



**JM FINANCIAL PROPERTIES AND HOLDINGS  
LIMITED**

(Formerly known as JM Financial GILTS Limited)

*Annual Accounts 2014*

Corporate Identification Number: U65990MH2010PLC201513  
Regd. Office: 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025  
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## INDEPENDENT AUDITORS' REPORT

The Members  
JM Financial Properties and Holdings Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **JM Financial Properties and Holdings Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management of the Company is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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;

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- ii) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date.
- iii) In the case of the Cash Flow statement, the cash flows for the year ended on that date

### Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) order 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement of the matters specified in paragraph 4 and 5 of the order.
- (ii) As required by section 227(3) of the Act, we report that;
  - a. We have obtained all the information and explanation 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 accounts;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss Cash Flow Statement dealt herewith comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;

- e. On the basis of the written representations received from the Directors as on March 31, 2014 and taken on records by the Board of Directors, we report that none of the Director is disqualified, as on March 31, 2014, from being appointed as Director in terms of section 164(2) of the Companies Act, 2013.

**For Arun Arora & Co.,**  
Chartered Accountants

Sd/-  
**Arun Arora**  
(Proprietor)  
Membership No.: A-12018

Place : Mumbai  
Date : April 21, 2014

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## Annexure

### JM Financial Properties and Holdings Limited

Referred to in paragraph 3 of our report of even date,

- (i) (a) The company has 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 at reasonable intervals. As informed, no material discrepancