	8	7	Yes
Ms. Jagi Mangat Panda (appointed with effect from March 31, 2015)	Non-Executive & Independent Director	8	NA*	NA*

*Since appointed with effect from March 31, 2015

The Board is provided with the relevant information as stipulated under Clause 49 of the Listing Agreement viz., quarterly/half yearly unaudited financial statements and the audited annual accounts, corporate strategies, annual budgets and capital expenditure details. The members of the Board have access to the management as well as all information about the Company.

With regard to matters requiring the approval of the Board, all the concerned persons in the Company communicate with the Company Secretary in advance to enable inclusion of such matters in the agenda for the Board meetings. Where it is not practicable to circulate

any document or if the agenda is of confidential nature, the same is sent separately or tabled at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the permission of the Chairman. The concerned officials of the Group are invited to attend the Board meetings to provide additional inputs for the items being discussed by the Board of Directors as and when necessary.

At the Board Meetings, the Senior Management and CEOs/ Business Heads of the operating subsidiaries/associate make presentation on various matters including the financial results, risk management, regulatory environment

Report Corporate Governance (contd.)

and any other issues which the Board wants to be apprised of. The Board members interact with the CEOs of the various operating subsidiary companies frequently both at the Board meetings and outside the Board meetings.

The Board periodically reviews compliance confirmation in respect of laws applicable to the Company and its subsidiaries. The minutes of the Board meetings of the unlisted subsidiaries and a summary of the key decisions taken by their respective Boards are tabled at the Board meetings of the Company on a quarterly basis. The draft minutes are circulated amongst the members of the Board for their perusal and comments. The changes, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman of the Board. The minutes are signed by the Chairman of the Board at the next meeting.

The Company has an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and the Committees thereof. The important decisions taken at the Board/committee meetings are communicated to the concerned persons promptly. Action taken report on the decisions/minutes of the previous meetings is placed at the immediately succeeding meeting of the Board/committee for noting by the Board/committee.

The Company has in place mechanism to inform board members and periodically review at Board meetings risk assessment and risk management processes. The framework comprises an in-house exercise on Risk Management review, carried out periodically by the Company, which helps oversee the functioning of a structure to identify and mitigate various risks faced by the Group on a day to day basis. A detailed note on risk management is given in the Risk Management section of Management Discussion and Analysis Report.

D. MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on December 12, 2014 without the presence of the Chairman & Managing Director and the Senior Management team. The meeting was attended by all the Independent Directors and was conducted to enable the Independent Directors to discuss matters prescribed under Schedule IV to the Act and Clause 49 of the Listing Agreement.

E. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company has in place the Familiarisation program for Independent Directors appointed from time to time. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the business functionaries and the processes of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Program is hosted on the website of the Company at www.jmfl.com.

F. CODE OF CONDUCT

The Company has adopted a Code of Conduct ("Code") which applies to all the Board members and Senior Management Personnel of the Company. It is the responsibility of all Board members and Senior Management Personnel to familiarise themselves with Code and comply with its provisions. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have confirmed compliance with the Code. A declaration signed by the Chairman and Managing Director to this effect is given below.

G. DECLARATION

I confirm that the Company has obtained the confirmation from all its Directors and Senior Management Personnel that they have complied with the provisions of the Code of Conduct for the financial year 2014-15.

Place : Mumbai

Nimesh Kampani

Date : May 29, 2015

Chairman & Managing Director

4. COMMITTEES OF THE BOARD:

The Board Committees focus on specific areas mentioned in their terms of reference and make informed decisions within the authority delegated to them. Each Committee of the Board is guided by its terms of reference. The Committees also make specific recommendations to the Board on various matters required. All observations, recommendations and decisions of the Committees are placed before the Board for its information or approval. All the minutes of committee meetings are placed before the Board for its noting.

The Company has following Committees of the Board. Specific terms of reference have been laid out for each of them.

Board constituted Committees as on March 31, 2015				
Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Stakeholders' Relationship Committee	Allotment Committee
Members Mr. E A Kshirsagar (Chairman) Dr. Vijay Kelkar Mr. Paul Zuckerman	Members Dr. Vijay Kelkar (Chairman) Mr. Darius E Udawadia Mr. E A Kshirsagar Mr. Nimesh Kampani	Members Mr. Nimesh Kampani (Chairman) Mr. Paul Zuckerman Mr. Keki Dadiseth	Members Dr. Vijay Kelkar (Chairman) Mr. Nimesh Kampani	Members Mr. Nimesh Kampani (Chairman) Mr. Darius E Udawadia

A. AUDIT COMMITTEE

The Audit Committee consists of three Non-Executive and Independent Directors. Mr. E A Kshirsagar, a Chartered Accountant, is the Chairman of the Committee. The other members are Dr. Vijay Kelkar and Mr. Paul Zuckerman, both very learned and experienced and well known in their respective fields. All members of the Committee are financially literate. The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer along with Internal Auditors and Statutory Auditors are invited to attend the meetings of the Committee.

Mr. Kshirsagar, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on July 3, 2014.

Scope and Function

The broad terms of reference of the Audit Committee, inter alia, include:

- Review and monitor the Statutory Auditors' independence and performance and their remuneration;
- Effectiveness of audit process;
- Oversight of the Company's financial reporting process and the disclosure of its financial information;
- Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval, examination of the financial statements and the auditors' report;

- Select and establish accounting policies;
- Review Reports of the Statutory and the Internal Auditors;
- Approval (wherever necessary) of transactions of the Company with its related parties including subsequent modifications thereof;
- Scrutiny of intercorporate loans and investments;
- Valuation of undertakings or assets of the Company;
- Reviewing the risk assessment and minimisation procedures, evaluation of internal financial controls and risk management systems;
- Monitoring end use of the funds, etc;
- Functioning of the Whistle Blower Policy/Vigil Mechanism;
- Review of Financial Statements and investments of subsidiary companies;
- Management Discussion & Analysis of financial condition and results of operations;
- Review of material individual transactions with related parties not in normal course of business or which are not on an arm's length basis, if any.

The Chairman of the Audit Committee briefs the Board of Directors about significant discussions and decisions taken at the Audit Committee meetings.

Meetings and Attendance

The Audit Committee met four times during the financial year 2014-15 on May 6, 2014, July 31, 2014, November 4, 2014 and January 28, 2015. The required quorum was present for all the Audit Committee meetings. The details of attendance of the members at the said meetings are as below:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. E A Kshirsagar	Non-Executive & Independent Director	Chairman	4	4
Dr. Vijay Kelkar	Non-Executive & Independent Director	Member	4	3
Mr. Paul Zuckerman	Non-Executive & Independent Director	Member	4	2

Report Corporate Governance (contd.)

B. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors constituted the Nomination and Remuneration Committee on May 6, 2014, comprising four Directors of which three are Non-Executive and Independent Directors. Dr. Vijay Kelkar, acts as the Chairman of the Committee. The other members of the Committee are Mr. E A Kshirsagar, Mr. Darius E Udwadia and Mr. Nimesh Kampani.

Scope and Function

The broad terms of reference of the Nomination and Remuneration Committee are:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- Identify and recommend to the Board of Directors, the appointment of persons considered capable and fit for the role of a director based on the criteria so formulated;
- Evaluation of Directors' performance;

- Recommend to the Board of Directors a policy relating to the remuneration for the directors, key managerial personnel and other senior employees of the Company; and
- Recommending the appointment of Key Managerial Personnel (KMPs) and approving their remuneration.

Meetings and Attendance

The Nomination and Remuneration committee met four times during the financial year 2014-15 on July 3, 2014, December 12, 2014, March 19, 2015 and March 31, 2015, inter alia, to approve and recommend to the Board the policy for selection and appointment of directors, to identify and recommend appointment of a woman director on the board of the Company, policy for remuneration of directors & KMPs and policy for performance evaluation of directors. The Nomination and Remuneration Committee also carried out the performance evaluation of individual directors, the Board as a whole and the Committees thereof.

The necessary quorum was present for all the Nomination and Remuneration Committee meetings. The details of attendance of the members at the said meetings are as below:

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended
Dr. Vijay Kelkar	Non-Executive & Independent Director	Chairman	4	3
Mr. E A Kshirsagar	Non-Executive & Independent Director	Member	4	4
Mr. Darius E Udwadia	Non-Executive & Independent Director	Member	4	4
Mr. Nimesh Kampani	Chairman & Managing Director	Member	4	4

C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors constituted the Corporate Social Responsibility Committee on May 6, 2014, comprising three Directors including two Non-Executive and Independent Directors. Mr. Nimesh Kampani is the Chairman of the Committee. The other members are Mr. Paul Zuckerman and Mr. Keki Dadiseth.

Scope and Function

The terms of reference of the Corporate Social Responsibility (CSR) Committee are as follows:

- Formulating and recommending to the Board, CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;
- Making recommendation on the amount of expenditure to be incurred on CSR activities;
- Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company.

The CSR Policy adopted in accordance with Section 135 of the Act and the details about initiatives taken by the Company on CSR during the year as per the annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as an Annexure IV to the Directors' Report.

Meetings and Attendance

The CSR Committee met twice during the financial year 2014-15 on July 3, 2014 and December 12, 2014. The details of attendance of the members at the said meetings are as follows:

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended
Mr. Nimesh Kampani	Chairman & Managing Director	Chairman	2	2
Mr. Paul Zuckerman	Non-Executive & Independent Director	Member	2	2
Mr. Keki Dadiseth	Non-Executive & Independent Director	Member	2	2

D. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is empowered to perform the functions of the board relating to handling of stakeholders' queries and grievances. It primarily focuses on the grievances of the investors/shareholders and speedy disposal thereof.

The Stakeholders' Relationship Committee comprises Dr. Vijay Kelkar and Mr. Nimesh Kampani, the Directors of the Company.

Dr. Vijay Kelkar is the Chairman of the Committee. The Company Secretary of the Company acts as the Compliance Officer and takes the Committee through each of the grievances, the steps taken and the responses given by the Company to redress the grievances of the shareholders/investors. The Chairman & Managing Director and the Company Secretary have been authorised by the Board for expediting the share transfer formalities.

Meetings and Attendance

The Stakeholders' Relationship Committee met 3 times during the financial year 2014-15 on May 6, 2014, July 31, 2014 and January 28, 2015. The details of attendance of the Members at the said meetings are as below:

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended
Dr. Vijay Kelkar	Non-Executive & Independent Director	Chairman	3	3
Mr. Nimesh Kampani	Chairman & Managing Director	Member	3	3

Nature and number of Grievances

During the Financial Year 2014-15, the grievances received by the Company were general in nature, such as non-receipt of dividends and annual reports.

The following is the data of grievances received from shareholders during the year by the Company/its Registrars which were duly resolved.

Nature of Grievances	No of Grievances received	No of Grievances resolved	Pending Grievances
Non-receipt of Dividend	23	23	Nil
Non-receipt of Annual Report	1	1	Nil
Total	24	24	Nil

All grievances received during the year have been resolved and no grievances have remained unattended/pending as on March 31, 2015.

E. ALLOTMENT COMMITTEE

The Allotment Committee of the Board comprises two members of which one member is Non-executive and Independent Director viz., Mr. Darius E Udwadia and other member is Mr. Nimesh Kampani, the Chairman & Managing Director.

Scope and Function

The Allotment Committee, inter alia, considers and approves the allotment of shares/securities including those arising on account of exercise of stock options by the employees, attends to requests for issue of duplicate share certificates, issue of new share certificates upon rematerialisation and such other allied matters.

Meetings and Attendance

The Allotment Committee met 12 times during the financial year 2014-15 on April 16, 2014, April 29, 2014, May 6, 2014, May 19, 2014, June 6, 2014, July 31, 2014, September 4, 2014, October 17, 2014, December 11, 2014, January 20, 2015, March 19, 2015 and March 31, 2015. The details of attendance of the Members at the said meetings are as below:

Report Corporate Governance (contd.)

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended
Mr. Nimesh Kampani	Chairman & Managing Director	Member	12	12
Mr. Darius E Udwardia	Non-Executive & Independent Director	Member	12	12

5. DISCLOSURE IN RELATION TO REMUNERATION OF DIRECTORS

a. Remuneration of the Chairman & Managing Director

Mr. Nimesh Kampani, the Chairman & Managing Director of the Company was paid remuneration during the financial year 2014-15 in accordance with the terms and conditions of the Agreement entered into by the Company with him. The details of the remuneration paid/payable to Mr. Kampani during the FY 2014-15 are given below:

(Amount in ₹)

Salary	96,00,000
Perquisites	78,71,654
Bonus	1,95,00,000
Contribution to Provident Fund	11,52,000
Total	3,81,23,654

No sitting fees was paid to Mr. Kampani for attending meetings of the Board or any committees thereof.

Mr. Kampani was appointed as the Managing Director of the Company for a period five years with effect from April 1, 2012. The term of Mr. Kampani has however been changed by the Board of Directors to make him a director 'liable to retire by rotation' to enable the Company to comply with the provisions of Section 152 of the Act. As per the Employment Agreement executed by the Company with Mr. Kampani, both the Company and Mr. Kampani are entitled to terminate the Employment Agreement by giving not less than six months' notice in writing to the other party.

b. Remuneration Policy for Non-executive & Independent Directors

The Company follows transparent process for determining the remuneration of Non-executive and Independent Directors. Their remuneration is governed by the role assumed, number of meetings of the Board and the committees thereof attended by them, the position held by them as the Chairman and member of the committees of the Board and overall contribution to the business. Besides this, the Board also takes into consideration the external track record, individual performance of such Directors and performance of the Company as well as the industry standards in determining the remuneration of Non-executive and Independent Directors.

The Non-executive and Independent Directors have contributed significantly and given constructive and useful feedback from time to time in the deliberations on the board matters.

Taking into consideration their contribution and the increasing responsibilities, an aggregate amount of ₹ 84.00 Lakh is proposed to be paid as commission to the Non-executive and Independent Directors of the Company for the financial year 2014-15. The details of sitting fees/commission paid/payable to the Non-executive and Independent Directors are given below:

(Amount in ₹)

Name of Director	Sitting fees paid during the financial year 2014-15						Commission for FY 2014-15
	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Allotment Committee Meeting	Stakeholders' Relationship Committee Meeting	Corporate Social Responsibility Committee Meeting	
Mr. E A Kshirsagar	8,00,000	2,00,000	80,000	-	-	-	18,00,000
Mr. Darius E Udwardia	8,00,000	-	80,000	50,000	-	-	16,00,000
Mr. Paul Zuckerman	7,00,000	1,00,000	-	-	-	40,000	16,00,000
Dr. Vijay Kelkar	6,00,000	1,50,000	60,000	-	30,000	-	18,00,000
Mr. Keki Dadiseth	7,00,000	-	-	-	-	40,000	16,00,000

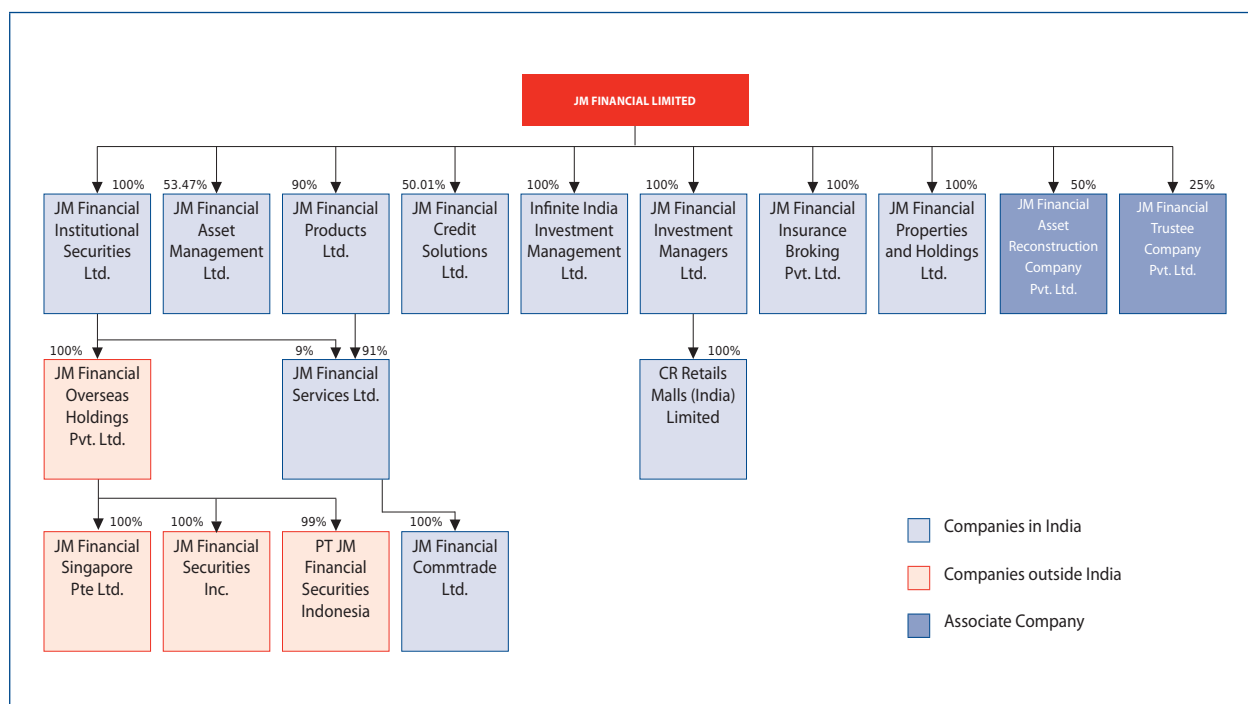
Note : The above does not include the fees paid to Non-executive and Independent Directors for attending the Independent Directors Meeting held on December 12, 2014.

During the financial year 2014-15, the Company paid ₹ 56,400/- as professional fees to M/s. Udwadia Udeshi & Argus Partners, a legal firm, of which Mr. Darius E Udwadia is a founder partner.

Other than the above, no payments have been made to any of the Non- executive and Independent Directors by the Company.

6. SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company had the following subsidiary and associates companies, as on March 31, 2015.



Clause 49 of the Listing Agreement defines “material non-listed Indian subsidiary” as an unlisted subsidiary, incorporated in India, whose income or net worth (i.e., paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in immediately preceding accounting year.

As per the above definition, the details of material non-listed Indian subsidiaries of the Company as on March 31, 2015 are given below. In accordance with the provisions of the Listing Agreement, the following Non-executive and Independent Directors of the Company are also Non-executive and Independent Directors on the Boards of the material non - listed Indian subsidiaries as on March 31, 2015:

Name of the material non-listed subsidiaries	Name of the Independent Directors
JM Financial Products Limited	Mr. E A Kshirsagar Mr. Darius E Udwadia
JM Financial Services Limited	Mr. Keki Dadiseth

The minutes of the Board meetings of the unlisted Indian subsidiary companies are placed at the Board meetings of the Company. The management also periodically brings to the attention of the Members of the Audit Committee, a statement of significant transactions and arrangements entered into by all the unlisted subsidiary companies.

Report Corporate Governance (contd.)

7. GENERAL BODY MEETINGS:

- a. The location, time and venue of the last three Annual General Meetings and one Extra-Ordinary General Meeting are as under:

Date of AGM / EGM	Venue	Time	Whether Special Resolution passed	Summary of Special Resolutions
August 13, 2012 AGM	Rama Watumull Auditorium Kishinchand Chellaram College DinshawWachha Road, Churchgate Mumbai – 400 020	4.00 p.m.	Yes	- Approval pursuant to Section 314(1) of the Companies Act, 1956 for Ms. Amishi Kampani, daughter of Mr. Nimesh Kampani, the Chairman and Managing Director, to hold the office or place of profit in JM Financial Institutional Securities Limited, a wholly owned subsidiary of the Company. - Re-appointment of Mr. Nimesh Kampani as the Managing Director of the Company for the period of 5 (five) years.
June 14, 2013 EGM	KamalNayan Bajaj Hall, Ground Floor, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	4.00 p.m.	Yes	Issue of up to 2,32,93,878 Warrants on preferential basis to Mr. Vikram Shankar Pandit (1,16,46,939 Warrants), Mr. Hariharan Ramamurthi Aiyar (58,23,470 Warrants) and Mrs. Aparna Murthy Aiyar (58,23,469 Warrants)
July 31, 2013 AGM	KamalNayan Bajaj Hall, Ground Floor, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	4.00 p.m.	Yes	Payment of commission per annum to the Non-executive Directors of the Company between 1% and 3% of the net profits.
July 3, 2014 AGM	KamalNayan Bajaj Hall, Ground Floor, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	4.00 p.m.	Yes	Alteration of Articles of Association.

b. SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the financial year 2014-15, the Company passed the following Special Resolutions by postal ballot on December 22, 2014. In accordance with the applicable provisions of the Act and the Listing Agreement, the Company did provide to its shareholders the facility to cast their votes electronically through the e-voting platform of National Securities Depository Limited, as an alternate to casting votes by physical ballot. The Company had appointed Ms. Jayshree S Joshi, Company Secretary, Proprietor of M/s. Jayshree Dagli & Associates, Company Secretaries, Mumbai, as Scrutiniser to conduct the Postal Ballot process in a fair and transparent manner.

The details of the Special Resolutions passed through Postal Ballot including the votes cast in favour and against are given below. All the resolutions were passed with requisite majority.

Resolution No.	Description	No. of votes in favour (% of total votes casted)	No. of votes against (% of total votes casted)	Result
1	To approve the issue of Non-Convertible Debentures for an amount not exceeding ₹ 1,000 crore.	61,90,95,684 (99.9972%)	17,398 (0.0028%)	Passed with requisite majority
2	To authorise the Board of Directors to dispose of the whole or substantially the whole of the undertaking of the Company including by way of mortgage and/or creation of security interests on movable and/or immovable properties of the Company, both present and future, in respect of its borrowings.	60,70,91,965 (98.0558%)	1,20,36,921 (1.9442%)	Passed with requisite majority

Resolution No.	Description	No. of votes in favour (% of total votes casted)	No. of votes against (% of total votes casted)	Result
3	To approve transactions/contracts/ arrangements with a related party viz., JM Financial Products Limited, a subsidiary of the Company (not exceeding ₹ 500 Crore during any one financial year).	9,81,04,442 (97.0179%)	30,15,479 (2.9821%)	Passed with requisite majority
4	To approve transactions/contracts/ arrangements with a related party viz., JM Financial Services Limited, a subsidiary of the Company (not exceeding ₹ 500 Crore during any one financial year).	9,80,96,411 (97.0177%)	30,15,454 (2.9823%)	Passed with requisite majority
5	To approve transactions/contracts/ arrangements with a related party viz., JM Financial Asset Management Limited, a subsidiary of the Company (not exceeding ₹ 200 Crore during any one financial year).	8,59,86,929 (85.1793%)	1,49,61,224 (14.8207%)	Passed with requisite majority
6	To approve transactions/contracts/ arrangements with a related party viz., JM Financial Credit Solutions Limited (formerly known as FICS Consultancy Services Limited) a subsidiary of the Company (not exceeding ₹ 500 Crore during any one financial year).	9,80,86,276 (97.0063%)	30,27,079 (2.9937%)	Passed with requisite majority
7	To approve transactions/contracts/ arrangements with a related party viz., JM Financial Asset Reconstruction Company Private Limited, an associate of the Company (not exceeding ₹ 500 Crore during any one financial year).	8,61,89,441 (85.2154%)	1,49,53,574 (14.7846%)	Passed with requisite majority
8	To approve transactions/contracts/ arrangements with a related party viz., Messers Astute Investments, a partnership firm of which JM Financial Services Limited and JM Financial Commtrade Limited, subsidiaries of the Company are partners (not exceeding ₹ 200 Crore during any one financial year).	8,61,66,578 (87.7394%)	1,20,40,768 (12.2606%)	Passed with requisite majority

None of the businesses proposed to be transacted at the forthcoming AGM require passing of a Special Resolution through Postal Ballot.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the financial year 2014-15, as per the requirements of Listing Agreement, is given in a separate section forming part of the Annual Report.

9. DISCLOSURES

A. POLICY DETERMINING MATERIAL SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

Pursuant to requirements of Clause 49 of Listing Agreement, the Company has adopted the policy determining material subsidiaries and the policy on related party transactions and the said policies are available on the Company's website at www.jmfl.com.

B. DISCLOSURE ON MATERIAL RELATED PARTY TRANSACTIONS

All material transactions entered into with related parties as defined under the Act and Clause 49 of the Listing Agreement during the financial year 2014-15 were in the ordinary course of business. No materially significant related party transactions have been entered into during financial year 2014-15 having potential conflict with the interest of the Company at large.

Report Corporate Governance (contd.)

C. NO PENALTY OR STRICTURES

There have been no instances of non-compliances by us and no penalties and/or strictures have been imposed on us by Stock Exchanges or SEBI or any statutory authority during the previous three financial years.

D. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of the Company's shares by the Directors and employees while in possession of unpublished price sensitive information in relation to the Company or its securities.

The Company has appointed the Company Secretary as the Compliance Officer to ensure compliance of the said Code by all the Directors, Senior Management Personnel and employees likely to have access to unpublished price sensitive information.

E. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Vigil Mechanism/Whistle Blower Policy has been adopted to provide appropriate avenues to the employees to bring to the attention of the management, the concerns about any unethical behaviour, by using the mechanism provided in the Policy. In cases related to financial irregularities, including fraud or suspected fraud, the employees may directly approach the Chairman of the Audit Committee of the Company. We affirm that no director or employee has been denied access to the Audit Committee during financial year 2014-15. The Policy provides that no adverse action shall be taken or recommended against an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This Policy protects such employees from unfair or prejudicial treatment by anyone in the Group.

10. MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management – shareholder relations. The Company regularly interacts with its members through multiple channels of

communication such as results announcement, annual reports, media releases, and Company's website and through green initiatives.

a. QUARTERLY RESULT

The unaudited quarterly/half yearly financial results are announced within forty five days of the end of the quarter. The audited annual financial results are announced within sixty days of the close of the financial year as per the requirements of the Clause 41 of the Listing Agreement. The aforesaid financial results are sent to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) where the Company's shares are listed, promptly after the said results are approved by the Board. These results are thereafter published within forty eight hours in one English newspaper and one vernacular newspaper as well as placed on the Company's website viz., www.jmfl.com.

b. WEBSITE

The Company's website www.jmfl.com provides information about the businesses carried on by its subsidiaries and associates. It is the primary source of information to all the stakeholders of the Company and to general public at large. It also contains a separate dedicated section on shareholders information. Financial results, Annual Reports, Shareholding Pattern, official news releases, Quarterly Corporate Governance Report and other general information about the Company is also available on its website.

c. ANNUAL REPORT

Annual Report containing, inter alia, the Standalone and Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members of the Company prior to the AGM. The Report on Management Discussion and Analysis forms part of the Annual Report. The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable format.

d. REMINDER TO SHAREHOLDERS

Individual reminders are sent each year to those shareholders whose dividends have remained unclaimed from the date they become due for payment, before transferring the monies to the Investor Education & Protection Fund (IEPF). The information on unclaimed dividend is also posted on the website of the Company as aforesaid.

e. CORPORATE FILING AND DISSEMINATION SYSTEM (CFDS)

In compliance with Clause 52 of the Listing Agreement entered with Stock Exchanges, the financial results, shareholding pattern and quarterly report on Corporate Governance are filed electronically through CFDS portal, website – www.corpfiling.co.in, which is jointly owned, managed and maintained by the BSE and NSE.

f. NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS) AND BSE PORTAL FOR ELECTRONIC FILING

The financial results, shareholding pattern and quarterly report on Corporate Governance are filed electronically through NSE Electronic Application Processing System (NEAPS) portal i.e., www.connect2nse.com/listing and BSE portal i.e., <http://listing.bseindia.com>.

g. DESIGNATED EXCLUSIVE EMAIL-ID

The Company has designated shareholdergrievance@jmfl.com as an email id for the purpose of registering complaints by investors and the same is displayed on the Company's website.

h. PRICE SENSITIVE INFORMATION

All price sensitive information and such other matters which in the opinion of the Company are of importance to the shareholders/investors are promptly intimated to the Stock Exchanges.

11. NON-MANDATORY REQUIREMENTS

The Board has taken cognizance of the non-mandatory requirements of Clause 49 of the Listing Agreement and shall consider adopting the same at an appropriate time.

General Shareholders' Information

This section, inter alia, provides information to the shareholders pertaining to the Company, its shareholding pattern, share price movements, top 10 shareholders and other information, in terms of Clause 49 of the Listing Agreement.

A. THIRTIETH ANNUAL GENERAL MEETING (AGM)

Day & Date of the AGM	Time of the AGM	Venue of the AGM
Thursday, July 30, 2015	4.00 pm	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, 124, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020

B. FINANCIAL CALENDAR (FY 2015-16)

Particulars	Period
Financial Year	April 1 to March 31
For consideration of Unaudited/Audited Financial Results	
First quarter ending June 30, 2015 (Un-audited)	On or before August 15, 2015
Second quarter and half year ending September 30, 2015 (Un-audited)	On or before November 15, 2015
Third quarter and nine months ending December 31, 2015 (Un-audited)	On or before February 15, 2016
Fourth quarter and annual year ending March 31, 2016 (Audited)	On or before May 30, 2016

C. CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will remain closed from Wednesday, June 10, 2015 to Friday, June 12, 2015 (both the days inclusive) for the purpose of dividend and AGM.

D. DIVIDEND PAYMENT DATE

The final dividend, if declared by the members, will be paid on and from August 1, 2015.

E. SHARE TRANSFER SYSTEM

77,75,97,285 equity shares representing 99.22 % of the Company's total equity shares are dematerialised and are held by shareholders in electronic mode. These shares can be transferred through the depository participants in electronic mode. The remaining 61,26,392 equity shares representing 0.78% are held by the shareholders in physical form.

Transfer of shares in physical form is processed by the Company's Registrars & Transfer Agents (RTA) generally within fifteen days from the date of receipt, provided the documents are complete in all respects. All requests for transfer/transmission in physical form after they are processed by the RTA are submitted to the Company for the necessary approval. The Chairman & Managing Director and/or the Company Secretary are authorized by the Board to consider and approve the share transfer/transmission requests received in physical form from time to time.

F. DIVIDEND HISTORY COMMENCING FROM THE FINANCIAL YEAR - 2010-11

Year	Date of declaration	Date of payment	Dividend per share of the face value of ₹ 1/- each (₹)	Total amount distributed by way of dividend (₹ in Crore)
2010-11	July 28, 2011	July 30, 2011	0.60	44.99
2011-12	August 13, 2012	August 16, 2012	0.60	45.04
2012-13 (Interim Dividend)	February 7, 2013	February 25, 2013	0.40	30.06
2012-13 (Final Dividend)	July 31, 2013	August 2, 2013	0.50	37.71
2013-14 (Interim Dividend)	January 29, 2014	February 14, 2014	0.45	33.99
2013-14 (Final Dividend)	July 3, 2014	July 5, 2014	0.55	41.61
2014-15 (Interim Dividend)	January 28, 2015	February 11, 2015	0.55	43.09
2014-15 (Proposed Final Dividend)	July 30, 2015 (Proposed)	August 4, 2015	0.80	63.06

The Company constantly endeavours to pay the unclaimed dividend amount, if any, by contacting such shareholders, who have not claimed the same. The shareholders who have not claimed their past dividend are requested to immediately contact the Company or its Registrars & Share Transfer Agents.

Unclaimed dividend

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the amount of dividend which remain unclaimed for a period of seven years from the date of transfer of such amount to the Unpaid Dividend Account opened in pursuance of sub-section (1) of the said Section is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claims shall lie against IEPF or the Company in respect of the amount of dividend remaining unclaimed after the said transfer to IEPF.

The Ministry of Corporate Affairs (MCA) on May 10, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), to help the members ascertain status of the unclaimed dividend amounts. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends for the last seven financial years, on the website of the IEPF, viz., www.iepf.gov.in and under "Investor Relations" section on the Website of the Company, viz., www.jmfi.com. The unclaimed dividend in respect of the financial year 2007-08 is due for transfer to the IEPF in August 2015. The Company has sent reminder letters to those shareholders who have not claimed their dividend for the financial year 2007-08.

The details of due date for transfer of amount of unclaimed dividend for last seven years are as follows:

Sr. No.	Dividend type and year	Amount of Dividend per share (₹)	Date of Declaration	Due date for transfer to IEPF
1.	Dividend 2007-08	25.00	July 25, 2008	August 26, 2015
2.	Dividend 2008-09	0.20	September 10, 2009	October 15, 2016
3.	Dividend 2009-10	0.50	July 28, 2010	August 26, 2017
4.	Dividend 2010-11	0.60	July 28, 2011	August 26, 2018
5.	Dividend 2011-12	0.60	August 13, 2012	September 12, 2019
6.	Dividend 2012-13 (Interim Dividend)	0.40	February 7, 2013	March 13, 2020
7.	Dividend 2012-13 (Final Dividend)	0.50	July 31, 2013	September 3, 2020
8.	Dividend 2013-14 (Interim Dividend)	0.45	January 29, 2014	March 4, 2021
9.	Dividend 2013-14 (Final Dividend)	0.55	July 3, 2014	August 6, 2021
10.	Dividend 2014-15 (Interim Dividend)	0.55	January 28, 2015	March 4, 2022

G. REGISTRARS AND SHARE TRANSFER AGENTS

The Company's share transfer services are handled by Sharepro Services (India) Private Limited (Sharepro). Sharepro is a SEBI registered Category I – Registrar to an Issue and Share Transfer Agents. For any queries relating to the equity shares of the Company, the shareholders/investors may contact them at their following addresses:

Registered Office

13 AB Samhita Warehousing Complex
2nd Floor, Sakinaka Telephone Exchange Lane
Off Andheri-Kurla Road, Sakinaka
Andheri (E), Mumbai-400072

Contact Person:

Ms. Indira Karkera/Mr. Gopal Poojari
Tel. No. 91 22 6772 0300

Investor Relations Office

912, Raheja Centre
Free Press Journal Road
Nariman Point, Mumbai - 400 021

Contact Person:

Mr. Joseph Miranda
Tel. No. 91 22 22825163

General Shareholders' Information (contd.)

Counter Timings:

On Weekdays - 10.00 a.m. to 5.00 p.m.

On Saturdays - 10.00 a.m. to 4.00 p.m.

Counter Timings:

On Weekdays - 10.00 a.m. to 5.00 p.m.

On Saturdays - 10.00 a.m. to 4.00 p.m.

H. HALF YEARLY AUDIT OF SHARE TRANSFERS

Pursuant to Clause 47(c) of the Listing Agreement, the Company obtains the certificate from a Practicing Company Secretary on half yearly basis to the effect that the requests for share transfers, sub-division, consolidation, renewal and exchange of certificates comprising equity shares have been processed within the stipulated time period subject to all the documents being in order. A copy of the certificate so received is submitted to the stock exchanges where the Company's equity shares are listed.

I. LISTING ON STOCK EXCHANGES ALONG WITH THE SECURITY CODE/SYMBOL AND PAYMENT OF LISTING FEE

The Company's shares are listed on the following Stock Exchanges

Name of the Stock Exchange and its Address	Security Code/ Symbol	Payment of Annual listing fee (FY 2015-16)
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Tel : 91 22 2272 1233/4 Fax: 91 22 2272 2041 www.bseindia.com	523405	Paid
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C-I, G Block Bandra Kurla Complex Bandra East, Mumbai 400 051 Tel : 91 22 26598100 /14 Fax: 91 22 26598120 www.nseindia.com	JMFINANCIL	Paid

J. LIST OF TOP 10 SHAREHOLDERS (EXCLUDING PROMOTERS/PROMOTERS GROUP) AS ON MARCH 31, 2015

Sr. No.	Name of the Shareholder	No. of Shares	Percentage (%)
1	Morgan Stanley Asia (Singapore) Pte	5,73,08,920	7.31
2	IDFC Premier Equity Fund	2,26,50,000	2.89
3	Azim Hasham Premji	2,18,75,000	2.79
4	Valiant Mauritius Partners Offshore Limited	1,35,02,015	1.72
5	Valiant Mauritius Partners Limited	1,25,84,385	1.61
6	Vikram Shankar Pandit	1,16,46,939	1.49
7	Hariharan Ramamurthi Aiyar	58,23,470	0.74
8	Aparna Murthy Aiyar	58,23,469	0.74
9	Dimensional Emerging Market Value Fund	45,80,382	0.58
10	Tata Investment Corporation Limited	35,29,000	0.45

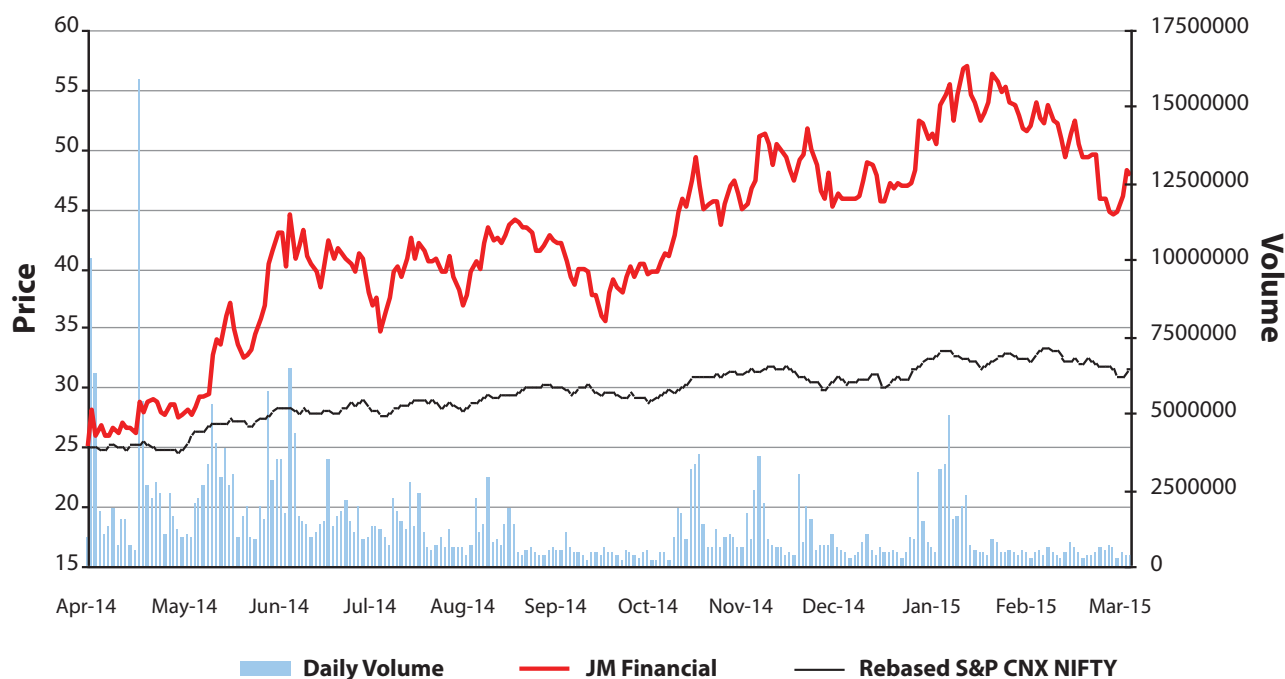
K. MARKET PRICE DATA

Details of monthly open, high, low and close prices and volume of shares traded on NSE are given below:

Month	Open ₹	High ₹	Low ₹	Close ₹	No. of shares traded
Apr-14	25.40	30.20	24.15	27.85	5,91,18,453
May-14	28.15	38.00	27.30	33.10	4,62,15,833
Jun-14	33.45	46.40	33.30	41.15	4,96,46,921
Jul-14	41.95	42.80	34.00	40.70	2,95,83,680
Aug-14	39.75	45.20	35.40	43.85	2,04,07,020
Sep-14	44.00	44.35	35.05	39.10	1,02,60,849
Oct-14	39.15	47.90	37.50	47.40	1,29,43,827
Nov-14	47.55	52.80	43.25	50.40	2,69,48,523
Dec-14	50.50	53.75	44.65	47.25	1,71,13,527
Jan-15	47.10	58.45	44.70	52.45	2,58,96,056
Feb-15	52.40	58.90	50.70	52.50	1,41,62,340
Mar-15	53.10	54.75	43.75	47.70	93,14,090

Source: www.nseindia.com

The performance of the share price of JM Financial Limited in comparison with Nifty is given below:



Source: www.nseindia.com

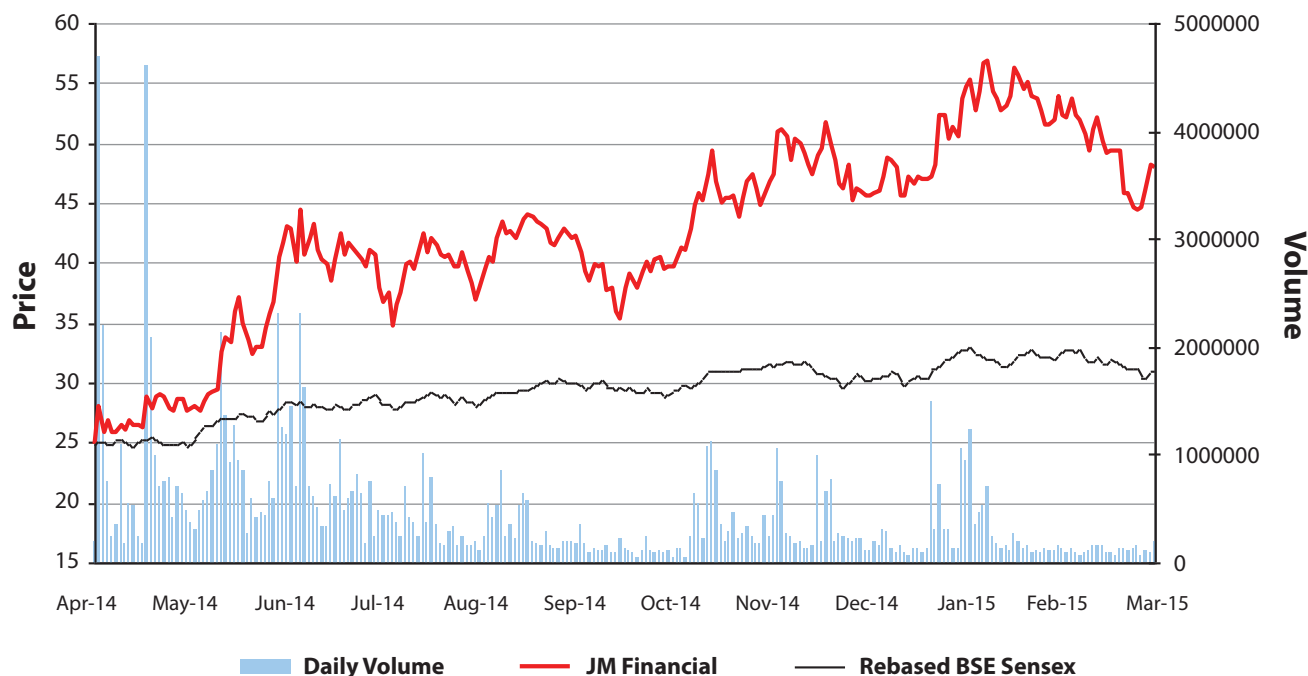
General Shareholders' Information (contd.)

Details of monthly open, high, low and close prices and volume of shares traded on BSE are given below:

Month	Open ₹	High ₹	Low ₹	Close ₹	No. of shares traded
Apr-14	25.20	30.25	24.20	27.90	2,13,31,380
May-14	28.00	38.05	27.35	33.05	1,57,51,521
Jun-14	33.55	46.40	33.30	41.30	1,92,64,465
Jul-14	42.10	42.80	34.10	40.75	99,43,103
Aug-14	39.50	45.20	36.85	43.75	66,45,147
Sep-14	44.05	44.30	35.00	39.05	35,25,869
Oct-14	39.45	47.80	37.65	47.35	40,41,582
Nov-14	47.65	52.85	43.30	50.50	78,65,498
Dec-14	50.10	53.85	44.80	47.25	60,99,918
Jan-15	47.05	58.50	44.80	52.65	82,73,949
Feb-15	52.10	58.80	50.70	52.30	41,87,243
Mar-15	52.95	54.90	43.75	48.05	23,85,533

Source: www.bseindia.com

The performance of the share price of JM Financial Limited in comparison with S & P BSE Sensex is given below:



Source: www.bseindia.com

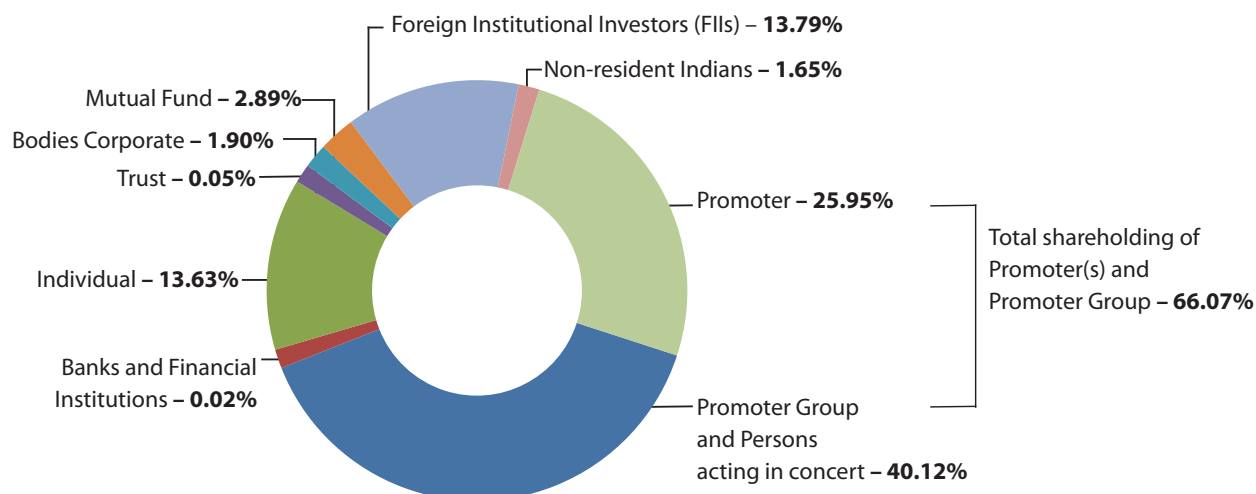
L. DISTRIBUTION OF SHAREHOLDING

Distribution of Shareholding as on March 31, 2015

Number of shares held	Shareholders		Shares	
	Number	%	Number	%
1 - 5,000	36,637	95.25	2,47,47,497	3.16
5,001 - 10,000	856	2.23	69,69,729	0.89
10,001 - 20,000	439	1.14	66,29,677	0.85
20,001 - 30,000	166	0.43	42,50,749	0.54
30,001 - 40,000	57	0.15	20,70,487	0.26
40,001 - 50,000	50	0.13	23,08,485	0.29
50,001 - 100,000	129	0.33	97,17,879	1.24
100,001 and above	131	0.34	72,70,29,174	92.77
	38,465	100	78,37,23,677	100

M. CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2015

Category	No. of shares	% to total paid-up equity share capital
Shareholding of Promoter(s) & Promoter Group:		
Promoter	20,34,06,600	25.95
Person having control over the Company	13,53,57,500	17.27
Promoter Group and Persons acting in concert including relatives of the person having control over the Company	17,90,25,165	22.85
Total (A)	51,77,89,265	66.07
Public Shareholding		
Individuals	10,68,50,158	13.63
Banks and Financial Institutions	1,47,964	0.02
Bodies Corporate	1,49,07,933	1.90
Mutual Funds	2,26,53,646	2.89
Trusts	3,77,075	0.05
Foreign Shareholding		
Non-resident Indians	1,29,27,774	1.65
Foreign Institutional Investors (FIIs)	10,80,69,862	13.79
Total (B)	26,59,34,412	33.93
Total (A) + (B)	78,37,23,677	100

SHAREHOLDING PATTERN AS ON MARCH 31, 2015

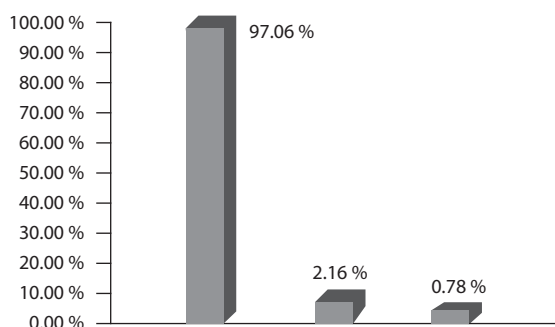
General Shareholders' Information (contd.)

N. DEMATERIALISATION OF SHARES, INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN) AND LIQUIDITY

The equity shares of the Company are available for trading in the dematerialized form under both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE780C01023.

No. of Shares held in dematerialised and physical mode

Particulars	Number of Shareholders	No. of Shares	% to total capital issued
Held in dematerialised mode in NSDL	22,131	76,06,86,281	97.06
Held in dematerialised mode in CDSL	15,147	1,69,11,004	2.16
Shares held in physical mode	1,187	61,26,392	0.78
Total	38,465	78,37,23,677	100.00



The Company's equity shares are regularly traded on BSE and NSE.

The processing activities with respect to requests received for dematerialisation of shares are generally confirmed by the RTA within 21 days from the date of login by the Depository Participants (DPs). Rejection cases are promptly returned to the DPs under advice to shareholders/investors. The Company's market capitalization stood at ₹ 3,738.36 Crore as on March 31, 2015 as compared to ₹ 1,888.36 Crore as on March 31, 2014. The increase in the market capitalization is partly due to increase in the share price from around ₹ 25.00 to ₹ 47.70 per share and partly due to increase in the capital from ₹ 75.53 Crore to ₹ 78.37 Crore.

O. QUARTERLY AUDIT OF SHARE CAPITAL

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate received from the Practicing Company Secretary is submitted to BSE and NSE and is also placed before the Board of Directors on a quarterly basis.

P. OUTSTANDING GDRS/ADRS /WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs/ADRs. The Company has allotted a total of 2,32,93,878 equity shares to the Warrant holders as per the details given below:

Sr. No	Name of the Allottees	No of Equity Shares allotted	Date of Allotment
1	Mr. Vikram Shankar Pandit	1,16,46,939	December 11, 2014
2	Mr. Hariharan Ramamurthi Aiyar	58,23,470	December 23, 2014
3	Mrs. Aparna Murthy Aiyar	58,23,469	December 23, 2014

Q. REGISTERED OFFICE OF THE COMPANY/CORRESPONDENCE ADDRESS

7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025.

R. CORPORATE IDENTIFICATION NUMBER OF THE COMPANY (CIN)

L67120MH1986PLC038784

S. WEBSITE: www.jmfl.com

T. PLANT LOCATION: Not applicable

Auditors' Certificate

on Corporate Governance

TO THE MEMBERS OF JM FINANCIAL LIMITED

We have examined the compliance of conditions of corporate governance by JM Financial Limited (the Company), for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
Firm Registration No. 105146W

Date : May 29, 2015
Place : Mumbai

Shivji K Vikamsey
Partner (F - 2242)

Certificate

from Chairman & Managing Director and the Chief Financial Officer

TO THE BOARD OF DIRECTORS OF JM FINANCIAL LIMITED

Certified that for the financial year 2014-15;

- | | |
|---|---|
| <p>A. We have reviewed financial statements and the cash flow statement for the financial year 2014-15 and that to the best of our knowledge and belief:</p> <ol style="list-style-type: none"> 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations. <p>B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.</p> <p>C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal controls of which we are aware.</p> | <p>D. We have indicated to the auditors and the Audit committee that there were:</p> <ol style="list-style-type: none"> 1. no significant changes in internal control over financial reporting during the year; 2. no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and 3. There have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting. <p style="text-align: right;">Nimesh Kampani
Chairman & Managing Director</p> <p style="text-align: right;">Manish Sheth
Group Chief Financial Officer</p> <p>Place: Mumbai
Date: May 29, 2015</p> |
|---|---|

Independent Auditor's Report

TO THE MEMBERS OF JM FINANCIAL LIMITED

Report on Financial Statements

1. We have audited the accompanying financial statements of JM FINANCIAL 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 responsibility of the Financial Statements

2. The management and the 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 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; 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 have 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 March 31, 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 has disclosed the impact of pending litigations on its financial position in its financial statements;
- (ii) The Company assesses periodically the foreseeable losses on all its long term contracts. As at end of the year under report there were no such foreseeable losses. The Company did not have any derivative contracts as at the date of Balance Sheet;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place : Mumbai
Date : May 29, 2015

Shivji K Vikamsey
Partner (F - 2242)

Independent Auditor's Report (contd.)

ANNEXURE REFERRED TO IN PARAGRAPH 7 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF JM FINANCIAL LIMITED ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 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. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- ii. The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company;
- iii. The Company has granted Inter corporate deposit, to company covered in the register maintained under section 189 of the Act
 - a) According to the information and the explanation given to us receipt of the principal amount and interest are regular;
 - b) According to the information and the explanation given to us, there has been no overdue amount.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v) The Company has not accepted any deposits from the public as covered under provisions of section 73 to 76 of the Act and rules made thereunder, hence clause 3(v) of the Order is not applicable to the Company.
- 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, value added tax, Custom Duty, Excise Duty and other material

statutory dues, as applicable, with the appropriate authorities in India ;

- b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no outstanding dues of Income Tax, Wealth Tax, Service Tax, and Cess which have not been deposited on account of any disputes except as mentioned below:

Name of the statute	Nature of the dues	Period	Forum where dispute is pending	Outstanding Amount involved (₹ in lakh)
Income tax Act, 1961	Tax demands	FY 2011-12	Commissioner of Income tax (Appeals)	882.53
Income tax Act, 1961	Tax demands	FY 2010-11	Commissioner of Income tax (Appeals)	747.31
Income tax Act, 1961	Tax demands	FY 2001-02	Commissioner of Income tax (Appeals)	36.18
Income tax Act, 1961	Tax demands	FY 1997-98	Commissioner of Income tax (Appeals)	18.09
Income tax Act, 1961	Tax demands (TDS)	FY 2009-10	Commissioner of Income tax (Appeals)	0.49
Income tax Act, 1961	Tax demands (TDS)	FY 2010-11	Commissioner of Income tax (Appeals)	0.21
Income tax Act, 1961	Tax demands (TDS)	FY 2011-12	Commissioner of Income tax (Appeals)	0.15

- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- viii. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- ix. Based on our audit procedures and as per the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of any dues to a financial institution or bank.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.

- xi. In our opinion, and 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.

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

Place : Mumbai
Date : May 29, 2015

Shivji K Vikamsey
Partner (F - 2242)

Standalone Balance Sheet

as at March 31, 2015

	Note	As at 31.03.2015	(₹ in Lakh) As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	7,837.24	7,553.43
Reserves & surplus	2.2	1,56,481.21	1,54,319.34
Monies received against Warrants	2.3 A	-	1,109.37
		1,64,318.45	1,62,982.14
Share application money pending allotment	2.3 B	-	1.16
Non-current liabilities			
Long term borrowing	2.4	21.85	30.47
Deferred tax liabilities (net)	2.5	11,003.28	11,013.85
Other long term liabilities	2.6	100.00	100.00
Long term provisions	2.7	20.51	24.23
		11,145.64	11,168.55
Current liabilities			
Short term borrowing	2.8	12,187.87	-
Trade payables	2.9	103.38	58.26
Other current liabilities	2.10	746.77	692.90
Short term provisions	2.11	6,364.89	4,183.84
		19,402.91	4,935.00
TOTAL		1,94,867.00	1,79,086.85
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.12 A	189.24	154.31
Intangible assets	2.12 B	15.98	-
Non-current investments	2.13	1,66,161.30	1,31,342.22
Long term loans and advances	2.14	16,219.85	16,106.26
Other non-current assets	2.15	362.15	314.93
		1,82,948.52	1,47,917.72
Current assets			
Cash and bank balances	2.16	3,321.84	21,713.34
Short term loans and advances	2.17	7,578.62	8,862.35
Other current assets	2.18	1,018.02	593.44
		11,918.48	31,169.13
TOTAL		1,94,867.00	1,79,086.85
Significant accounting policies and notes to financial statements		1 & 2	

As per our attached report of even date

For and on behalf of

Khimji Kunverji & Co.

Chartered Accountants

Registration No. 105146W

Shivji K Vikamsey

Partner

Membership No. F-2242

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman & Managing Director

DIN – 00009071

E A Kshirsagar

Director

DIN – 00121824

P K Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place : Mumbai

Date : May 29, 2015

Standalone Statement of Profit and Loss

for the year ended March 31, 2015

	Note	For the year ended 31.03.2015	(₹ in Lakh) For the year ended 31.03.2014
Income:			
Revenue from operations	2.19	2,955.78	2,094.50
Other income	2.20	7,498.00	6,621.14
Total Revenue		10,453.78	8,715.64
Expenses:			
Employee benefits expense	2.21	868.07	731.95
Finance costs	2.22	758.54	8.93
Depreciation and amortisation expense	2.12	40.10	40.85
Other expenses	2.23	736.82	457.12
Total Expenses		2,403.53	1,238.85
Profit before tax		8,050.25	7,476.79
Tax Expense:			
Current tax		250.00	375.00
Deferred tax		(10.40)	(3.31)
		239.60	371.69
Profit for the year		7,810.65	7,105.10
Earnings per equity share (EPS)	2.28		
(face value of ₹ 1/- each)			
Basic EPS (in ₹)		1.02	0.94
Diluted EPS (in ₹)		1.00	0.92
Significant accounting policies and notes to financial statements	1 & 2		

As per our attached report of even date

For and on behalf of

Khimji Kunverji & Co.

Chartered Accountants

Registration No. 105146W

Shivji K Vikamsey

Partner

Membership No. F-2242

Place : Mumbai

Date : May 29, 2015

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman & Managing Director

DIN – 00009071

P K Choksi

Company Secretary

E A Kshirsagar

Director

DIN – 00121824

Manish Sheth

Chief Financial Officer

Significant Accounting Policies

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and 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, ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act to the extent applicable and the prevalent accounting practices in India. Further the Company follows the directions issued by the Reserve Bank of India (RBI) for Core Investment Companies (CIC), being a Non-Banking Financial Company (NBFC) as applicable.

1.2 Use of estimates

The preparation of financial statements is in conformity with Indian GAAP, which require the management to make estimates and assumptions, that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised.

1.3 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- Interest income is recognised on accrual basis.
- Fees income is recognised on accrual basis in accordance with agreements/arrangements.
- In respect of lease assets, where lease rentals are overdue for more than 12 months, the income is recognised only when lease rentals are actually received (as per income recognition norms of "Non Banking Financial (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" by the Reserve Bank of India (the RBI).
- Income from bonds and debentures of corporate bodies and from Government securities/bonds are accounted on accrual basis.

1.4 Provision for Non Performing Assets (NPA) and Standard Assets (SA)

All loans and other credit exposures, where the installments are overdue for a period of six months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Prudential Norms prescribed in the "Non Banking Financial (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007" by the RBI.

1.5 Fixed assets and depreciation

Owned tangible assets

Tangible fixed assets are stated at original cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Depreciation on tangible fixed assets is provided, on a pro-rata basis for the period of use, on the Straight Line Method (SLM), based on useful life of the fixed assets, as prescribed in Schedule II to the Act or as per the assessment of the useful life done by the management.

The useful life of the assets is as per the following table:

Assets	Useful Life
Office premises	60 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years
Software	5 years
Leasehold improvements	10 years or lease period whichever is lower
Motor Vehicles	5 years

Assets costing ₹ 5,000/- or less are fully depreciated in the year of acquisition.

Owned intangible assets

Intangible fixed assets are stated at cost of acquisition or internal generation, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of the intangible assets is allocated over the best estimate of its useful life on a straight line basis.

The Company capitalises software and related implementation costs where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over management estimate of its useful life not exceeding 5 years.

Leased assets

Assets acquired under finance lease are capitalised at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. These assets are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

1.6 Impairment of assets

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the statement of profit and loss.

1.7 Investments

Investments are classified as non-current (long term) or current. Non-current investments are carried at cost, however, provision for diminution in the value of non-current investments is made to recognise a decline, other than temporary, in the value of investments, at lower of cost or market value, determined on the basis of the quoted prices of individual investment in case of quoted investments and as per the management's estimate of fair value in case of non-quoted investments. Current investments are carried at lower of cost or fair value.

1.8 Employee benefits**Defined contribution plan**

The Company makes defined contribution to the provident fund, which is recognised in the statement of profit and loss on an accrual basis.

Defined benefit plan

The Company's liability under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss as income or expense respectively. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields on the date of balance sheet on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Short term employee benefits

Short term employee benefits are recognised as expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

1.9 Taxation

Tax expense comprises current tax and deferred tax.

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

Deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that apply substantively as on the date of balance sheet. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

Deferred tax assets, in case of unabsorbed losses and unabsorbed depreciation, are recognised only if there is virtual certainty that such deferred tax asset can be realised against future taxable profits.

Notes to Financial Statements

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

1.10 Operating leases

Leases, where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the statement of profit and loss.

1.11 Employee stock option scheme

The stock options granted are accounted for as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 whereby the intrinsic value of the option is recognised as deferred employee compensation. The deferred employee compensation is charged to the statement of profit and loss over the period of vesting. The employee stock option outstanding account, net of any unamortised deferred employee compensation, is shown separately as part of Reserves.

1.12 Foreign currency transactions

Transactions in foreign currency are recorded at rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the statement of profit and loss. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction.

1.13 Provisions, contingent liabilities and contingent assets

Contingent liabilities are possible but not probable obligations as on the balance sheet date, based on the available evidence. Provisions are recognised when there is a present obligation as a result of past event; and 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 determined based on best estimate required to settle the obligation at the balance sheet date. Contingent assets are not recognised in the financial statements.

2. NOTES TO FINANCIAL STATEMENTS

2.1 Share Capital

	(₹ in Lakh)	
	As at 31.03.2015	As at 31.03.2014
Authorised:		
100,00,00,000 (100,00,00,000) equity shares of ₹ 1/- each	10,000.00	10,000.00
Issued and Subscribed Capital:		
78,37,23,677 (75,53,43,497) equity shares of ₹ 1/- each		
Paid up Capital:		
78,37,23,677 (75,53,43,497) equity shares of ₹ 1/- each fully paid-up	7,837.24	7,553.43
TOTAL	7,837.24	7,553.43

Note a:**Reconciliation of the number of equity shares outstanding**

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number	Amount (₹ in Lakh)	Number	Amount (₹ in Lakh)
Shares outstanding at the beginning of the year	75,53,43,497	7,553.43	75,16,14,662	7,516.15
Shares allotted upon exercise of right by warrant holders	2,32,93,878	232.94	-	-
Shares allotted upon exercise of stock options	50,86,302	50.87	37,28,835	37.28
Shares outstanding at the end of the year	78,37,23,677	7,837.24	75,53,43,497	7,553.43

Note b:

The Company has only one class of shares referred to as equity shares having a face value of ₹ 1/- each. Each holder of equity share is entitled to one vote per share.

Note c:**Shares in the Company held by each shareholder holding more than 5 percent shares:**

Name of Shareholders	As at 31.03.2015		As at 31.03.2014	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
J. M. Financial & Investment Consultancy Services Private Limited	20,34,06,600	25.95%	20,34,06,600	26.93%
Nimesh Kampani*	13,53,57,500	17.27%	13,53,57,500	17.92%
J. M. Assets Management Private Limited	10,22,68,408	13.05%	10,22,68,408	13.54%
Morgan Stanley Asia (Singapore) Pte	5,73,08,920	7.31%	2,50,86,030	3.32%
Aruna Nimesh Kampani	3,84,51,250	4.91%	3,84,51,250	5.09%

* includes 12,50,000 equity shares (previous year 12,50,000 equity shares) held by Nimesh Kampani HUF

Note d:**Aggregate number of shares allotted as fully paid up bonus shares during last 5 years:**

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Fully paid up bonus shares	-	-	-	-	-

Notes (contd.)

2.2 RESERVES & SURPLUS

	(₹ in Lakh)	
	As at 31.03.2015	As at 31.03.2014
Capital reserve	0.44	0.44
Securities premium		
Opening balance	27,586.59	26,742.18
Add: Addition on shares allotted upon exercise of right by warrant holders	4,204.54	-
Add: Addition on shares allotted upon exercise of stock options by Employees	1,107.68	844.41
Closing balance	32,898.81	27,586.59
General reserve		
Opening balance	18,250.00	17,500.00
Add: Transferred during the year	-	750.00
Closing balance	18,250.00	18,250.00
Statutory reserve		
(under section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	-	-
Add: Transferred during the year	1,563.00	-
Closing balance	1,563.00	-
Share options outstanding		
Opening balance	2,208.13	2,595.70
Add: Additions on account of options granted during the year	1,074.22	614.31
Less: Transferred to securities premium upon exercise of stock options	(1,107.68)	(844.41)
Less: Reduction on account of options lapsed during the year	(72.91)	(157.47)
Closing balance	2,101.76	2,208.13
Surplus in statement of profit and loss		
Opening balance	1,06,274.18	1,07,590.23
Less: Depreciation of earlier years adjusted (Refer note 2.12[c])	(0.35)	-
Add: Profit for the year	7,810.65	7,105.10
Amount available for appropriation	1,14,084.48	1,14,695.33
Less: Appropriations		
Interim dividend	4,308.59	3,399.08
Proposed final dividend	6,306.11	4,161.13
Dividend on equity shares allotted after the adoption of previous years' accounts	9.93	2.49
Dividend distribution tax	229.65	108.45
Transferred to general reserve	-	750.00
Transferred to statutory reserve	1,563.00	-
	12,417.28	8,421.15
Closing balance	1,01,667.20	1,06,274.18
TOTAL	1,56,481.21	1,54,319.34

2.3 (A) MONIES RECEIVED AGAINST WARRANTS

During the year, the Company received an aggregate amount of ₹ 3,328.11 lakh as consideration towards the issue and allotment of 2,32,93,878 equity shares of the face value of ₹ 1/- each (being balance 75% of the issue price of ₹ 19.05 per equity share). The said consideration has been received upon the exercise of right by the Warrant holders to convert 2,32,93,878 Warrants held by them into equity shares and the said amount has been fully utilised for the general corporate purpose.

(B) SHARE APPLICATION MONEY PENDING ALLOTMENT

	As at 31.03.2015		As at 31.03.2014	
	Number of equity shares	Amount (₹ in Lakh)	Number of equity shares	Amount (₹ in Lakh)
Equity Share of ₹1/- each	-	-	1,15,618	1.16
TOTAL	-	-	1,15,618	1.16

Note a:

Share application money pending allotment is in respect of exercise of stock options under the Employee Stock Option Scheme (Previous year ₹ 1,15,618 in respect of 1,15,618 equity shares)

2.4 LONG TERM BORROWING

	(₹ in Lakh)	
	As at 31.03.2015	As at 31.03.2014
Secured Loans		
Long term maturities of finance lease obligations (secured by way of hypothecation of vehicles. The lease is repayable on a monthly basis ranging between 36 and 48 months) (refer note 2.29[a])	21.85	30.47
TOTAL	21.85	30.47

2.5 DEFERRED TAX LIABILITIES (NET)

	(₹ in Lakh)	
	As at 31.03.2015	As at 31.03.2014
Deferred tax liabilities:		
On investments	11,018.61	11,018.61
On depreciation	5.05	5.62
	11,023.66	11,024.23
Deferred tax assets:		
On expenditure	20.38	10.38
	20.38	10.38
TOTAL	11,003.28	11,013.85

2.6 OTHER LONG TERM LIABILITIES

	(₹ in Lakh)	
	As at 31.03.2015	As at 31.03.2014
Property deposits	100.00	100.00
TOTAL	100.00	100.00

Notes (contd.)

2.7 LONG TERM PROVISIONS

	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakh)	
For employee benefits – gratuity [refer note 2.30 A (a)]	20.51	24.23
TOTAL	20.51	24.23

2.8 SHORT TERM BORROWING

	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakh)	
Unsecured Loans		
Commercial papers	12,500.00	-
Less: Unamortised discount on commercial papers	(312.13)	-
TOTAL	12,187.87	-

2.9 TRADE PAYABLES

	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakh)	
Micro, small and medium enterprises (refer note 2.27)	-	-
Other than micro, small & medium enterprises	103.38	58.26
TOTAL	103.38	58.26

2.10 OTHER CURRENT LIABILITIES

	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakh)	
Short term maturities of finance lease obligations (secured by way of hypothecation of vehicles) (refer note 2.29[a])	16.09	16.99
Unclaimed dividend	154.99	123.17
Employee benefits payable	471.37	454.10
Statutory dues	20.32	24.64
Other short term liabilities	84.00	74.00
TOTAL	746.77	692.90

2.11 SHORT TERM PROVISIONS

	As at 31.03.2015	As at 31.03.2014
	(₹ in Lakh)	
For employee benefits:		
Gratuity [refer note 2.30 A (a)]	21.18	11.47
Compensated absences [refer note 2.30 A (b)]	18.85	11.24
For standard assets (refer note 2.39)	18.75	-
For proposed dividend	6,306.11	4,161.13
TOTAL	6,364.89	4,183.84

2.12 FIXED ASSETS

	Gross block (at cost)				Depreciation / Amortisation				Net block	
	As at 31.03.2014	Additions for the year	Deductions for the year	As at 31.03.2015	As at 31.03.2014	Transition adjustment (Refer note [c] below)	Additions for the year	Deductions for the year	As at 31.03.2015	As at 31.03.2014
(A) TANGIBLE ASSETS										
Owned assets:										
Office premises	108.50	-	-	108.50	38.51	-	1.83	-	40.34	69.99
Furniture and fixtures	24.62	25.28	-	49.90	15.56	-	5.69	-	21.25	9.06
Office equipments	5.55	3.45	0.05	8.95	3.00	-	1.29	0.05	4.24	2.55
Computers	5.54	1.25	0.10	6.69	2.41	0.52	2.26	0.10	5.09	3.13
Leasehold improvements	52.85	35.74	-	88.59	27.17	-	9.09	-	36.26	25.68
Motor vehicle	46.43	-	-	46.43	46.43	-	-	-	46.43	-
Leased assets:										
Motor vehicles (refer note [a] below)	89.32	8.66	18.10	79.88	45.42	-	18.77	18.10	46.09	43.90
TOTAL (A)	332.81	74.38	18.25	388.94	178.50	0.52	38.93	18.25	199.70	154.31
(B) INTANGIBLE ASSETS										
Software	-	17.15	-	17.15	-	-	1.17	-	1.17	-
TOTAL (B)	-	17.15	-	17.15	-	-	1.17	-	1.17	-
TOTAL (A+B)	332.81	91.53	18.25	406.09	178.50	0.52	40.10	18.25	200.87	154.31
Previous year	277.89	55.88	0.96	332.81	138.61	-	40.85	0.96	178.50	154.31

Note:

[a] Vendor has a lien over the assets taken on lease.

[b] 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 life of fixed assets prescribed under Schedule II to the Act. As a result, the charge for depreciation is higher by ₹ 1.16 Lakh for the year ended March 31, 2015.

[c] Based on transitional provision in Note7(b) of Schedule II to the Act, an amount of ₹ 0.35 Lakh (net of deferred tax of ₹0.17 lakh) has been adjusted against the retained earnings.

Notes (contd.)

2.13 NON-CURRENT INVESTMENTS

(₹ in Lakh)

	As at 31.03.2015		As at 31.03.2014	
	Quantity	Amount	Quantity	Amount
I TRADE INVESTMENTS (INVESTMENT IN GROUP COMPANIES)				
Unquoted				
(a) Investment in equity shares of ₹ 10/- each				
In subsidiaries:				
1 JM Financial Institutional Securities Limited	2,80,00,000	36,608.24	2,80,00,000	36,608.24
2 JM Financial Investment Managers Limited	18,00,000	9,316.17	18,00,000	9,316.17
3 JM Financial Products Limited	49,00,50,000	50,941.33	49,00,50,000	50,941.33
4 JM Financial Asset Management Limited	3,14,62,500	13,138.49	3,14,62,500	13,138.49
5 JM Financial Properties and Holdings Limited	30,00,000	300.00	30,00,000	300.00
6 JM Financial Credit Solutions Limited	12,50,000	35,440.00	50,000	1,000.00
7 JM Financial Insurance Broking Private Limited	60,000	1.00	60,000	1.00
8 Infinite India Investment Management Limited	16,00,000	238.00	16,00,000	238.00
In associate companies:				
9 JM Financial Asset Reconstruction Company Private Limited	12,06,25,000	13,174.08	10,29,00,000	10,290.00
10 JM Financial Trustee Company Private Limited	25,000	2.50	25,000	2.50
(b) Investment in preference shares of ₹ 10/- each				
In a subsidiary:				
11 JM Financial Properties and Holdings Limited (10% Participating non-cumulative redeemable preference shares) [refer note i]	-	-	9,50,50,000	9,505.00
Quoted				
Investment in Debentures				
In an associate company:				
12 JM Financial Asset Reconstruction Company Private Limited (13% Secured, Rated, Redeemable Non-Convertible Debentures of ₹ 10,00,000/- each) (refer note ii)	700	7,000.00	-	-
		1,66,159.81		1,31,340.73
II OTHER INVESTMENTS				
Investments in Mutual Funds				
13 JM Equity Fund (refer note iii & iv)	16,072	1.49	16,072	1.49
TOTAL		1,66,161.30		1,31,342.22

Notes:

- Redeemable at the option of the issuer at any time but not later than October 24, 2022 being 10 years from the date of allotment.
- Redeemable at the option of the issuer at any time but not earlier than September 22, 2017 being 3 years from the date of allotment.
- Represents initial contribution as a 'Sponsor' towards setting up of JM Financial Mutual Fund, which cannot be sold/transferred.
- Net asset value of the mutual fund units as on March 31, 2015 is ₹ 3.69 Lakh (previous year ₹ 2.56 Lakh).

2.14 LONG TERM LOANS AND ADVANCES**(Unsecured, considered good)**

	(₹ in Lakh)	
	As at	As at
	31.03.2015	31.03.2014
Capital advances	36.90	48.73
Security Deposits*	254.50	430.08
Advance tax (net of provisions)	15,928.45	15,627.45
TOTAL	16,219.85	16,106.26

* Includes ₹ 63.38 Lakh (Previous year ₹150 Lakh) receivable from a related party.

2.15 OTHER NON-CURRENT ASSETS**(Unsecured, considered good)**

	(₹ in Lakh)	
	As at	As at
	31.03.2015	31.03.2014
Receivable from subsidiaries	362.15	314.93
TOTAL	362.15	314.93

2.16 CASH AND BANK BALANCES

	(₹ in Lakh)	
	As at	As at
	31.03.2015	31.03.2014
Cash and cash equivalents:		
Cash on hand	0.19	0.18
Balances with banks:		
In current accounts	66.79	55.36
In deposit accounts (less than 3 months' maturity)	3,100.00	21,535.00
	3,166.98	21,590.54
Other bank balances	154.86	122.80
TOTAL	3,321.84	21,713.34
Earmarked balances with banks for unclaimed dividend included in other bank balances	154.86	122.80

2.17 SHORT TERM LOANS AND ADVANCES**(Unsecured, considered good)**

	(₹ in Lakh)	
	As at	As at
	31.03.2015	31.03.2014
Staff loans	30.00	65.16
Advances recoverable in cash or in kind or for value to be received	36.94	36.89
Inter corporate deposit to a wholly owned subsidiary	7,500.00	8,750.00
Prepaid expenses	11.68	10.30
TOTAL	7,578.62	8,862.35

Notes (contd.)

2.18 OTHER CURRENT ASSETS

	(₹ in Lakh)	
	As at 31.03.2015	As at 31.03.2014
Interest accrued but not due	479.47	163.63
Receivable from subsidiaries	538.55	429.81
TOTAL	1,018.02	593.44

2.19 REVENUE FROM OPERATIONS

	(₹ in Lakh)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest income	2,805.78	2,094.50
Group support service fees	150.00	-
TOTAL	2,955.78	2,094.50

2.20 OTHER INCOME

	(₹ in Lakh)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Dividend from subsidiaries on non-current investments	7,331.09	6,534.18
Dividend on current investments	108.64	-
Lease rent	23.58	23.58
Miscellaneous income	34.69	63.38
TOTAL	7,498.00	6,621.14

2.21 EMPLOYEE BENEFITS EXPENSE

	(₹ in Lakh)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Salaries, bonus and allowances	834.29	710.54
Contribution to provident and other funds	25.46	18.96
Gratuity	5.99	0.95
Staff welfare	2.33	1.50
TOTAL	868.07	731.95

2.22 FINANCE COSTS

	(₹ in Lakh)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Finance charges on leased assets	6.83	8.92
Interest on borrowings	751.71	0.01
TOTAL	758.54	8.93

2.23 OTHER EXPENSES

	(₹ in Lakh)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Space and other related costs (refer note 2.29 [b])	194.34	142.58
Legal and professional fees	59.75	34.37
Membership and subscription	6.46	6.09
Rates and taxes	34.05	21.10
Communication expenses	34.04	18.48
Repairs and maintenance	2.38	1.27
Travelling and conveyance expenses	33.82	10.60
Electricity expenses	10.98	4.97
Printing and stationery expenses	27.94	19.90
Advertisement and other related expenses	6.10	3.53
Donation	71.00	45.65
Insurance expenses	17.57	15.69
Auditors' remuneration (refer note 2.31)	19.40	17.36
Motor car expenses	21.99	17.48
Provision for standard assets	18.75	-
Directors' sitting fees	51.28	9.35
Directors' commission	84.00	74.00
Miscellaneous expenses	42.97	14.70
TOTAL	736.82	457.12

2.24 CONTINGENT LIABILITY

Contingent liability in respect of income tax demands for various years disputed in appeal is ₹ 1,272.05 Lakh (previous year ₹ 37,964.57 Lakh).

The Income Tax Authorities had ongoing dispute with the Company relating to them treating the long term capital gain on sale of equity shares on termination of joint venture with Morgan Stanley as taxable under the head "Business Income" and not under the head "Capital Gains". The reduction in the contingent liability is due to the Company receiving a favourable ruling from the Commissioner of Income Tax (appeals) in respect of the said matter.

CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 65.42 Lakh (previous year ₹ 70.42 Lakh).

2.25 EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Employee Stock Option Scheme ('the Scheme') provides for grant of stock options to the eligible employees and/or directors ('the Employees') of the Company and/or its subsidiaries. The Stock Options are granted at an exercise price, which is either equal to the fair market price, or at a premium, or at a discount to market price as may be determined by the Nomination and Remuneration Committee (erstwhile Compensation Committee) of the Board of the Company.

During the year, the Nomination and Remuneration Committee of the Board has granted stock options under Series 7, to the Employees that will vest in a graded manner, which are to be exercised within a specified period. The Committee granted 44,85,267 Options (previous year 36,45,774 Options) at an exercise price of ₹ 1/- per option to the Employees.

Notes (contd.)

The details of options are as under:

	For the year ended 31.03.2015	For the year ended 31.03.2014
Outstanding at the beginning of the year	2,51,78,013	2,70,52,907
Add: Granted during the year	44,85,267	36,45,774
Less: Exercised and allotted during the year	50,86,302	37,28,835
Less: Forfeited/cancelled during the year	Nil	Nil
Less: Lapsed during the year	5,27,356	17,91,833
Outstanding at the end of the year	2,40,49,622	2,51,78,013
Exercisable at the end of the year	1,46,47,989	1,36,35,863

The Company follows intrinsic value based method of accounting for determining compensation cost for its stock-based compensation scheme.

The estimated fair value of each stock option granted in Series 7 and 6 is mentioned in the table below. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer. The model inputs the share price at respective grant dates, exercise price of ₹ 1/-, volatility of 54.95% to 57.40% (previous year 54.64% to 58.06%), dividend yield of 3.63% (previous year 2.16%), expected term of options in the range of 5 years to 6 years (previous year 4 years to 5 years), and a risk-free interest rate of 8.96% to 9.04% (previous year 7.53% to 7.60%).

Details of options granted during the current and previous financial year based on the graded vesting and fair value of the options are as under:

% of Options to be vested	No. of Options Granted		Vesting date		Fair value per option (₹)	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
33.33%	14,95,089	12,15,258	April 1, 2015	May 6, 2014	20.17	15.64
33.33%	14,95,089	12,15,258	April 1, 2016	May 6, 2015	19.83	15.49
33.33%	14,95,089	12,15,258	April 1, 2017	May 6, 2016	19.49	15.35
	44,85,267	36,45,774				

Based on the valuation report applying Black-Scholes-Merton model, the expense arising from stock option scheme on the basis of fair value method of accounting is ₹ 237.29 Lakh previous year (₹ 106.67 Lakh) Accordingly, had the compensation been determined using the fair value method, the Company's net profit and basic and diluted earnings per share as reported would have been reduced (Previous year increased) after giving effect to the stock-based employee compensation amounts as under:

	As reported		As adjusted	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Net profit (₹ in lakh)	7,810.65	7,105.10	7,573.36	7,211.77
Basic earnings per share (in ₹)	1.02	0.94	0.99	0.96
Diluted earnings per share (in ₹)	1.00	0.92	0.97	0.94

Details of options granted under various series are as under:

	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7
Grant date	15/04/2008	29/10/2009	21/04/2010	21/04/2011	16/04/2012	06/05/2013	01/04/2014
Options granted	1,11,37,500	15,00,000	37,50,000	75,00,000	73,02,669	36,45,774	44,85,267
Options exercised till March 31, 2015	Nil	Nil	Nil	59,13,958	37,89,114	8,57,227	N.A.
Options forfeited/ cancelled till March 31, 2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed till March 31, 2015	2,62,500	15,00,000	10,00,000	7,35,096	6,86,673	3,43,024	1,83,996
Outstanding at end of year	1,08,75,000	Nil	27,50,000	8,50,946	28,26,882	24,45,523	43,01,271
Exercisable at end of year	1,08,75,000	Nil	18,33,334	8,50,946	8,29,162	2,59,547	N.A.
Vesting of options	1/3rd Options each on completion of third, fourth and fifth year from the date of grant of options	1/3rd Options each on completion of third, fourth and fifth year from the date of grant of options	1/3rd Options each on completion of third, fourth and fifth year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options
Exercise period	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant
Exercise price (refer note [i] below)	₹ 54.80	₹ 54.80	₹ 54.80	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00
Pricing formula (refer note [ii] below)	Being the closing market price quoted on the immediately preceding working day of the date of Grant of options	As was determined by the Compensation Committee at its meeting held on October 29, 2009	As was determined by the Compensation Committee at its meeting held on April 19, 2010	As was determined by the Compensation Committee at its meeting held on April 21, 2011	As was determined by the Compensation Committee at its meeting held on April 16, 2012	As was determined by the Compensation Committee at its meeting held on May 6, 2013	As was determined by the Compensation Committee at its meeting held on March 25, 2014.

Notes:

- [i] In respect of stock options granted at ₹ 1/-, the difference between the market price and the exercise price on the date of the grant of the stock options, is being paid by the respective subsidiary companies.
- [ii] Nomination and Remuneration Committee formed on May 06, 2014 in lieu of Compensation Committee.

Notes (contd.)

- 2.26** Pursuant to Securities and Exchange Board of India (share based employee benefits) Regulations, 2014, the details of receipt from subsidiaries are as under:

Particulars	(₹ in Lakh)	
	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
JM Financial Institutional Securities Limited	503.94	745.76
JM Financial Services Limited	157.50	204.71
JM Financial Products Limited	127.75	125.11
JM Financial Credit Solutions Limited	24.96	-
JM Financial Asset Management Limited	20.04	11.01
JM Financial Investment Managers Limited	11.17	26.51
TOTAL	845.36	1,113.10

- 2.27** Under the head "Trade Payables" outstanding amount(s) due to Micro, Small and Medium Enterprises (MSME) as defined under Micro, Small and Medium Enterprises Development Act 2006 is being disclosed as "Nil", as the Company has not received any reply from its vendors to the letter written by it to them. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.28 EARNINGS PER EQUITY SHARE (EPS)

Earnings per equity share is calculated as under:

Particulars		(₹ in Lakh)	
		For the year ended	For the year ended
		March 31, 2015	March 31, 2014
Profit after tax (₹ in Lakh)	A	7,810.65	7,105.10
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	76,56,73,104	75,44,54,509
Basic earnings per share (in ₹)	A/B	1.02	0.94
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	76,56,73,104	75,44,54,509
Add: Weighted average number of potential equity shares on account of employee stock options and Warrants	C	1,23,10,440	1,46,23,320
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	D=B+C	77,79,83,544	76,90,77,829
Diluted earnings per share (in ₹)	A/D	1.00	0.92

2.29 LEASE TRANSACTION

a. Finance lease

The Company has acquired vehicles under the finance lease agreement. The tenure of the lease agreements ranges between 36 and 48 months with an option for prepayments/foreclosure.

The minimum lease rentals outstanding with respect to these assets are as under:

(₹ in Lakh)						
Particulars	Total minimum lease payment outstanding as at March 31, 2015	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2015	Total minimum lease payment outstanding as at March 31, 2014	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2014
Not later than 1 year	21.03	4.94	16.09	23.22	6.23	16.99
Later than 1 year but not later than 5 years	24.27	2.42	21.85	36.32	5.85	30.47
Later than 5 years	-	-	-	-	-	-
TOTAL	45.30	7.36	37.94	59.54	12.08	47.46

b. Operating lease

- i) The Company had taken two premises under operating lease for the period of 36 months and 60 months respectively. The same is non-cancellable for an initial period of 24 months and 60 months respectively. The minimum lease rentals outstanding with respect to these assets are as under:

(₹ in Lakh)		
	Total Minimum Lease Payments outstanding as at 31st March, 2015	Total Minimum Lease Payments outstanding as at 31st March, 2014
Not later than one year	215.05	-
Later than one year but not later than five years	616.18	-
Later than five years	-	-
TOTAL	831.23	-

Lease payment recognised in the statement of profit and loss for the year in respect thereof aggregates ₹ 163.32 Lakh (Previous year ₹ Nil)

- ii) The Company had taken premises on cancellable operating lease for a period of not more than 24 months. Lease payment recognised in the statement of profit and loss for the year in respect thereof aggregates ₹ 31.02 Lakh (Previous year ₹ 142.58 Lakh).

Notes (contd.)

2.30 EMPLOYEE BENEFITS

A Defined benefit plans

a) Gratuity

	(₹ in Lakh)	
Amount recognised in the balance sheet with respect to gratuity	For the year ended March 31, 2015	For the year ended March 31, 2014
Present value of the defined benefit obligation at the year end	41.69	35.70
Fair value of plan assets	-	-
Net liability	41.69	35.70
Net liability is bifurcated as follows:		
Current	21.18	11.47
Non-Current	20.51	24.23
	(₹ in Lakh)	
Amount recognised in salary, wages and employee benefits expense in the statement of profit and loss with respect to gratuity	For the year ended March 31, 2015	For the year ended March 31, 2014
Current service cost	1.70	0.70
Interest on defined benefit obligations	2.88	2.41
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised during the year	1.41	(2.16)
Past service cost	-	-
Net gratuity cost	5.99	0.95
	(₹ in Lakh)	
Actual return on plan assets	For the year ended March 31, 2015	For the year ended March 31, 2014
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
	(₹ in Lakh)	
Reconciliation of present value of the obligation and the fair value of the plan assets:	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening defined benefit obligation	35.70	34.75
Current service cost	1.70	0.70
Interest cost	2.88	2.41
Actuarial (gain)/loss	1.41	(2.16)
Past service cost	-	-
Liability assumed on acquisition/(settled on divestiture) (on transfer of employees)	-	-
Benefits paid	-	-
Closing defined benefit obligation	41.69	35.70

	(₹ in Lakh)	
Change in fair value of plan assets	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
Opening fair value of the plan assets	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Assets acquired on amalgamation	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Closing fair value of the plan assets	-	-

	(₹ in Lakh)	
Investment details of plan assets	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
Investment	-	-

	(₹ in Lakh)	
Principal actuarial assumptions at the balance sheet date	As at	As at
	March 31, 2015	March 31, 2014
Discount rate	8.00%	9.10%
Estimated rate of return on plan assets	-	-
Retirement age	60 years	60 years
Salary escalation	7.00% per annum	7.00% per annum

Valuation assumptions:

- The estimates of future salary increases takes into account inflation, seniority, promotion and other relevant factors in the employment market.
- The above information is certified by the actuary.

b) Compensated absences

As per the Company's policy, a provision of ₹18.85 Lakh (previous year ₹11.24 Lakh) has been made towards compensated absences, calculated on the basis of unutilised leave as on the last day of the financial year.

B. Defined contribution plans

Amount recognised as an expense and included in the 'Contribution to provident & other funds' ₹ 25.46 Lakh (previous year ₹18.96 Lakh).

2.31 AUDITORS' REMUNERATION

	(₹ in Lakh)	
	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
Audit fees	12.21	10.50
Certification	2.18	2.18
Limited review	4.78	4.50
Reimbursement of Expenses	0.23	0.18
TOTAL	19.40	17.36

Notes (contd.)

2.32 EXPENDITURE/AMOUNT SPENT IN FOREIGN CURRENCY

	(₹ in Lakh)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Directors Commission and travelling expenditure	35.84	11.97
TOTAL	35.84	11.97

2.33 The Company has been granted registration as a Core Investment Company (CIC) by the Reserve Bank of India on April 11, 2014. The Company has been classified as a Systemically Important Non-Deposit Taking Core Investment Company (CIC-ND-SI). The Company is not in the business of asset financing.

2.34 Schedule to the Balance Sheet of a Non-Banking Financial Company as required by RBI as per their Circular RBI/ 2008-09/ 116 DNBS(PD).CC.No.125/ 03.05.002/ 2008-2009, Guidelines for NBFC-ND-SI as regards capital adequacy, liquidity and disclosure norms (as applicable to Core Investment Company) is given below:

(i) Capital risk adequacy ratio (CRAR):

Particulars	As at 31.03.2015	As at 31.03.2014
CRAR (%)	92.38	NA
CRAR - Tier I capital (%)	92.38	NA
CRAR - Tier II capital (%)	0.00	NA

(ii) Exposures:

A. Exposure to Real Estate Sector

		(₹ in Lakh)	
Category		As at 31.03.2015	As at 31.03.2014
a) Direct Exposure			
(i) Residential Mortgages-			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 Lakh shown separately)		Nil	Nil
(ii) Commercial Real Estate			
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;		Nil	Nil
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures-			
a) Residential		Nil	Nil
b) Commercial Real Estate		Nil	Nil
b) Indirect Exposure			
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		Nil	Nil

B. Exposures to Capital Market

		(₹ in Lakh)	
Particulars		As at 31.03.2015	As at 31.03.2014
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,66,159.81	1,31,340.73
(ii)	advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market		1,66,159.81	1,31,340.73

(iii) Asset Liability Management:**Maturity pattern of certain items of assets and liabilities:**

		(₹ in Lakh)							
Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities:									
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market Borrowings	1.25	7,399.94	1.28	3.94	4,797.55	21.85	-	-	12,225.81
Assets:									
Advances	-	7,500.50	42.55	12.55	23.53	15,928.45	254.00	36.90	23,798.48
Investments	-	-	-	-	-	-	7,000.00	-	7,000.00

Notes (contd.)

2.35 Schedule to the Balance Sheet (as required in terms of Paragraph 13 of Non Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007) as applicable to Core Investment Companies:

Particulars			
Liabilities side		Amount outstanding (₹ in Lakh)	Amount overdue (₹ in Lakh)
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:			
(a) Debentures			
(i) Secured		-	-
(ii) Unsecured (other than falling within the meaning of public deposits)		-	-
(b) Deferred Credits		-	-
(c) Term Loans		-	-
(d) Inter-corporate loans and borrowing		-	-
(e) Commercial Paper		12,187.87	-
(f) Other Loans (Please Specify)			
Dues under finance lease		37.94	-
Assets side			Amount outstanding (₹ in Lakh)
(2) Break up of Loans and Advances including bills receivables (other than those included in (4) below):			
(a) Secured			-
(b) Unsecured			7,500.00
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:			
Particulars			Amount outstanding (₹ in Lakh)
(i) Lease assets including lease rentals under sundry debtors:			
(a) Financial Lease			-
(b) Operating Lease			-
(ii) Stock on hire including hire charges under sundry debtors:			
(a) Assets on hire			-
(b) Repossessed Assets			-
(iii) Other loans counting towards AFC activities:			
(a) Loans where assets have been repossessed			-
(b) Loans other than (a) above			-

(4) Break – up of Investments:		Amount outstanding (₹ in Lakh)
Current Investments:		
1. Quoted:		
(i) Shares:		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (Please Specify)		-
2. Unquoted:		
(i) Shares:		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (Please Specify)		-
Long Term Investments:		
1. Quoted:		
(i) Shares:		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		7,000.00
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (Please Specify)		-
2. Unquoted:		
(i) Shares:		
(a) Equity		1,59,159.81
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		1.49
(iv) Government Securities		-
(v) Others (Please Specify)		-

(₹ in Lakh)

(5) Borrower group – wise classification of assets financed as in (2) and (3) above:

Category	Amount (net of provisions)		
	Secured	Unsecured	Total
1) Related Parties			
(a) Subsidiaries	-	7,500.00	7,500.00
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2) Other than related parties	-	-	-
	-	7,500.00	7,500.00
Less: Provision for non-performing assets	-	-	-
	-	7,500.00	7,500.00

Notes (contd.)

(₹ in Lakh)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
1) Related Parties		
(a) Subsidiaries	1,45,983.23	1,45,983.23
(b) Companies in the same group	20,176.58	20,176.58
(c) Other related parties	-	-
2) Other than related parties	1.49	1.49
	1,66,161.30	1,66,161.30

All investments are long-term investments. In case of unquoted investments, the Market Value/Break up Value or Fair Value or NAV is stated at cost except where there is diminution in value other than temporary, for which provision/write-off is made.

(₹ in Lakh)

(7) Other Information:

Particulars	Amount
(i) Gross Non – Performing Assets	
(a) Related Parties	-
(b) Other than related parties	-
(ii) Net Non – Performing Assets	
(a) Related Parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

- 2.36** There are no restructured advances as on March 31, 2015, Hence disclosure of information as required in terms of sub-Para 9 of Paragraph 20B of Non Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended vide Notification No. DNBS(PD).No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

2.37 CONCENTRATION OF ADVANCES AND EXPOSURES:

(₹ in Lakh)

	As at 31.03.2015	As at 31.03.2014
Total Advances to twenty largest borrowers	7,500.00	N.A.
Percentage of Advances to twenty largest borrowers to total Advances of the NBFC	100%	N.A.

(₹ in Lakh)

	As at 31.03.2015	As at 31.03.2014
Total Exposure to twenty largest borrowers / customers	7,500.00	N.A.
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	100%	N.A.

2.38 CORE INVESTMENT COMPANY ("CIC") COMPLIANCE RATIOS:

Sr No.	Particulars	As at 31.03.2015	As at 31.03.2014
(i)	Investments & Loans to group companies as a proportion of Net Assets (%)	98.89%	N.A.
(ii)	Investments in equity shares & compulsorily convertible instruments of group companies as a proportion of Net Assets (%)	90.63%	N.A.
(iii)	Capital Adequacy Ratio(%) [Adjusted NetWorth/Risk Weighted Assets]	92.38%	N.A.
(iv)	Leverage Ratio (Times) [Outside Liabilities /Adjusted Net worth]	0.19	N.A.

2.39 To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a notification No. DNBS 22 / CGM (US) dated January 17, 2011, requiring all NBFCs to make a general provision at 0.25 per cent of outstanding standard assets. The Company has created provision for standard assets, and is in compliance with the aforesaid RBI Notification.

2.40 The Company has spent ₹ 16 Lakh (previous year ₹ Nil) towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereto.

	(₹ in Lakh)
a) Gross amount required to be spent by the Company during the year.	15.60
b) Amount spent during the year on:	
In cash	16.00
Yet to be paid in cash	-
Total	16.00
(i) Construction/acquisition of any asset	-
(ii) On purposes other than (i) above	16.00

2.41 a) As the Company is a Core Investment Company, its 'investments and lending activities' is considered as the only segment in the context of AS 17 on "Segment Reporting".

b) The Company does not have any reportable geographical segment.

2.42 Disclosure in respect of related parties is attached as Annexure 'I'

2.43 Statement of cash flow is attached as Annexure 'II'

2.44 Figures of the previous year have been regrouped/reclassified/rearranged wherever necessary to correspond with those of the current year's classification /disclosure.

Notes (contd.)

ANNEXURE 'I' TO NOTE 2.42 OF NOTES TO THE FINANCIAL STATEMENTS

DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO AS 18 ON 'RELATED PARTY DISCLOSURE'

A. LIST OF RELATED PARTIES

I) Parties where control exists:

a) Subsidiaries

JM Financial Institutional Securities Limited (Institutional Securities)
(formerly JM Financial Institutional Securities Private Limited)
JM Financial Investment Managers Limited (Investment Managers)
JM Financial Services Limited (Financial Services)
JM Financial Commtrade Limited (Commtrade)
JM Financial Insurance Broking Private Limited (Insurance Broking)
JM Financial Products Limited (Products)
JM Financial Properties and Holdings Limited (Properties)
JM Financial Asset Management Limited (AMC)
(formerly JM Financial Asset Management Private Limited)
JM Financial Overseas Holdings Private Limited (Overseas)
JM Financial Singapore Pte Ltd (Singapore)
PT JM Financial Securities Indonesia (Indonesia)
JM Financial Securities Inc. (USA)
Infinite India Investment Management Limited (Infinite)
(formerly Infinite India Investment Management Private Limited)
CR Retail Malls (India) Limited (CRRM)
JM Financial Credit Solutions Limited (Credit Solutions)
(formerly FICS Consultancy Services Limited)

b) Partnership Firm

Astute Investments (Astute)

II Other parties with whom the Company has entered into transactions during the year:

a) Associates

JM Financial Asset Reconstruction Company Private Limited (ARC)
JM Financial Trustee Company Private Limited (Trustee)

b) Key management personnel

Mr. Nimesh Kampani (NNK)

c) Relative of key management personnel

Ms. Aruna N Kampani (ARNK)
Mr. Vishal Kampani (VNK)
Ms. Amishi Kampani (AMNK)

d) Enterprise over which Key management personnel is able to exercise significant influence

J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)
J. M. Assets Management Private Limited (J.M.Assets)
JSB Securities Limited (JSB)
Kampani Consultants Limited (KCL)
Persepolis Investment Company Private Limited (PICPL)
SNK Investments Private Limited (SNK)
Kampani Properties and Holdings Limited (KPHL)

B. RELATED PARTY RELATIONSHIPS HAVE BEEN IDENTIFIED BY THE MANAGEMENT AND RELIED UPON BY THE AUDITORS.

Annexure 'I' to note 2.42 of notes to the financial statements (Contd.)

Related Party Disclosures:

	Subsidiaries*		Associates		Key Management Personnel		Relatives of Key Management Personnel		Enterprise over which Key Management Personnel is able to exercise significant influence		Total (₹ in Lakh)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Investments made in (refer note 2.13 of non-current investments)	34,440.00	-	9,836.00	-	-	-	-	-	-	-	44,276.00	-
Investments redeemed (refer note 2.13 of non-current investments)	-	16,704.00	-	-	-	-	-	-	-	-	-	16,704.00
Investments sold/ Transferred to												
Products	9,505.00	-	-	-	-	-	-	-	-	-	9,505.00	-
Investments Purchased/ Transferred from												
Financial Services	-	1.00	-	-	-	-	-	-	-	-	-	1.00
JMFICS	-	-	-	-	-	-	-	-	-	1,000.00	-	1,000.00
ICD placed (Net)												
Credit Solutions	-	-	-	-	-	-	-	-	-	-	-	-
ARC	-	-	21,500.00	-	-	-	-	-	-	8,750.00	-	8,750.00
Products	4,500.00	-	-	-	-	-	-	-	-	-	21,500.00	-
Properties	7,500.00	-	-	-	-	-	-	-	-	-	4,500.00	-
ICD repaid by												
Credit Solutions	8,750.00	-	-	-	-	-	-	-	-	-	-	-
ARC	-	-	21,500.00	-	-	-	-	-	-	-	21,500.00	-
Products	4,500.00	-	-	-	-	-	-	-	-	-	4,500.00	-
Loan given												
Astute	20,000.00	-	-	-	-	-	-	-	-	-	20,000.00	-
Loan repaid												
Astute	20,000.00	-	-	-	-	-	-	-	-	-	20,000.00	-
Dividend received from												
Institutional Securities	3,340.94	1,633.68	-	-	-	-	-	-	-	-	3,340.94	1,633.68
Products	1,470.15	4,900.50	-	-	-	-	-	-	-	-	1,470.15	4,900.50
Investment Managers	2,520.00	-	-	-	-	-	-	-	-	-	2,520.00	-

Note:- (i) * Subsidiaries include a partnership firm namely Astute Investments

Notes (contd.)

	Subsidiaries*		Associates		Key Management Personnel		Relatives of Key Management Personnel		Enterprise over which Key Management Personnel is able to exercise significant influence		Total (₹ in Lakh)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Dividend paid to												
JMIFCS	-	-	-	-	-	-	-	-	2,237.47	1,932.36	2,237.47	1,932.36
J.M.Assets	-	-	-	-	-	-	-	-	1,124.95	944.05	1,124.95	944.05
JSB	-	-	-	-	-	-	-	-	71.56	61.80	71.56	61.80
KCL	-	-	-	-	-	-	-	-	7.54	6.51	7.54	6.51
SNK	-	-	-	-	-	-	-	-	128.26	110.77	128.26	110.77
NNK	-	-	-	-	1,488.93	1,285.90	-	-	-	-	1,488.93	1,285.90
ARNK	-	-	-	-	-	-	422.96	365.29	-	-	422.96	365.29
VNK	-	-	-	-	-	-	107.86	93.15	-	-	107.86	93.15
AMNK	-	-	-	-	-	-	88.00	76.00	-	-	88.00	76.00
Trustee	-	-	-	27.50	-	-	-	-	-	-	-	27.50
PICPL	-	-	-	-	-	-	-	-	18.15	15.68	18.15	15.68
Group support fees received from												
Credit Solutions	60.00	-	-	-	-	-	-	-	-	-	60.00	-
Properties	90.00	-	-	-	-	-	-	-	-	-	90.00	-
Rent received from												
Financial Services	23.58	23.58	-	-	-	-	-	-	-	-	23.58	23.58
Interest received from												
Credit Solutions	454.19	8.63	-	-	-	-	-	-	-	289.54	454.19	298.17
ARC	-	-	1,194.66	-	-	-	-	-	-	-	1,194.66	-
Astute	376.47	-	-	-	-	-	-	-	-	-	376.47	-
Products	1.37	-	-	-	-	-	-	-	-	-	1.37	-
Properties	179.06	-	-	-	-	-	-	-	-	-	179.06	-
Rent paid to												
KPHL	-	-	-	-	-	-	-	-	-	-	-	-
Properties	90.53	90.53	-	-	-	-	-	-	3.80	4.56	3.80	4.56
Demat Charges Paid to												
Financial Services	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01

Note:- (i) * Subsidiaries include a partnership firm namely Astute Investments

	Subsidiaries*		Associates		Key Management Personnel		Relatives of Key Management Personnel		Enterprise over which Key Management Personnel is able to exercise significant influence		Total (₹ in Lakh)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Remuneration paid to												
NNK	-	-	-	-	381.24	361.87#	-	-	-	-	381.24	361.87
Expenses reimbursed to												
Institutional Securities	-	1.35	-	-	-	-	-	-	-	-	-	1.35
Properties	18.83	14.10	-	-	-	-	-	-	-	-	18.83	14.10
JMFICS	-	-	-	-	-	-	-	-	3.31	8.30	3.31	8.30
Property deposits paid												
Properties	63.38	-	-	-	-	-	-	-	-	-	63.38	-
Property deposits repaid by												
KPHL	-	-	-	-	-	-	-	-	150.00	-	150.00	-
Outstanding Balances												
Investments in												
Properties	1,45,983.23	1,21,048.23	20,176.58	10,292.50	-	-	-	-	-	-	1,66,159.81	1,31,340.73
Property deposits received from												
Financial Services	100.00	100.00	-	-	-	-	-	-	-	-	100.00	100.00
Property deposits paid to												
KPHL	-	-	-	-	-	-	-	-	-	150.00	-	150.00
Properties	63.38	-	-	-	-	-	-	-	-	-	63.38	-
ICD Outstanding												
Credit Solutions	-	8,750.00	-	-	-	-	-	-	-	-	-	8,750.00
Properties	7,500.00	-	-	-	-	-	-	-	-	-	7,500.00	-
Amount Payable to												
NNK	-	-	-	-	195.00	245.00	-	-	-	-	195.00	245.00
Financial Services	0.02	0.01	-	-	-	-	-	-	-	-	0.02	0.01

Notes:- (i) * Subsidiaries include a partnership firm namely Astute Investments.

(ii) # The value of perquisites has been calculated on the basis of Income Tax Act, 1961. Accordingly, the previous year figure has also been revised.

Notes (contd.)

ANNEXURE 'II' TO NOTE 2.43 OF NOTES TO THE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2015

	(₹ in Lakh)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
A Cash flow from operating activities		
Net Profit before tax	8,050.25	7,476.79
Adjustment for :		
Depreciation	40.10	40.85
Provision for/(reversal of) gratuity	5.99	0.95
Provision for/(reversal of) compensated absences	7.61	0.68
Provision for/(reversal of) standard assets	18.75	-
Dividend income	(7,439.73)	(6,534.18)
Interest expense	758.54	8.93
Operating profit before working capital changes	1,441.51	994.02
Adjustment for :		
(Increase)/decrease in short term loans and advances	1,283.73	(8,797.47)
(Increase)/decrease in long term loans and advances	187.41	53.06
(Increase)/decrease in other current assets	(424.58)	664.87
(Increase)/decrease in other non current assets	(153.59)	(319.77)
Increase/(decrease) in trade payables	45.12	2.98
Increase/(decrease) in other current liabilities	53.87	360.25
Increase/(decrease) in long term borrowings	(8.62)	26.27
Cash generated from/(used in) operations	2,424.85	(7,015.79)
Direct taxes paid	(551.00)	(1,528.09)
Net cash from/(used in) operating activities	1,873.85	(8,543.88)
B Cash flow from investings activities		
Purchase of non-current investments	(44,324.08)	(1,001.00)
Sale of non-current investments	9,505.00	16,704.00
Purchase of fixed assets	(91.53)	(55.88)
Increase/(decrease) in other bank balances having maturity of more than 3 months and earmarked bank balances	(32.06)	1,868.90
Dividend income	7,439.73	6,534.18
Net cash (used in)/from investing activities	(27,502.94)	24,050.20

	(₹ in Lakh)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
C Cash flow from financing activities		
Proceeds from issue of equity share (including premium) upon exercise of options	1,157.39	881.69
Borrowing through Commercial Paper (net)	12,187.87	-
Monies received against warrants	3,328.11	1,109.37
Share application money pending allotment	-	1.16
Interest paid	(758.54)	(8.93)
Dividend paid (including dividend distribution tax)	(8,709.30)	(7,280.74)
Net cash from/(used) in financing activities	7,205.53	(5,297.45)
Net increase/(decrease) in cash and cash equivalents	(18,423.56)	10,208.87
Cash & cash equivalents - opening	21,590.54	11,381.67
Cash & cash equivalents – closing	3,166.98	21,590.54
Notes:		
i The cash flow statement has been prepared under the 'Indirect Method' as set out in AS 3 - "Cash Flow Statement" and notified in Companies (Accounting standards) Rules, 2006 (as amended).		
ii Cash and bank balances as per note 2.16	3,321.84	21,713.34
Less: Bank balance comprise cash in deposit accounts with original maturity of more than 3 months (as defined in AS 3 - "Cash Flow Statement")	154.86	122.80
Cash & cash equivalents as shown in Cash Flow Statement	3,166.98	21,590.54
iii Previous year's figures have been regrouped and rearranged wherever necessary.		

As per our attached report of even date

For and on behalf of

Khimji Kunverji & Co.

Chartered Accountants

Registration No. 105146W

Shivji K Vikamsey

Partner

Membership No. F-2242

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman & Managing Director

DIN – 00009071

E A Kshirsagar

Director

DIN – 00121824

P K Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place : Mumbai

Date : May 29, 2015

FORM AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies as on March 31, 2015

Part "A": Subsidiaries

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	(₹ / US\$ / SGD / IDR in Lakh)	Proposed Dividend ^c	% of shareholding
JM Financial Institutional Securities Limited	₹	2,800.00	24,937.47	36,942.86	9,205.39	9,668.02	19,823.56	6,844.75	1,809.68	5,035.07	4,044.02	4,044.02	100.00%
JM Financial Investment Managers Limited	₹	180.00	11,772.32	14,168.11	2,215.79	7,540.55	2,216.30	1,265.21	342.87	922.34	649.93	649.93	100.00%
Infinite India Investment Management Limited	₹	160.00	819.13	1,134.41	155.28	603.14	527.49	228.24	46.32	181.92	-	-	100.00%
JM Financial Insurance Broking Private Limited	₹	6.00	(4.79)	1.40	0.19	1.25	0.57	0.13	0.02	0.11	-	-	100.00%
JM Financial Properties and Holdings Limited	₹	9,805.00	275.50	22,727.73	12,647.23	-	2,176.13	358.76	184.76	174.00	-	-	100.00%
CR Retail Malls (India) Limited	₹	2,625.00	671.27	9,521.52	6,225.25	785.19	1,287.10	14.22	0.50	13.72	-	-	100.00%
JM Financial Products Limited	₹	54,450.00	55,355.81	4,54,899.02	3,45,093.21	346.31	70,248.12	27,721.36	8,892.32	18,829.04	6,553.47	6,553.47	90.00%
JM Financial Services Limited	₹	5,000.00	21,712.24	83,784.98	57,072.74	83.72	27,524.84	4,650.53	1,566.02	3,084.51	-	-	90.90%
JM Financial Commtrade Limited	₹	2,350.00	(1,665.70)	1,488.25	803.95	-	309.13	142.83	9.24	133.59	-	-	90.90%
JM Financial Asset Management Limited	₹	5,884.17	7,384.38	14,173.00	904.45	10,052.83	4,675.43	1,781.29	126.50	1,654.79	-	-	53.47%
JM Financial Credit Solutions Limited	₹	249.95	93,597.80	1,85,569.40	91,721.65	-	10,373.03	7,022.20	2,142.36	4,879.84	-	-	50.01%
JM Financial Overseas Holdings Private Limited	₹*	6,027.29	7,585.12	13,629.50	17.09	7,559.37	1,900.70	1,821.81	28.61	1,793.20	-	-	100.00%
	US\$	120.00	97.48	217.76	0.28	120.77	31.85	29.79	0.46	29.33	-	-	100.00%
JM Financial Singapore Pte. Ltd.	₹*	3,074.86	(2,125.57)	1,098.35	149.06	-	850.70	(671.02)	54.30	(725.32)	-	-	100.00%
	SGD	64.00	(43.14)	24.14	3.28	-	17.90	(14.21)	1.14	(15.35)	-	-	100.00%
JM Financial Securities, INC	₹*	0.05	367.35	373.63	6.23	-	-	(52.77)	-	(52.77)	-	-	100.00%
	US\$	0.00	5.87	5.97	0.10	-	-	(0.86)	-	(0.86)	-	-	100.00%
PT JM Financial Securities Indonesia ^d	₹*	-	-	-	-	-	420.29	393.09	72.74	320.35	-	-	99.00%
	IDR	-	-	-	-	-	84,029.61	78,590.18	14,548.85	64,041.33	-	-	99.00%

* Exchange rate as on March 31, 2015: 1 US Dollar (US\$) = ₹ 62.59, 1 SGD = ₹ 45.50 and 1 IDR = ₹ 0.0048

Notes

- Total liabilities exclude share capital and reserves.
- Investments exclude investment in subsidiaries under consolidation.
- Dividend proposed includes dividend distribution tax.
- "PT JM Financial Securities, Indonesia", is in the process of being wound up.

Statement containing salient features of the financial statement of subsidiaries/associate companies as on March 31, 2015

Part "B": Associates

(₹ in Lakh)

Particulars	JM Financial Asset Reconstruction Company Private Limited	JM Financial Private Limited	Trustee Company
Latest audited Balance Sheet Date	March 31, 2015	March 31, 2015	March 31, 2015
Shares of Associate held by the company on the year end			
Nos.	12,06,25,000		25,000
Amount of Investment in Associates	13,174.08		2.50
Extend of Holding%	50.00%		25.00%
Description of how there is significant influence	Ownership of 20% or more of the voting power	Ownership of 20% or more of the voting power	
Reason why the associate is not consolidated	Ownership of not more than 50 % of the voting Power and no control over the Board	Ownership of not more than 50 % of the voting Power and no control over the Board	
Net worth attributable to shareholding as per latest audited Balance Sheet	20,826.85		489.48
Profit for the year	3,620.46		319.95
(i) Considered in Consolidation	1,795.81		79.99
(ii) Not Considered in Consolidation	1,824.65		239.96

Note:

- 1) During the year JM Financial Limited has subscribed to additional shares in the right issue offering of JM Financial Asset Reconstruction Company Private Limited, which resulted in increase of its shareholding from 49% to 50%.
- 2) Significant influence has been determined as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman & Managing Director
DIN – 00009071

E A Kshirsagar
Director
DIN - 00121824

P K Choksi
Company Secretary

Manish Sheth
Chief Financial Officer

Independent Auditor's Report

TO THE MEMBERS OF JM FINANCIAL LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of JM Financial Limited ("the Holding Company") and its Subsidiaries, its associates, and partnership firm, (collectively hereinafter referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements" or the "CFS").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Management and the Board of Directors are responsible for the preparation of these CFS in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Group 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. The respective managements and the Board of Directors of the companies/entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of 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, which have been used for the purpose of preparation of the CFS by the management and the directors of the Holding company as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these CFS based on our audit. While conducting the audit, we have taken into account the provision 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 issued by the Institute of Chartered Accountants of India as 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 CFS are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the CFS. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the CFS, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the CFS 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 Holding Company has in place an adequate internal financial control 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 Holding Company's management and the Board of Directors, as well as evaluating the overall presentation of the CFS.

4. We believe that the audit evidence obtained by us and the audit evidences obtained by other auditors as stated in their report, referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the CFS.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid CFS gives 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 consolidated state of affairs of the Group as at March 31, 2015, and its consolidated profit/loss and its consolidated cash flows for the year ended on that date.

Other Matter

6. We did not audit the financial statements/financial information of 12 subsidiaries, 1 associate and 1 partnership firm whose financial statements/financial information reflect total assets of ₹ 7,88,525.54 lakh as at March 31, 2015, total revenues of ₹ 1,37,625.25 lakh and Net Cash outflow of ₹ 3,444.62 lakh for the year ended on that date as considered in the CFS. These financial statements/financial information have been audited

by other auditors whose reports have been furnished to us by the management of the Holding company. Our opinion on the CFS, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and a partnership firm and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associate and partnership firm, is based solely on reports of those respective auditors. Our opinion is not qualified in respect of this matter.

Our opinion on the CFS, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on work done and the reports of the other auditors and the financial statements / financial information certified by the Management of the Holding Company.

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, based on the comments in the auditors' reports of JM Financial Limited ("Holding company"), its subsidiaries and associate companies incorporated in India (hereinafter referred to as the "Covered Entities"), to whom the order applies, 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, to the extent applicable, 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 of the CFS;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the CFS have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the CFS;

- (d) In our opinion, the CFS 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 of the Holding Company as on March 31, 2015 taken on record by the management and Board of Directors of the Holding Company and the reports of the auditors of Covered Entities who are appointed under Section 139 of the Act, none of the directors of the Holding Company and Covered Entities 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the report of the Holding Company and report of the auditors of the Covered Entities:
 - (i) The CFS disclose the impact of pending litigations on the consolidated financial position of the Covered Entities – Refer Note 2.29 (iii) to the Consolidated Financial Statements;
 - (ii) The Holding Company and Covered Entities did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and Covered Entities.

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

Place : Mumbai
Date : May 29, 2015

Shivji K Vikamsey
Partner (F-2242)

Independent Auditor's Report (contd.)

ANNEXURE REFERRED TO IN PARAGRAPH 7 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE

With respect to JM Financial Limited ('Holding Company'), its subsidiaries and associates incorporated in India and to whom the provisions of the Order apply ('Covered Entities'), as per the information and explanations furnished and based on the report of the auditors of the Covered Entities, we report as under:

- (i) (a) The Holding Company and the Covered Entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management of the Holding Company and the Covered Entities at reasonable intervals. According to the information and explanations given to us, and as reported by the auditors of the Covered Entities no material discrepancies were noticed on such verification.
- (ii) The Holding Company and the Covered Entities do not hold any inventory during the year, hence this clause is not applicable.
- (iii) (a) According to the information and the explanations given to us and as per the report of the auditors of the Covered Entities, unsecured loans have been granted by the Holding company and also by some of the Covered Entities viz JM Financial Institutional Securities Limited, JM Financials Products Limited, JM Financial Asset Management Limited, to the companies covered under Section 189 of the Companies Act, 2013;
- (b) According to the information and the explanations given to us and as per the reports of the auditors of the Covered Entities, receipt of repayment of the principal amount and interest are regular and there are no overdue amount in excess of Rs. 1 lakh.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the auditors any dispute, are as under-
- (v) According to the information and explanations given to us and as reported by the auditors of Covered Entities, the Holding Company and the Covered Entities have not accepted any deposits from the public within the meaning of Section 73 to Section 76 of the Act and the rules framed thereunder.
- (vi) As informed to us and as per the reports of the auditors of Covered Entities, the Central Government has not prescribed the maintenance of the cost records under sub section (1) of section 148 of the Act in respect of the Holding Company and the Covered Entities.
- (vii) (a) The Holding Company and Covered Entities are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, Cess and other material statutory dues as applicable except in case of JM Financial Products Limited where Income tax Dues of ₹ 39.86 lakh were outstanding as on March 31, 2015, for more than 6 months from the date they became payable;
- (b) According to the records of the Holding Company and as reported by auditors of certain Covered Entities, the details of outstanding dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and Cess on account of

Name of the Company	Name of the statute	Nature of the dues	Period	Forum where dispute is pending	Amount involved (₹ in lakh)
JM Financial Limited	Income tax Act, 1961	Tax demands	FY 2011-12	Commissioner of Income tax (Appeals)	882.53
	Income tax Act, 1961	Tax demands	FY 2010-11	Commissioner of Income tax (Appeals)	747.31
	Income tax Act, 1961	Tax demands	FY 2001-02	Commissioner of Income tax (Appeals)	36.18
	Income tax Act, 1961	Tax demands	FY 1997-98	Commissioner of Income tax (Appeals)	18.09
	Income tax Act, 1961	Tax demands (TDS)	FY 2009-10	Commissioner of Income tax (Appeals)	0.49
	Income tax Act, 1961	Tax demands (TDS)	FY 2010-11	Commissioner of Income tax (Appeals)	0.21
	Income tax Act, 1961	Tax demands (TDS)	FY 2011-12	Commissioner of Income tax (Appeals)	0.15
JM Financial Products Limited	Income tax Act, 1961	Tax demands	FY 2009-10 to FY 2011-12	Commissioner of Income tax (Appeals)	467.97

Name of the Company	Name of the statute	Nature of the dues	Period	Forum where dispute is pending	Amount involved (₹ in lakh)
JM Financial Asset Management Limited	Income tax Act, 1961	Tax demands	FY 2010-11	Deputy Commissioner	6.25
	Income tax Act, 1961	Tax demands	FY 2011-12	Commissioner of Income tax (Appeals)	5,697.56
JM Financial Services Limited	Income tax Act, 1961	Tax demands	FY 2010-11	Commissioner of Income tax (Appeals)	3,062.86
	Finance Act, 1994	Service tax	FY 2002-03 to FY 2008-09	Central Excise & Service Tax Appellate Tribunal	30.34
	Income tax act, 1961	Income tax	FY 2008-09	Income tax Appellate Tribunal	280.59
	Income tax act, 1961	Income tax	FY 2009-10	Commissioner of Income tax (Appeals)	69.95
JM Financial Institutional Securities Limited	Income tax act, 1961	Income tax	FY 2009-10	Income tax Appellate Tribunal	58.02
	Finance Act, 1994	Service tax	FY 2002-03 to FY 2011-12	Commissioner of Central Excise	30.98
	Income tax act, 1961	Income tax	FY 2011-12	Commissioner of Income tax (Appeals)	11.24
	Income tax act, 1961	Income tax	FY 2011-12	Commissioner of Income tax (Appeals)	51.80
JM Financial Investment Managers Limited	Income tax act, 1961	Income tax	FY 2009-10	Deputy Commissioner of Income tax (DCIT)	35.99
	Income tax act, 1961	Income tax (TDS)	FY 2009-10	Income tax officer (ITO)	0.75
	Income tax act, 1961	Income tax (TDS)	FY 2010-11	Income tax officer (ITO)	0.73
	Income tax act, 1961	Income tax (TDS)	FY 2011-12	Commissioner of Income tax (Appeals)	0.11

- (c) According to the information and explanations given to us and as reported by the auditor of Covered Entities, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within prescribed time.
- (viii) According to the information and explanations given to us and as reported by the auditors of Covered Entities, the Holding Company and the Covered Entities have no accumulated losses at the end of the financial year and have not incurred any cash losses in the current as well as in the immediately preceding financial year except in case of JM Financial Commtrade Limited and JM Financial Asset Management Limited which have accumulated losses more than 50% of their respective net-worth as at the end of the financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the auditors of Covered Entities, the Holding Company and Covered Entities have not defaulted in their repayment of dues to financial institutions, banks or debenture holders.
- (x) According to the information and explanations given to us and based on the reports of auditors of Covered Entities, the Holding Company and Covered Entities have not given any guarantee for loan taken by others from a bank or financial institution during the year.
- (xi) Based on the information and explanations given by the management and the reports of auditors of Covered Entities, term loans obtained by the Holding Company and certain Covered Entities if any, were applied for the purpose for which loans were obtained.
- (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 Holding Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management. Further, based on report of auditors of Covered Entities, we report that no material fraud on or by the Covered Entities has been noticed or reported during the year.

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

Place : Mumbai
Date : May 29, 2015

Shivji K Vikamsey
Partner (F-2242)

Consolidated Balance Sheet

as at March 31, 2015

(₹ in Crore)

	Note	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	78.37	75.53
Reserves & surplus	2.2	2,367.33	2,103.26
Monies received against Warrants	2.3	-	11.09
Capital reserve on consolidation		97.27	7.25
Minority interest		654.60	164.97
		3,197.57	2,362.10
Share application money pending allotment	2.4	-	0.01
Non-current liabilities			
Long term borrowings	2.5	261.37	414.66
Deferred tax liabilities (net)	2.6	87.31	90.55
Other long term liabilities	2.7	2.70	2.70
Long term provisions	2.8	55.16	47.32
		406.54	555.23
Current liabilities			
Short term borrowings	2.9	4,151.43	2,234.29
Trade payables	2.10	208.40	262.41
Current maturities of long term borrowings	2.11	308.60	338.38
Other current liabilities	2.12	137.53	115.33
Short term provisions	2.13	94.79	62.30
		4,900.75	3,012.71
TOTAL		8,504.86	5,930.05
ASSETS			
Non-current assets			
Fixed assets	2.14		
Tangible assets	2.14A	333.37	117.81
Intangible assets	2.14B	6.72	4.76
Capital work in progress	2.14C	1.69	0.68
Goodwill on consolidation		105.26	105.26
Non-current investments	2.15	482.00	410.98
Long term loans and advances	2.16	3,070.99	1,585.12
		4,000.03	2,224.61
Current assets			
Current investments	2.17	157.68	83.84
Debt securities held as stock in trade	2.18	359.01	534.21
Trade receivables	2.19	226.68	194.74
Cash and bank balances	2.20	832.87	974.18
Short term loans and advances	2.21	2,908.82	1,903.80
Other current assets	2.22	19.77	14.67
		4,504.83	3,705.44
TOTAL		8,504.86	5,930.05
Significant accounting policies and notes to financial statements		1 & 2	

As per our attached report of even date

For and on behalf of

Khimji Kunverji & Co.

Chartered Accountants

Registration No. 105146W

Shivji K Vikamsey

Partner

Membership No. F-2242

Place : Mumbai

Date : May 29, 2015

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman & Managing Director

DIN – 00009071

P K Choksi

Company Secretary

E A Kshirsagar

Director

DIN – 00121824

Manish Sheth

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2015

(₹ in Crore)

	Note	For the year ended 31.03.2015	For the year ended 31.03.2014
Income:			
Revenue from operations	2.23	1,196.23	828.95
Other operating income	2.24	206.81	177.72
Total Revenue		1,403.04	1,006.67
Expenses:			
Employee benefits expense	2.25	235.24	203.16
Finance costs	2.26	420.20	307.83
Depreciation and amortisation expense	2.14	18.05	15.24
Other expenses	2.27	212.64	200.28
Total Expenses		886.13	726.51
Profit before tax		516.91	280.16
Tax expense:			
Current tax		158.96	83.19
Deferred tax		(2.78)	(4.83)
Tax adjustment of earlier years (net)		0.21	1.62
		156.39	79.98
Profit for the year		360.52	200.18
Add: Share in profit of associates		18.76	24.50
		379.28	224.68
Profit for the year attributable to :			
Minority interest		48.76	15.15
Owners of parent (Net consolidated profit for the year)		330.52	209.53
Earnings per equity share (EPS)	2.32		
(face value of ₹ 1/- each)			
Basic EPS (in ₹)		4.32	2.78
Diluted EPS (in ₹)		4.25	2.72
Significant accounting policies and notes to financial statements	1 & 2		

As per our attached report of even date

For and on behalf of

Khimji Kunverji & Co.

Chartered Accountants

Registration No. 105146W

Shivji K Vikamsey

Partner

Membership No. F-2242

Place : Mumbai

Date : May 29, 2015

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman & Managing Director

DIN – 00009071

P K Choksi

Company Secretary

E A Kshirsagar

Director

DIN – 00121824

Manish Sheth

Chief Financial Officer

Significant Accounting Policies

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The Consolidated Financial Statements (CFS) comprises the financial statements of JM Financial Limited ("Company") and its subsidiary and associate companies (herein after referred to as "Group companies" and together as "Group"). The financial statements of the Group have been prepared on accrual basis under the historical cost convention and 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 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act, to the extent applicable and the prevalent accounting practices in India.

1.2 Use of estimates

The preparation of financial statements is in conformity with Indian GAAP which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialised.

1.3 Principles of consolidation

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis as per AS 21 - "Consolidated Financial Statements" by adding together similar items of assets, liabilities, income and expenses and after eliminating intra-group balances and transactions.

Investments in associate companies which have been accounted under the equity method as per AS 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".

The net profit of the subsidiaries for the year attributable to the share of minority interest is identified and adjusted against the income in the CFS in order to arrive at the net income attributable to the interest of members of the Company. Similarly, the amount attributable to the share of minority interest in net assets of consolidated subsidiaries is identified and presented in the CFS, as part of members' fund.

The excess/deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made is recognised in the CFS as goodwill/capital reserve on consolidation.

1.4 Revenue recognition

Revenue is recognised at the point when there is reasonable certainty of its ultimate realisation/collection.

Revenue from Investment Banking business, which mainly includes the lead manager's fees, selling commission, underwriting commission, fees for mergers, acquisitions & advisory assignments and arrangers' fees for mobilising funds is recognised 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 engagement.

Management fee is recognized at specific rates agreed for the relevant schemes applied on the daily net assets of each scheme under the asset management segment.

Commission income for executing clients' transactions in the secondary market in 'Cash' and 'Futures and Options' segments are recognised on the trade date.

Brokerage earned from primary market operations, i.e., procuring subscription from investors for public offerings of companies are recorded on determination of the amount due to the company, once the allotment of securities is completed. Brokerage earned for mobilising bonds, fixed deposits for companies and funds for mutual funds from investors is recorded on monthly, quarterly or annual basis as set forth in terms of the engagement.

Income from structured products including processing fees, income from depository participant business and income from portfolio management services are recognised when the services are determined to be completed.

Income from bonds and debentures of corporate bodies and from Government securities/bonds are accounted on accrual basis.

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

Interest income is recognised on accrual basis.

1.5 Fixed assets and depreciation

Owned tangible assets

Tangible fixed assets are stated at original cost of acquisition less accumulated depreciation and impairment losses. Cost comprises all costs incurred to bring the assets to their present location and working condition.

Depreciation on tangible fixed assets is provided, on a pro-rata basis for the period of use, on the Straight Line Method (SLM), based on useful life of the fixed assets, as prescribed in Schedule II to the Companies Act, 2013 or as per the assessment of the useful life done by the management.

The useful life of the assets is as per the following table:

Assets	Useful Life
Office premises	60 years
Leasehold building	60 years or lease period whichever is lower
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years
Software	5 years
Servers and Networks	6 years
Leasehold improvements	10 years or lease period whichever is lower
Motor Vehicles	5 years

Assets costing ₹ 5,000/- or less are fully depreciated in the year of acquisition.

Owned intangible assets

Intangible fixed assets are stated at cost of acquisition or internal generation, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of the intangible assets is allocated over the best estimate of its useful life on a straight line basis.

The Group capitalises software and related implementation costs where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over management estimate of its useful life not exceeding 5 years.

Leased assets

Assets acquired under finance lease are capitalised at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. These assets are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

1.6 Impairment of assets

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e., the higher of the assets net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the statement of profit and loss.

1.7 Investments

Investments are classified as non-current (long term) or current. Non-current investments are carried at cost, however, provision for diminution in the value of non-current investments is made to recognise a decline, other than temporary, in the value of investments. The provision for diminution in the value of the quoted non-current investments is made to recognise the decline at lower of cost or market value, determined on the basis of the quoted prices of individual investment. Provision for diminution in the value of unquoted non-current investments is made as per the management's estimate. Current investments are carried at lower of cost or fair value.

1.8 Securities held as a result of underwriting/stock-in-trade

The securities are valued at lower of cost or 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.

Significant Accounting Policies

1.9 Employee benefits

Defined contribution plan

The Group makes defined contribution to the provident fund, which is recognized in the statement of profit and loss on an accrual basis.

Defined benefit plan

The Group's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss as income or expense respectively. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields on the date of balance sheet on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Short-term employee benefits

Short-term employee benefits are recognised as expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

1.10 Taxation

Tax expense comprises current tax and deferred tax.

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

Deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that apply substantively as on the date of balance sheet. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

Deferred tax assets, in case of unabsorbed losses and unabsorbed depreciation, are recognised only if there is virtual certainty that such deferred tax asset can be realised against future taxable profits.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

1.11 Arbitrage activities

In the course of its arbitrage activities, the Group enters into transactions in the Cash-Future Arbitrage and the Index Arbitrage.

The Group has adopted the recognition and measurement principles enunciated in AS 30 – "Financial Instruments: Recognition & Measurement" to the extent it is not inconsistent with the 'Accounting Standards' notified by the Companies (Accounting Standards) Rules 2006, for the arbitrage transactions of the Group, 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 sale/purchase 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 trading'. 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.

1.12 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost 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 the statement of profit and loss.

1.13 Operating leases

Leases, where significant portion of risk and reward of ownership retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the statement of profit and loss.

1.14 Employee stock option scheme

The stock options granted are accounted for as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 whereby the intrinsic value of the option is recognised as deferred employee compensation. The deferred employee compensation is charged to the statement of profit and loss over the period of vesting. The employee stock option outstanding account, net of any unamortised deferred employee compensation, is shown separately as part of Reserves.

1.15 Foreign subsidiaries

The operations of foreign subsidiaries are considered as non-integral and have been converted in ₹ in the following manner:

Revenue and expenses: At the average exchange rate during the year.

All assets and liabilities: At the exchange rate prevailing at the end of the year.

The resultant translation exchange difference are transferred to currency translation reserve.

1.16 Foreign currency transactions

Transactions in foreign currency are recorded at rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the statement of profit and loss. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction.

1.17 Provisions, contingent liabilities and contingent assets

Contingent liabilities are possible but not probable obligations as on the balance sheet date, based on the available evidence. Provisions are recognised when there is a present obligation as a result of past event; and 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 determined based on best estimate required to settle the obligation at the balance sheet date. Contingent assets are not recognised in the financial statements.

Notes to Financial Statements

2. NOTES TO FINANCIAL STATEMENTS

2.1 Share Capital

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Authorised:		
100,00,00,000 (100,00,00,000) equity shares of ₹1/- each	100.00	100.00
Issued and Subscribed Capital:		
78,37,23,677 (75,53,43,497) equity shares of ₹1/- each		
Paid up Capital:		
78,37,23,677 (75,53,43,497) equity shares of ₹1/- each fully paid-up	78.37	75.53
TOTAL	78.37	75.53

Note a:

Reconciliation of the number of equity shares outstanding

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number	Amount (₹ Crore)	Number	Amount (₹ Crore)
Shares outstanding at the beginning of the year	75,53,43,497	75.53	75,16,14,662	75.16
Shares allotted upon exercise of right by warrant holders	2,32,93,878	2.33	-	-
Shares allotted upon exercise of stock options	50,86,302	0.51	37,28,835	0.37
Shares outstanding at the end of the year	78,37,23,677	78.37	75,53,43,497	75.53

Note b:

The Company has only one class of shares referred to as equity shares having a face value of ₹1/- each. Each holder of equity share is entitled to one vote per share.

Note c:

Shares in the Company held by each shareholder holding more than 5 percent shares

Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
J. M. Financial & Investment Consultancy Services Private Limited	20,34,06,600	25.95%	20,34,06,600	26.93%
Nimesh Kampani*	13,53,57,500	17.27%	13,53,57,500	17.92%
J. M. Assets Management Private Limited	10,22,68,408	13.05%	10,22,68,408	13.54%
Morgan Stanley Asia (Singapore) Pte	5,73,08,920	7.31%	2,50,86,030	3.32%
Aruna Nimesh Kampani	3,84,51,250	4.91%	3,84,51,250	5.09%

* includes 1,250,000 equity shares (Previous year 12,50,000 equity shares) held by Nimesh Kampani HUF

Note d:

Aggregate number of shares allotted as fully paid up bonus shares during last 5 years:

Particulars	31.03.2015 No. of shares	31.03.2014 No. of shares	31.03.2013 No. of shares	31.03.2012 No. of shares	31.03.2011 No. of shares
Fully paid up bonus shares	-	-	-	-	-

2.2 RESERVES & SURPLUS

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Securities premium		
Opening balance	275.87	267.43
Add: Addition on shares issued upon exercise of right by warrant holders	42.05	-
Add: Addition on shares issued upon exercise of Stock Options by Employees	11.08	8.44
Less: Premium utilised for share issue expenses (net of deferred tax ₹ 0.30 Crore)	(0.29)	(-)
Closing balance	328.71	275.87
Capital reserve	#	#
Capital redemption reserve		
Opening balance	15.72	11.08
Add: Transferred during the year	-	4.64
Closing balance	15.72	15.72
General reserve		
Opening balance	205.25	193.85
Add: Transferred during the year	-	11.40
Closing balance	205.25	205.25
Statutory reserve (under section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	126.53	99.43
Add: Transferred during the year	63.39	27.10
Closing balance	189.92	126.53
Currency translation reserve		
Opening balance	8.56	6.07
Add: Transferred during the year	10.08	2.49
Closing balance	18.64	8.56
Share Options Outstanding		
Opening balance	22.08	25.96
Add: Additions on account of options granted during the year	10.74	6.14
Less: Transferred to securities premium upon exercise of Stock Options	(11.08)	(8.44)
Less: Reduction on account of options lapsed during the year	(0.72)	(1.58)
Closing balance	21.02	22.08
Less : Deferred employee compensation	(9.01)	(7.45)
	12.01	14.63
Surplus in statement of profit and loss:		
Opening balance	1,456.70	1,379.51
Less: Depreciation of earlier years adjusted (refer note 2.14 (d))	(0.28)	-
Add: Net consolidated profit for the year	330.52	209.53
Amount available for appropriation	1,786.94	1,589.04
Less: Appropriations		
Interim dividend	43.09	33.99
Proposed final dividend	63.06	41.61
Dividend on equity shares allotted after the adoption of previous years' accounts	0.10	0.02
Dividend distribution tax		
by the Company	2.30	1.08
by the subsidiaries	17.92	12.50
Transferred to general reserve	-	11.40
Transferred to statutory reserve	63.39	27.10
Transferred to capital redemption reserve	-	4.64
	189.86	132.34
Closing balance	1,597.08	1,456.70
TOTAL	2,367.33	2,103.26

Denotes amount below ₹50,000/-

Notes (contd.)

2.3 MONIES RECEIVED AGAINST WARRANTS

During the year, the Company received an aggregate amount of ₹ 33.28 Crore as consideration against the issue and allotment of 2,32,93,878 equity shares of the face value of ₹ 1/- each (being balance 75% of the issue price of ₹19.05 per equity share). The said consideration has been received upon the exercise of right by the Warrantholders to convert 2,32,93,878 Warrants held by them into equity shares and the said consideration has been fully utilised for the general corporate purpose.

2.4 SHARE APPLICATION MONEY PENDING ALLOTMENT

	As at 31.03.2015		As at 31.03.2014	
	Number of equity shares	Amount (₹ Crore)	Number of equity shares	Amount (₹ Crore)
Equity Share of ₹ 1/- each	-	-	1,15,618	0.01
TOTAL	-	-	1,15,618	0.01

Note a :

Share application money pending allotment is in respect of exercise of stock options under the Employee Stock Option Scheme (previous year ₹ 1,15,618 in respect of 1,15,618 equity shares)

2.5 LONG TERM BORROWINGS

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Secured Loans		
Term loan from banks [refer note 2.5(i)]	99.49	115.62
Non-convertible debentures [refer note 2.5(ii)]	160.50	302.00
Less : Unamortised discount on non convertible debentures	-	(4.61)
Long term maturities of finance lease obligation (secured by way of hypothecation of vehicles)	1.38	1.65
TOTAL	261.37	414.66

Notes :

(i) Term loan from banks

Term Loans are secured by way of floating first pari passu charge by way of hypothecation on loans and advances given by the relevant subsidiary company.

Maturity profile and rate of interest of Term Loans:

Rate of Interest	(₹ in Crore)			
	Non-current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
10.75%	65.00	-	-	-
12.05 % / 12.00%	-	79.17	66.67	70.83
12.35% / 12.45%	34.49	36.45	3.67	3.55
TOTAL	99.49	115.62	70.34	74.38

(ii) **Maturity profile and rate of interest of Non-convertible debentures**

Maturity profile and rate of interest/discounted rate of interest of Non-Convertible Debentures (NCD) face value of ₹ 1,000,000/- each:

(₹ in Crore)

Particulars	Non-Current		Current	
	As at	As at	As at	As at
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
9.55% NCD redeemable in year 2016-17	5.50	-	-	-
9.90% NCD redeemable in year 2016-17	50.00	-	-	-
11.38% NCD redeemable in year 2016-17	100.00	100.00	-	-
10.40% NCD redeemable in year 2016-17	5.00	5.00	-	-
11.00% NCD redeemable in year 2015-16*	-	35.00	35.00	-
10.85% NCD redeemable in year 2015-16*	-	8.00	8.00	-
11.40% NCD redeemable in year 2015-16	-	100.00	100.00	-
10.85% NCD redeemable in year 2015-16	-	23.00	23.00	-
10.75% NCD redeemable in year 2015-16	-	16.00	16.00	-
10.10% NCD redeemable in year 2015-16	-	5.00	-	-
10.60% NCD redeemable in year 2015-16	-	10.00	10.00	-
10.10% NCD redeemable in year 2015-16*	-	-	49.00	-
11.00% NCD redeemable in year 2014-15	-	-	-	165.00
10.50% NCD redeemable in year 2014-15	-	-	-	6.00
10.65% NCD redeemable in year 2014-15	-	-	-	30.00
10.40% NCD redeemable in year 2014-15	-	-	-	38.00
TOTAL	160.50	302.00	241.00	239.00

*issued at discount.

₹ 338.50 Crore (Previous year ₹ 389.00 Crore) are secured by way of first charge on freehold land and hypothecation on certain identified loans and advances given by the relevant subsidiary companies.

₹ 63.00 Crore (Previous year ₹ 152.00 Crore) are to be secured by way of hypothecation on certain identified loans and advances given by the relevant subsidiary company.

(iii) **Maturity profile and rate of interest of Inter Corporate Deposits:**

(₹ in Crore)

Rate of Interest	Non-current		Current	
	As at	As at	As at	As at
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
9.15%	-	-	-	25.00
TOTAL	-	-	-	25.00

2.6 DEFERRED TAX LIABILITIES (NET)

(₹ in Crore)

	As at	As at
	31.03.2015	31.03.2014
Deferred tax liabilities:		
On investments	110.19	110.19
On depreciation	1.37	0.22
	111.56	110.41
Deferred tax assets:		
On expenditure	22.44	17.66
On depreciation	1.81	2.20
	24.25	19.86
TOTAL	87.31	90.55

Notes (contd.)

2.7 OTHER LONG TERM LIABILITIES

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Property deposit	2.70	2.70
TOTAL	2.70	2.70

2.8 LONG TERM PROVISIONS

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
For employee benefits - gratuity	10.68	8.84
For clawback obligation	13.59	10.53
For standard assets [refer Note 2.8(i)]	30.89	27.95
TOTAL	55.16	47.32

Note (i) :

To ensure that Non-Banking Financial Companies (NBFCs) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a Notification No. DNBS.222/CGM(US)-2011 dated January 17, 2011, requiring all NBFCs to make a general provision of 0.25 per cent of the outstanding standard assets. The Group has created provision on standard assets as per guidelines prescribed by the Board of Directors and is in compliance with the aforesaid RBI notification.

2.9 SHORT TERM BORROWINGS

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Secured Loans		
Term loan from bank [refer Note 2.9(i)]	-	50.00
Borrowing under CBLO [refer Note 2.9(ii)]	274.64	-
Overdraft accounts/ Loans from banks [refer Note 2.9(iii)]	76.25	51.48
Cash credit facilities [refer Note 2.9(iv)]	50.03	50.00
	400.92	151.48
Unsecured Loans		
Commercial papers	3,765.50	2,171.80
Less : Unamortised discount on commercial papers	(99.99)	(88.99)
Inter corporate deposits	85.00	-
	3,750.51	2,082.81
TOTAL	4,151.43	2,234.29

Notes:

- Secured by way of a floating first pari pasu charge by way of hypothecation on certain identified loans and advances given by the relevant subsidiary company.
- Secured against government securities pledged with the Clearing Corporation of India Limited (CCIL).
- Secured by collaterals/fixed deposits with banks.
- Secured by way of hypothecation on certain identified loans and advances given.

2.10 TRADE PAYABLES

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Micro, Small and medium enterprises (see note i below)	-	-
Other than Micro, Small and medium enterprises	272.03	326.29
Less : Receivable from National Spot Exchange Limited (NSEL) on account of clients [see note (ii) below]	(63.63)	(63.88)
TOTAL	208.40	262.41

Notes:

- (i) There are no dues payable to Micro and Small Enterprises and therefore disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are not given.
- (ii) These amount is payable only if and to the extent the same is received from NSEL.

2.11 CURRENT MATURITIES OF LONG TERM BORROWINGS

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Secured Loans		
Term loan from banks [refer note 2.5(i)]	70.34	74.38
Non-convertible debentures [refer note 2.5(ii)]	241.00	239.00
Less : Unamortised discount on non convertible debentures	(2.74)	-
	308.60	313.38
Unsecured Loans		
Inter corporate deposits [refer note 2.5(iii)]	-	25.00
	-	25.00
TOTAL	308.60	338.38

2.12 OTHER CURRENT LIABILITIES

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Current maturities of finance lease obligations (secured by way of hypothecation of vehicles)	1.25	1.15
Employee benefits payable	96.77	66.91
Interest accrued but not due on borrowings	20.10	25.47
Statutory dues	7.53	6.13
Margin money from clients/franchisees	4.48	5.45
Security deposit	2.75	2.86
Unclaimed dividend	1.55	1.23
Overdrawn bank balance	1.23	4.48
Other liabilities	1.87	1.65
TOTAL	137.53	115.33

Notes (contd.)

2.13 SHORT TERM PROVISIONS

(₹ in Crore)

	As at 31.03.2015	As at 31.03.2014
For employee benefits:		
Gratuity	1.13	1.07
Compensated absences	5.94	5.25
For standard assets	0.19	-
For proposed dividend - Equity shares		
by the Company	63.06	41.61
by the Subsidiaries	5.45	1.63
For dividend distribution tax - Equity shares		
by the Subsidiaries	19.02	11.82
For dividend distribution tax - Preference shares by a subsidiary	-	0.92
TOTAL	94.79	62.30

2.14 FIXED ASSETS

Particulars	(₹ in Crore)												
	As at 31.03.2014	Additions (Refer note [a] below)	Gross block (At cost)		Currency Fluctuation	As at 31.03.2015	As at 31.03.2014	Depreciation / Amortisation			Currency Fluctuation	As at 31.03.2015	Net block
			Additions for the year	Deduction for the year				Additions for the year (a) below	Transition adjustment (Refer note [c] below)	Deduction for the year		As at 31.03.2015	As at 31.03.2014
A. TANGIBLE ASSETS													
Owned assets:													
Land	0.21	-	0.05	-	-	0.26	-	-	-	-	-	0.26	0.21
Leasehold Building	63.57	-	-	-	-	63.57	5.49	1.06	-	-	-	57.02	58.08
Office premises	8.68	-	224.16	0.19	-	232.65	4.20	2.34	-	0.09	-	226.20	4.48
Leasehold improvements	22.48	-	1.00	1.53	(0.03)	21.92	11.96	2.66	-	1.53	(0.03)	8.86	10.52
Computers	31.88	-	4.49	1.25	(0.02)	35.10	25.62	2.79	0.45	1.02	(0.01)	7.27	6.26
Office equipments	29.73	-	0.48	1.83	(0.01)	28.37	23.99	1.63	-	1.72	(0.01)	23.89	5.74
Furniture and fixtures	43.55	-	0.74	4.05	(0.02)	40.22	13.74	3.56	-	3.99	(0.01)	26.92	29.81
Motor vehicles	1.56	-	-	-	-	1.56	1.40	0.16	-	-	-	-	0.16
Leased assets:													
Motor vehicles(Refer note [b] below)	5.41	-	1.32	0.90	-	5.83	2.86	1.33	-	0.72	-	2.36	2.55
TOTAL (A)	207.07	-	232.24	9.75	(0.08)	429.48	89.26	15.53	0.45	9.07	(0.06)	333.37	117.81
B. INTANGIBLE ASSETS													
Software	20.09	-	4.51	0.03	-	24.57	15.33	2.52	-	-	-	6.72	4.76
Stock exchange memberships	1.43	-	-	-	-	1.43	1.43	-	-	-	-	-	-
Stock exchange non-refundable deposits	0.09	-	-	-	-	0.09	0.09	-	-	-	-	-	-
TOTAL (B)	21.61	-	4.51	0.03	-	26.09	16.85	2.52	-	-	-	6.72	4.76
TOTAL (A+B)	228.68	-	236.75	9.78	(0.08)	455.57	106.11	18.05	0.45	9.07	(0.06)	340.09	122.57
Previous year	114.42	92.73	43.53	22.02	(0.02)	228.68	87.68	23.65	-	20.49	(0.03)	122.57	0.68
C. CAPITAL WORK IN PROGRESS													

Denotes amount below ₹ 50,000/-

(a) Additions during the previous year due to consolidation of the financials of CR Retail Malls (India) Limited and acquisition of JM Financial Credit Solutions Limited (formerly known as FICS Consultancy Services Limited). (b) Vendor has lien over the assets taken on lease. (c) Pursuant to the Companies Act, 2013 ('the Act'), the Company has reworked depreciation with reference to the estimated useful life of fixed assets prescribed under Schedule II to the Act. As a result, the charge for depreciation is lower by ₹ 0.35 crore for the year ended March 31st, 2015. (d) Based on transitional provision in Note 7(b) of Schedule II, an amount of ₹ 0.28 crore (net of deferred tax of ₹ 0.17 crore) has been adjusted against the retained earnings.

Notes (contd.)

2.15 NON-CURRENT INVESTMENTS

(₹ in Crore)

	As at 31.03.2015		As at 31.03.2014	
	Quantity	Amount	Quantity	Amount
I TRADE INVESTMENTS				
(INVESTMENT IN GROUP COMPANIES)				
EQUITY SHARES (UNQUOTED)				
JM Financial Asset Reconstruction Company Private Limited	12,06,25,000	131.35	10,29,00,000	102.90
Add : Goodwill on acquisition of additional shares		0.39		-
		131.74		102.90
Add : Share in post acquisition profit		76.94		58.98
		208.68		161.88
JM Financial Trustee Company Private Limited	25,000	0.03	25,000	0.03
Add : Share in post acquisition profit		4.87		4.07
		4.90		4.10
TOTAL (I)		213.58		165.98
II OTHER INVESTMENTS				
(Unquoted, unless otherwise stated)				
EQUITY SHARES				
a) Quoted		45.96		100.03
b) Unquoted		57.96		75.13
		103.92		175.16
PREFERENCE SHARES		13.98		48.42
DEBENTURES/BONDS		86.59		-
VENTURE CAPITAL FUND UNITS (refer note i below)				
Sponsored by the group		63.93		77.93
Others		9.01		9.43
EQUITY ORIENTED MUTUAL FUND UNITS (refer note ii below)		0.01		0.01
		277.44		310.95
Less: Provision for diminution in the value of investments		9.02		65.95
TOTAL (II)		268.42		245.00
TOTAL (I+II)		482.00		410.98

Notes:

- Redemption of units of venture capital fund (Fund) is at the sole discretion of the trustees of the Fund. However, the contributor can transfer the units with prior approval of the trustees of the Fund.
- Includes investment in units of equity oriented mutual fund of ₹ 0.01 Crore (previous year ₹ 0.01 Crore) which represents initial contribution as a 'Sponsor' towards setting up of JM Financial Mutual Fund, which cannot be sold/transferred.

2.16 LONG TERM LOANS AND ADVANCES

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Capital advances (unsecured, considered good)	0.79	0.76
Security deposits (unsecured, considered good)	10.81	18.28
	11.60	19.04
Other long term loans and advances:		
Secured, considered good		
Loan funds	2,675.74	1,295.65
Unsecured, considered good		
Advance Tax (net of provisions)	235.30	225.88
Other deposits	114.16	8.71
Loan to Employees' Welfare Trust	33.00	34.50
Advances recoverable in cash or in kind or for value to be received	0.63	0.63
Prepaid expenses	0.39	0.53
Staff loans	0.17	0.18
	3,059.39	1,566.08
TOTAL	3,070.99	1,585.12

2.17 CURRENT INVESTMENTS

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Mutual fund	101.35	14.73
Fixed coupon notes	56.33	54.09
Debentures and bonds	-	15.02
TOTAL	157.68	83.84

2.18 DEBT SECURITIES HELD AS STOCK IN TRADE

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
(At lower of cost or Market value)		
Debt instruments [refer note (i) below]	359.01	534.21
TOTAL	359.01	534.21

Notes:

- (i) Debt instruments includes accrued interest of ₹ 8.01 Crore (Previous year ₹ 4.14 Crore).

Notes (contd.)

2.19 TRADE RECEIVABLES

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:		
Secured, considered good	0.06	0.31
Unsecured, considered good	1.38	0.05
Unsecured, considered doubtful	3.00	3.12
Less: Provision for doubtful debts	(3.00)	(3.12)
	1.44	0.36
Trade receivables outstanding for a period less than six months from the date they are due for payment:		
Secured, considered good	116.44	99.24
Unsecured, considered good	108.80	95.14
Unsecured, considered doubtful	0.52	0.40
Less: Provision for doubtful debts	(0.52)	(0.40)
	225.24	194.38
TOTAL	226.68	194.74

2.20 CASH AND BANK BALANCES

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Cash and cash equivalents		
Cash on hand	0.01	0.01
Balances with banks:		
In current accounts	60.93	97.94
In deposit accounts (less than 3 months maturity)	131.47	309.43
	192.41	407.38
Other bank balances – in deposit accounts		
Under lien against which facilities are availed [refer note 2.20(iii)]	243.14	209.43
Under lien against which facilities are not availed [refer note 2.20(iii)]	385.06	349.63
Other bank balances	12.26	7.74
	640.46	566.80
TOTAL	832.87	974.18
Notes:		
i. Balances with banks in deposit accounts (maturing after 12 months)	-	-
ii. Earmarked balances with banks (against unclaimed dividend)	1.55	1.23
iii. Balances with banks in deposit accounts to the extent held as margin money or security against the borrowings, guarantees and other commitments.	628.20	559.06

2.21 SHORT TERM LOANS AND ADVANCES

(Unsecured, unless otherwise stated and considered good)

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Loan funds (secured)	2,699.07	1,613.03
Loan funds (unsecured)	3.99	64.12
Other deposits	162.91	5.27
Accrued Interest on loan funds	27.53	39.10
Advances recoverable in cash or kind or for value to be received	6.80	7.88
Prepaid expenses	3.83	2.79
Loan to Employees' Welfare Trust	3.00	-
Security deposits	1.19	170.85
Staff loans	0.50	0.76
TOTAL	2,908.82	1,903.80

2.22 OTHER CURRENT ASSETS

	(₹ in Crore)	
	As at 31.03.2015	As at 31.03.2014
Interest accrued but not due	19.41	13.31
Securities held for settlement of claims	0.35	0.98
Assets acquired in satisfaction of claims	0.01	0.38
TOTAL	19.77	14.67

2.23 REVENUE FROM OPERATIONS

	(₹ in Crore)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Fees and commission	301.47	246.32
Brokerage	145.25	94.16
Interest and other income on fund based activities	749.51	488.47
TOTAL	1,196.23	828.95

2.24 OTHER OPERATING INCOME

	(₹ in Crore)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest income	89.75	92.46
Income from arbitrage activities	22.30	22.23
Profit on sale of investments (net)	43.17	32.09
Dividend income	13.10	9.58
Gain on foreign currency transactions (net)	4.68	4.67
Miscellaneous income	33.81	16.69
TOTAL	206.81	177.72

Notes (contd.)

2.25 EMPLOYEE BENEFITS EXPENSE

	(₹ in Crore)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Salaries, bonus and allowances	223.28	194.25
Contribution to provident fund and other funds	6.71	6.40
Gratuity	3.01	0.92
Staff welfare	2.24	1.59
TOTAL	235.24	203.16

2.26 FINANCE COSTS

	(₹ in Crore)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest expense	418.68	304.19
Other borrowing cost	0.84	3.04
Finance charges on leased assets	0.68	0.60
TOTAL	420.20	307.83

2.27 OTHER EXPENSES

	(₹ in Crore)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Sub-brokerage, fees and commission	97.15	80.33
Rates and taxes	11.09	6.57
Legal and professional fees	10.74	11.52
Rent	10.71	23.63
Manpower expenses	8.13	7.93
Information technology expenses	8.10	7.99
Membership and subscriptions	7.16	6.38
Donation	6.80	2.30
Fund expenses	6.80	1.60
Travelling, hotel and conveyance expenses	5.85	4.98
Provision for standard assets	4.58	-
Repairs and maintenance	4.08	3.59
Electricity expenses	3.59	4.02
Provision for clawback obligation	3.06	2.10
Communication expenses	3.05	3.57
Insurance expenses	2.94	2.64
Provision for bad & doubtful debts and assets written off	2.73	17.03
Advertisement and other related expenses	2.03	0.94
Printing and stationery	1.69	1.42
Directors' commission	1.24	1.13
Business conference and seminar expenses	1.23	1.12
Auditors' remuneration	1.01	0.91
Loss on sale of assets	0.24	1.33
Provision for diminution in value of investments (net)	-	0.42
Miscellaneous expenses	8.64	6.83
TOTAL	212.64	200.28

2.28 A) ENTITIES INCLUDED IN CONSOLIDATION

Name of the Entity	Country of incorporation	Proportion of interest as on March 31, 2015 (%)	Proportion of interest as on March 31, 2014 (%)
Subsidiaries in India			
JM Financial Institutional Securities Limited	India	100.00	100.00
JM Financial Investment Managers Limited	India	100.00	100.00
Infinite India Investment Management Limited	India	100.00	100.00
JM Financial Insurance Broking Private Limited	India	100.00	100.00
JM Financial Properties and Holdings Limited	India	100.00	100.00
CR Retail Malls (India) Limited	India	100.00	100.00
JM Financial Products Limited	India	90.00	90.00
JM Financial Services Limited	India	90.90	90.90
JM Financial Commtrade Limited	India	90.90	96.81*
JM Financial Asset Management Limited	India	53.47	53.47
JM Financial Credit Solutions Limited (formerly known as FICS Consultancy Services Limited) [refer note (i)]	India	50.01	100.00
Partnership Firm in India			
Astute Investments	India	90.90	-
Subsidiaries outside India			
JM Financial Overseas Holdings Private Limited	Mauritius	100.00	100.00
JM Financial Singapore Pte. Ltd. [refer note (ii)]	Singapore	100.00	94.14*
JM Financial Securities, Inc	USA	100.00	100.00
PT JM Financial Securities Indonesia [refer note (iii)]	Indonesia	99.00	99.00
Associates			
JM Financial Asset Reconstruction Company Private Limited [refer note (iv)]	India	50.00	49.00
JM Financial Trustee Company Private Limited	India	25.00	25.00

*includes Preference shares

Notes:

- JM Financial Credit Solutions Limited has ceased to be a wholly owned subsidiary of the Company during the year consequent upon it issuing and allotting 12,49,496 compulsory Convertible Preference Shares and 4 equity shares to the investors. JM Financial Credit Solutions Limited however continues to remain a subsidiary of the Company.
- During the year, JM Financial Singapore Pte Ltd became wholly owned subsidiary of the Company upon purchase of 3,75,000 ordinary shares purchased by the group.
- "PT JM Financial Securities, Indonesia", is in the process of being wound up.
- Increase in the shareholding of JM Financial Asset Reconstruction Company Private Limited (ARC), from 49% to 50% is on account of allotment of additional shares to the Company arising out of the Rights issue made by ARC.

Notes (contd.)

B) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/Associates.

Name of the Entity	Net Assets, i.e., total assets minus total liabilities*		Share in profit or loss	
	Amount ₹ in Crore	As % of consolidated net assets	Amount ₹ in Crore	As % of consolidated profit or loss
Parent				
JM Financial Limited	42.58	1.38%	4.80	1.26%
Subsidiaries in India				
JM Financial Institutional Securities Limited	228.73	7.40%	50.35	13.28%
JM Financial Investment Managers Limited	74.93	2.42%	9.22	2.43%
Infinite India Investment Management Limited	9.79	0.32%	1.83	0.48%
JM Financial Insurance Broking Private Limited	0.01	#	#	#
JM Financial Properties and Holdings Limited	100.80	3.26%	1.74	0.46%
JM Financial Credit Solutions Limited (formerly known as FICS Consultancy Services Limited)	469.33	15.18%	29.17	7.69%
CR Retail Malls (India) Limited	22.58	0.73%	1.94	0.51%
JM Financial Products Limited	856.71	27.70%	169.45	44.68%
JM Financial Services Limited	226.34	7.32%	26.74	7.05%
JM Financial Commtrade Limited	5.46	0.18%	0.46	0.12%
JM Financial Asset Management Limited	70.95	2.29%	8.85	2.33%
Partnership Firm in India				
Astute Investments	2.09	0.07%	2.23	0.59%
Subsidiaries outside India				
JM Financial Overseas Holdings Private Limited	100.68	3.26%	13.86	3.65%
JM Financial Singapore Pte. Ltd.	9.49	0.31%	(6.99)	(1.84%)
JM Financial Securities, Inc	3.67	0.12%	(0.53)	(0.14%)
PT JM Financial Securities Indonesia [refer note (iii)]	-	-	(1.36)	(0.36%)
Associates				
JM Financial Asset Reconstruction Company Private Limited	208.68	6.75%	17.96	4.43%
JM Financial Trustee Company Private Limited	4.89	0.16%	0.80	0.21%
Minority Interests in all subsidiaries	654.60	21.17%	48.76	12.86%
	3,092.31	100.00%	379.28	100.00%

* Net Assets have been arrived at after excluding inter company adjustments and Goodwill on consolidation.

Denotes amount below ₹50,000/-

2.29 CONTINGENT LIABILITY, PROVISIONS AND PENDING LITIGATIONS

- (i) Contingent liability in respect of income tax demands for various years disputed in appeal is ₹ 25.64 Crore (previous year ₹ 389.26 Crore). The Income Tax Authorities had ongoing dispute with the Company relating to them treating the long term capital gain on sale of equity shares on termination of joint venture with Morgan Stanley as taxable under the head "Business Income" and not under the head "Capital Gains". The reduction in the contingent liability is due to the Company receiving a favourable ruling from the Commissioner of Income Tax (appeals) in respect of the said matter.

Disputed demands of service tax authorities is ₹ 1.24 Crore (previous year ₹ 1.24 Crore).

- (ii) The Group at the year end, as a process, reviews and ensures to make adequate provisions for material foreseeable losses, if any, on all long term contracts, including derivate contracts.
- (iii) The Group evaluates the impact of the pending litigations as at the date of the balance sheet and provides for or discloses its existence in the financial statements in terms of provisions of applicable accounting standards.

2.30 CAPITAL COMMITMENTS

The estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 0.67 Crore (previous year ₹ 1.08 Crore).

Uncalled liability on account of commitment to subscribe to investment is nil (previous year ₹ 0.29 Crore).

2.31 EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Employee Stock Option Scheme ('the Scheme') provides for grant of stock options to the eligible employees and/or directors ("the Employees") of the Company and/or its subsidiaries. The Stock Options are granted at an exercise price, which is either equal to the fair market price or at a premium, or at a discount to market price as may be determined by the Nomination and Remuneration Committee (erstwhile Compensation Committee) of the Board of the Company.

During the year, the Nomination and Remuneration Committee of the Board has granted stock options under Series 7, to the Employees that will vest in a graded manner, which are to be exercised within a specified period. The Committee has granted 44,85,267 Options (previous year 36,45,774 Options) at an exercise price of ₹1/- per option to the Employees.

The details of options are as under:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Outstanding at the beginning of the year	2,51,78,013	2,70,52,907
Add: Granted during the year	44,85,267	36,45,774
Less: Exercised and allotted during the year	50,86,302	37,28,835
Less: Forfeited/cancelled during the year	Nil	Nil
Less: Lapsed during the year	5,27,356	17,91,833
Outstanding at end of year	2,40,49,622	2,51,78,013
Exercisable at end of year	1,46,47,989	1,36,35,863

The Company follows intrinsic value based method of accounting for determining compensation cost for its stock-based compensation scheme.

The estimated fair value of each stock option granted in Series 7 and 6 is mentioned in the table below. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer. The model inputs the share price at respective grant date, exercise price of ₹1/-, volatility of 54.95% to 57.40% (previous year 54.64% to 58.06%), dividend yield of 3.63% (previous year 2.16 %), expected term of options in the range of 5 years to 6 years (previous year 4 years to 5 years), and a risk-free interest rate of 8.96% to 9.04% (previous year 7.53% to 7.60%).

Details of options granted during the current and previous financial year based on the graded vesting and fair value of the options are as under:

% of Options to be vested	No. of options granted		Vesting date		Fair value per option (₹)	
	Current year	Previous year	Current Year	Previous year	Current year	Previous year
33.33%	14,95,089	12,15,258	April 1, 2015	May 6, 2014	20.17	15.64
33.33%	14,95,089	12,15,258	April 1, 2016	May 6, 2015	19.83	15.49
33.33%	14,95,089	12,15,258	April 1, 2017	May 6, 2016	19.49	15.35
	44,85,267	36,45,774				

Based on the valuation report applying Black-Scholes-Merton model, the expense arising from stock option scheme on the basis of fair value method of accounting is ₹ 10.41 Crore (previous year ₹ 10.36 Crore). Accordingly, had the compensation been determined using the fair value method instead of intrinsic value, the Company's net profit would have been reduced by ₹1.95 Crore (previous year increased by ₹ 0.56 Crore) and accordingly basic and diluted earnings per share as reported would have been adjusted after giving effect to the stock-based employee compensation amounts as under:

Notes (contd.)

Particulars	As reported		As adjusted	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Net profit (₹ in Crore)	330.52	209.53	328.57	210.09
Basic earnings per share (in ₹)	4.32	2.78	4.29	2.78
Diluted earnings per share (in ₹)	4.25	2.72	4.22	2.73

Details of options granted under various series are as under:

	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7
Grant date	15/04/2008	29/10/2009	21/04/2010	21/04/2011	16/04/2012	06/05/2013	01/04/2014
Options granted	1,11,37,500	15,00,000	37,50,000	75,00,000	73,02,669	36,45,774	44,85,267
Options exercised till March 31, 2015	Nil	Nil	Nil	59,13,958	37,89,114	8,57,227	N.A.
Options forfeited/ cancelled till March 31, 2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed till March 31, 2015	2,62,500	15,00,000	10,00,000	7,35,096	6,86,673	3,43,024	1,83,996
Outstanding at end of year	1,08,75,000	Nil	27,50,000	8,50,946	28,26,882	24,45,523	43,01,271
Exercisable at end of year	1,08,75,000	Nil	18,33,334	8,50,946	8,29,162	2,59,547	N.A.
Vesting of options	1/3rd Options each on completion of third, fourth and fifth year from the date of grant of options	1/3rd Options each on completion of third, fourth and fifth year from the date of grant of options	1/3rd Options each on completion of third, fourth and fifth year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options
Exercise period	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant
Exercise price (refer note [i] below)	₹ 54.80	₹ 54.80	₹ 54.80	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00
Pricing formula (refer note [ii] below)	Being the closing market price quoted on the immediately preceding working day of the date of Grant of options	As was determined by the Compensation Committee at its meeting held on October 29, 2009	As was determined by the Compensation Committee at its meeting held on April 19, 2010	As was determined by the Compensation Committee at its meeting held on April 21, 2011	As was determined by the Compensation Committee at its meeting held on April 16, 2012	As was determined by the Compensation Committee at its meeting held on May 6, 2013	As was determined by the Compensation Committee at its meeting held on March 25, 2014

Notes:

- In respect of stock options granted ₹ 1/-, the difference between the market price and exercise price on the date of the grant of the stock options, is being paid by the respective subsidiary companies.
- Nomination and Remuneration Committee formed on May 6, 2014 in lieu of Compensation Committee.

2.32 EARNINGS PER SHARE (EPS)

Earnings per share are calculated as under:

Particulars		For the year ended March 31, 2015	For the year ended March 31, 2014
Net consolidated Profit (₹ in Crore)	A	330.52	209.53
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	76,56,73,104	75,44,54,509
Basic earnings per share (in ₹)	A/B	4.32	2.78
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	76,56,73,104	75,44,54,509
Add: Weighted average number of potential equity shares on account of employee stock options and Warrants	C	1,23,10,440	1,46,23,320
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	D=B+C	77,79,83,544	76,90,77,829
Diluted earnings per share (in ₹)	A/D	4.25	2.72

2.33 LEASE TRANSACTION

Finance lease

The Group has acquired vehicles under finance lease agreement. The tenure of lease agreements ranges between 36 and 60 months with an option for prepayments/foreclosure.

The minimum lease rentals outstanding with respect to these assets are as under:

Particulars	Total minimum lease payment outstanding as at March 31, 2015	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2015	Total minimum lease payment outstanding as at March 31, 2014	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2014
Not later than 1 year	1.63	0.39	1.25	1.60	0.45	1.15
Later than 1 year but not later than 5 years	1.61	0.22	1.38	2.02	0.36	1.66
Later than 5 years	-	-	-	-	-	-
TOTAL	3.24	0.61	2.63	3.62	0.81	2.81

Operating lease

- i. The Group had taken assets under operating lease for the periods ranging between 22 months and 42 months. The same were non-cancellable for an initial period ranging between 11 months and 24 months.

The minimum lease rentals outstanding with respect to these assets are as under:

Particulars	Total lease payments outstanding as at March 31, 2015	Total lease payments outstanding as at March 31, 2014
Not later than 1 year	5.37	3.63
Later than 1 year but not later than 5 years	7.30	3.53
Later than 5 years	-	-
Expenditure debited to the statement of profit and loss	5.50	14.39

- ii. The Group had taken certain assets (premises and furniture & fixtures) on cancellable operating lease for a period ranging from 11 months to 108 months. Lease payment recognised in the statement of profit and loss for the year in respect thereof aggregates ₹ 5.21 Crore (previous year ₹ 9.24 Crore).

Notes (contd.)

2.34 SEGMENTAL REPORTING

I. Business segment

The Group has four reportable segments, namely, Investment banking & securities business, fund based activities, alternative asset management and asset management.

Segment	Principal activities
Investment banking & securities business	Investment banking and securities business includes advisory and execution services of diverse nature to corporates, institutions, governments and government owned corporations, banks, offering wealth advisory services and distribution of financial products in an open architecture environment to retail investors/ High Networth Individuals (HNIs) through a large network of franchisees and Independent Financial Distributors (IFDs).
Fund based activities	Fund based activities include providing finance against securities/commercial real estate to a diverse range of corporates and non-corporate clients. It also includes trading in corporate bonds and government securities as well as identifying, acquiring and selling down debt assets through a range of structured products.
Alternative asset management	Alternative asset management includes managing funds of institutional and large non-institutional investors raised under various schemes for investments under mandated charter such as private equity and real estate fund.
Asset management	Asset management includes managing mutual fund assets through several schemes, offering a range of investment options to a large number of investors.

The segment wise details are attached as Annexure 'I'.

II. Geographical segment

The Group does not have any reportable geographical segment.

2.35 Disclosure in respect of related parties is attached as Annexure 'II'.

2.36 Statement of consolidated cash flow is attached as Annexure 'III'.

2.37 The Group does not enter into any foreign currency derivative transactions for hedge or speculation.

2.38 "The notes and disclosures in consolidated financial statements are being made in accordance with provisions of applicable Accounting Standard (AS-21 para 6) and General circular No 39/2014 dated 14th October, 2014 issued by Ministry of Corporate Affairs - Government of India".

2.39 The Group has spent ₹ 5.43 Crore (previous year ₹ Nil) towards Corporate Social Responsibility activities as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof.

	(₹ in Crore)		
	Holding Company and its subsidiaries	Associates	Total
a) Gross amount required to be spent by the Group during the year.	4.27	1.13	5.40
b) Amount spent during the year on:			
In cash	4.30	1.13	5.43
Yet to be paid in cash	-	-	-
Total	4.30	1.13	5.43
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	4.30	1.13	5.43

2.40 Figures of the previous year have been regrouped/reclassified/rearranged wherever necessary to correspond with those of the current year's classification/disclosures.

ANNEXURE 'I' TO NOTE 2.34

DISCLOSURE IN RESPECT OF SEGMENT REPORTING PURSUANT TO AS 17 ON 'SEGMENT REPORTING'

Particulars	(₹ in Crore)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Segment revenue		
A Investment banking and securities business	521.93	407.89
B Fund based activities	806.21	529.19
C Alternative asset management	27.44	30.41
D Asset management	46.75	26.55
E Others	139.17	116.88
Total segment revenue	1,541.50	1,110.92
Less: Inter - segmental revenue	(138.46)	(104.25)
Total revenue	1,403.04	1,006.67
Segment results		
A Investment banking and securities business	123.99	45.16
B Fund based activities	347.44	199.51
C Alternative asset management	14.95	18.76
D Asset management	17.81	3.83
E Others	12.72	12.90
Total segment results	516.91	280.16
	As at 31.03.2015	As at 31.03.2014
Segment assets		
A Investment banking and securities business	1,232.18	874.56
B Fund based activities	6,391.08	4,081.89
C Alternative asset management	102.46	108.25
D Asset management	146.62	127.47
E Unallocated	527.26	632.62
Total segment assets	8,399.60	5,824.79
Segment liabilities		
A Investment banking and securities business	632.30	313.54
B Fund based activities	4,286.91	3,018.92
C Alternative asset management	17.74	18.03
D Asset management	9.04	7.25
E Unallocated	361.30	210.21
Total segment liabilities	5,307.29	3,567.95

Notes (contd.)

Particulars	(₹ in Crore)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Capital expenditure incurred during the year		
A Investment banking and securities business	9.94	9.36
B Fund based activities	1.06	2.54
C Alternative asset management	0.01	0.00
D Asset management	26.62	0.18
E Unallocated	200.13	32.13
Total capital expenditure	237.76	44.21
Depreciation/amortisation for the year		
A Investment banking and securities business	6.56	7.73
B Fund based activities	1.41	1.26
C Alternative asset management	0.23	0.36
D Asset management	0.83	0.97
E Unallocated	9.02	4.92
Total depreciation/amortisation	18.05	15.24

ANNEXURE 'II' TO NOTE 2.35

DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO AS 18 ON 'RELATED PARTY DISCLOSURE'

I. LIST OF RELATED PARTIES

Parties (other than where control exists) with whom the Company/Subsidiaries have entered into transactions during the year:

A Associates

JM Financial Asset Reconstruction Company Private Limited (ARC)

JM Financial Trustee Company Private Limited (Trustee)

CR Retail Malls (India) Limited (CRRM) (up to June 30, 2013)

B Key management personnel

Mr. Nimesh Kampani (NNK)

C Relatives of key management personnel

Ms. Aruna N Kampani (ARNK)

Mr. Vishal Kampani (VNK)

Ms. Amishi Kampani (AMNK)

D Enterprise over which key management personnel is able to exercise significant influence

J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)

J.M. Assets Management Private Limited (JM Assets)

JSB Securities Limited (JSB)

Kampani Consultants Limited (KCL)

Persepolis Investment Company Private Limited (PICPL)

SNK Investments Private Limited (SNK)

JM Financial Credit Solutions Limited, formerly known as FICS Consultancy Services Limited (FICS) (up to March 27, 2014) (Credit Solutions)

Kampani Properties & Holdings Limited (KPHL)

Capital Market Publishers India Private Limited (CMPL)

II. RELATED PARTY RELATIONSHIPS HAVE BEEN IDENTIFIED BY THE MANAGEMENT AND RELIED UPON BY THE AUDITORS.

ANNEXURE 'II' TO NOTE 2.35 (CONTD.)
Related Party Disclosures:

	Associates		Key Management Personnel		Relatives of Key Management Personnel		Enterprise over which Key Management Personnel is able to exercise significant influence		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
ICD taken from										
Trustee	10.00	-	-	-	-	-	-	-	10.00	-
ICD placed with										
Credit Solutions	-	-	-	-	-	-	-	87.50	-	87.50
ARC	565.00	50.00	-	-	-	-	-	-	565.00	50.00
ICD repaid by										
ARC	615.00	-	-	-	-	-	-	-	615.00	-
Security deposit paid to										
JMFICS	-	-	-	-	-	-	0.68	-	0.68	-
Security deposit received back										
JMFICS	-	-	-	-	-	-	0.32	6.48	0.32	6.48
KCL	-	-	-	-	-	-	-	1.20	-	1.20
KPHL	-	-	-	-	-	-	1.50	-	1.50	-
Investments made in										
ARC	98.36	-	-	-	-	-	-	-	98.36	-
Investments Purchased from										
JMFICS	-	-	-	-	-	-	-	10.00	-	10.00
Employee related transfers to										
JMFICS	-	-	-	-	-	-	-	0.01	-	0.01
Staff loan balance transfer										
JMFICS	-	-	-	-	-	-	-	0.02	-	0.02
Interest income on ICD from										
CRRM	-	0.50	-	-	-	-	-	-	-	0.50
ARC	15.94	0.06	-	-	-	-	-	-	15.94	0.06
Credit Solutions	-	-	-	-	-	-	-	2.90	-	2.90
Interest paid on ICD from										
Trustee	0.33	-	-	-	-	-	-	-	0.33	-
Secondary brokerage received from										
JMFICS	-	-	-	-	-	-	0.06	0.10	0.06	0.10
KCL	-	-	-	-	-	-	#	#	#	#
PICPL	-	-	-	-	-	-	-	-	-	-
Trustee	0.01	#	-	-	-	-	-	-	0.01	#
Others	-	-	-	-	-	-	0.01	0.03	0.01	0.03

Denotes amount below ₹ 50,000

Notes (contd.)

	Associates		Key Management Personnel		Relatives of Key Management Personnel		Enterprise over which Key Management Personnel is able to exercise significant influence		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Recovery of expenses from										
Trustee	-	0.28	-	-	-	-	-	-	-	0.28
JMFICS	-	-	-	-	-	-	-	-	-	#
Reimbursement of expenses to										
JMFICS	-	-	-	-	-	-	0.40	0.23	0.40	0.23
KCL	-	-	-	-	-	-	-	0.01	-	0.01
CMPL	-	-	-	-	-	-	0.02	0.01	0.02	0.01
Remuneration paid to										
NNK	-	-	3.81	3.62*	-	-	-	-	3.81	3.62
VNK	-	-	-	-	7.00	7.01	-	-	7.00	7.01
AMNK	-	-	-	-	0.52	0.46	-	-	0.52	0.46
Dividend paid to										
Trustee	-	0.28	-	-	-	-	-	-	-	0.28
JMFICS	-	-	-	-	-	-	22.37	19.32	22.37	19.32
J.M. Assets	-	-	-	-	-	-	11.25	9.44	11.25	9.44
JSB	-	-	-	-	-	-	0.72	0.62	0.72	0.62
PICPL	-	-	-	-	-	-	0.18	0.16	0.18	0.16
KCL	-	-	-	-	-	-	0.08	0.07	0.08	0.07
SNK	-	-	-	-	-	-	1.28	1.11	1.28	1.11
NNK	-	-	14.89	12.86	-	-	-	-	14.89	12.86
ARNK	-	-	-	-	4.23	3.65	-	-	4.23	3.65
VNK	-	-	-	-	1.08	0.93	-	-	1.08	0.93
AMNK	-	-	-	-	0.88	0.76	-	-	0.88	0.76
Rent paid to										
JMFICS	-	-	-	-	-	-	1.36	1.94	1.36	1.94
KPHL	-	-	-	-	-	-	0.04	0.04	0.04	0.05
KCL	-	-	-	-	-	-	0.05	0.34	0.05	0.34
Subscription charges paid to										
CMPL	-	-	-	-	-	-	0.02	0.02	0.02	0.02
Support service fees paid to										
JMFICS	-	-	-	-	-	-	0.74	0.74	0.74	0.74
Others	-	-	-	-	-	-	-	-	-	#
Demat charges received from										
Balance outstanding at the year end	-	-	-	-	-	-	-	-	-	-
Investment in										
ARC	201.74	102.90	-	-	-	-	-	-	201.74	102.90
Trustee	0.03	0.03	-	-	-	-	-	-	0.03	0.03
Receivables from										
JMFICS	-	-	-	-	-	-	-	9.55	-	9.55
ARC	-	50.05	-	-	-	-	-	-	-	50.05
KPHL	-	-	-	-	-	-	-	1.50	-	1.50
Payables to										
NNK	-	-	1.95	2.45	-	-	-	-	1.95	2.45
VNK	-	-	-	-	6.00	5.50	-	-	6.00	5.50
AMNK	-	-	-	-	0.29	0.25	-	-	0.29	0.25
Trustee	10.00	-	-	-	-	-	-	-	10.00	-

Note:- * The value of perquisites has been calculated on the basis of Income Tax Act, 1961. Accordingly, the previous year figure has also been revised.

Denotes amount below ₹50,000/-

Notes (contd.)

ANNEXURE 'III' TO NOTE 2.36

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2015

	(₹ in Crore)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
A Cash flow from operating activities		
Profit before tax	516.91	280.16
Adjustment for:		
Depreciation and amortisation expense	18.05	15.24
Amortisation of deferred employee compensation (ESOP)	8.45	11.13
Provision for gratuity	3.01	0.92
Provision for compensated absences	1.40	0.52
Provision for clawback obligation	3.06	2.10
Provision for bad & doubtful debts and assets written off	2.73	17.03
Provision for standard assets	4.58	-
Provision for diminution in value of investments (net)	-	0.42
Loss on sale of fixed assets	0.24	1.33
Profit on sale of investments	(43.17)	(32.09)
Dividend income	(13.10)	(9.58)
Interest income	(89.75)	(92.46)
Finance costs	420.20	307.83
Operating profit before working capital changes	832.61	502.55
Adjustment for:		
(Increase)/decrease in trade receivables	(34.66)	(31.26)
(Increase)/decrease in short term loans and advances	(1,005.02)	517.70
(Increase)/decrease in long term loans and advances	(1,476.44)	(448.53)
(Increase)/decrease in securities held as stock in trade	175.20	63.55
(Increase)/decrease in assets held for arbitrage activities	-	502.37
(Increase)/decrease in other current assets	(5.09)	5.33
Increase/(decrease) in trade payables	(54.01)	51.72
Increase/(decrease) in other current liabilities	22.20	(2.26)
Increase/(decrease) in long term provisions	(1.45)	(0.09)
Increase/(decrease) in short term provisions	(1.84)	(1.03)
Increase/(decrease) in other long term liabilities	-	3.00
Cash generated from/(used in) operations	(1,548.50)	1,163.05
Direct taxes paid	(168.59)	(105.26)
Net cash from/(used in) operating activities	(1,717.09)	1,057.79
B Cash flow from investing activities		
Purchase of investments	(280.38)	(21.60)
Sale of investments	197.45	120.98
Purchase of fixed assets	(237.76)	(113.11)
Sale of fixed assets	0.48	0.20
Increase/(decrease) in other bank balances having maturity of more than 3 months and earmarked bank balances	(73.67)	493.54
Currency fluctuation	10.08	2.49
Interest income	89.75	92.46
Dividend income	13.10	9.58
Net cash from / (used in) investing activities	(280.95)	584.54

	(₹ in Crore)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
C Cash flow from financing activities		
Proceeds from issue of equity share (including premium) on exercise of options	0.50	0.38
Proceeds from issue of Warrants	33.28	11.09
Proceeds from issue of share (including premium) to minority shareholders (net)	537.75	1.76
Share issue expenses	(0.88)	-
Proceeds from borrowings (net)	1,734.08	(1,209.12)
Finance costs paid	(420.20)	(307.83)
Dividend paid (including dividend distribution tax)	(101.46)	(90.28)
Net cash from/(used in) financing activities	1,783.07	(1,594.00)
Net increase /(decrease) in cash and cash equivalents	(214.97)	48.33
Cash and cash equivalents - opening	407.38	359.05
Cash and cash equivalents - closing	192.41	407.38
Notes:		
i. The cash flow statement has been prepared under the 'Indirect Method' set out in AS 3 on "Cash Flow Statement" notified in Companies (Accounting Standards) Rules, 2006 (as amended).		
ii. Cash and bank balances as per note 2.20	832.87	974.18
Less: Bank balances comprising cash in deposit accounts with original maturity of more than 3 months (as defined in AS 3 - "Cash Flow Statements")	640.46	566.80
Cash and cash equivalents as shown in Cash Flow Statement	192.41	407.38
iii. Previous year's figures have been regrouped and rearranged wherever necessary.		

As per our attached report of even date**For and on behalf of****Khimji Kunverji & Co.**

Chartered Accountants

Registration No. 105146W

Shivji K Vikamsey

Partner

Membership No. F-2242

For and on behalf of the Board of Directors**Nimesh Kampani**

Chairman & Managing Director

DIN – 00009071

E A Kshirsagar

Director

DIN – 00121824

Place : Mumbai**Date :** May 29, 2015**P K Choksi**

Company Secretary

Manish Sheth

Chief Financial Officer

JM FINANCIAL LIMITED**(CIN: L67120MH1986PLC038784)****Registered Office:** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025

T: +91 22 6630 3030 F: +91 22 6630 3223 Website: www.jmfl.com

ATTENDANCE SLIP**Thirtieth Annual General Meeting**

(To be handed over at the entrance of the Meeting hall)

I/We hereby record my/our presence at the **THIRTIETH ANNUAL GENERAL MEETING** of the Company on **Thursday, July 30, 2015 at 4.00 p.m.** at Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020.

Full name of the Member (in BLOCK LETTERS) _____

DP ID : _____ Client ID : _____

Folio No. : _____ No. of Shares held : _____

Full name of the Proxy (in BLOCK LETTERS) _____

(To be filled in if the valid proxy has been duly lodged with the Company)

Signature of Member /Proxy _____

ELECTRONIC VOTING PARTICULARS

REVEN (Remote Evoting Event Number)	USER ID	Password/PIN

Note: For electronic voting kindly log-on to E-voting website www.evoting.nsdl.com. Please read the instructions given at **note no. 11** of the Notice of Thirtieth Annual General Meeting carefully before voting electronically.

**Form No. MGT – 11
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 (the Act) and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN: L67120MH1986PLC038784

Name of Company: JM FINANCIAL LIMITED

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

T: +91 22 6630 3030 F: +91 22 6630 3223 Website: www.jmfl.com

Name of the Member(s) :	
Registered address :	
E-mail Id :	
Folio No./Client Id :	
DP ID :	

I/We, being the member(s) holding _____ shares of the above named Company, hereby appoint:

- Name : _____

Address : _____

E-mail Id : _____

Signature : _____, or failing him
- Name : _____

Address : _____

E-mail Id : _____

Signature : _____, or failing him
- Name : _____

Address : _____

E-mail Id : _____

Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the THIRTIETH ANNUAL GENERAL MEETING of the Company, to be held on Thursday, July 30, 2015 at 4.00 p.m. at Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Business to be transacted
1.	Adoption of the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2015 together with the reports of the Board of Directors and the Auditors thereon.
2.	Declare final dividend.
3.	Appointment of a Director in place of Mr. Nimesh Kampani (DIN: 00009071), who retires by rotation and being eligible, offers himself for re-appointment.
4.	Ratification of appointment of M/s. Khimji Kunverji & Co., as the Statutory Auditors of the Company and authorise the Board to fix their remuneration.
5.	Appointment of Ms. Jagi Mangat Panda as an Independent Director of the Company.
6.	Issue of Redeemable Non-Convertible Debentures for an amount aggregating upto ₹ 1,000 Crore.
7.	Alteration of Articles of Association of the Company.
8.	Approval to enter into transactions with JM Financial Products Limited, a related party, from time to time.
9.	Approval to enter into transactions with JM Financial Services Limited, a related party, from time to time.
10.	Approval to enter into transactions with JM Financial Asset Management Limited, a related party, from time to time.
11.	Approval to enter into transactions with JM Financial Credit Solutions Limited, a related party, from time to time.
12.	Approval to enter into transactions with JM Financial Asset Reconstruction Company Private Limited, a related party, from time to time.
13.	Approval to enter into transactions with M/s Astute Investments (Partners - JM Financial Services Limited and JM Financial Commtrade Limited), a Partnership Firm and a related party, from time to time.

Signed this _____ day of _____ 2015

Signature of the Member _____

Signature of Proxy holder(s) _____

Affix
Re. 1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.



7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India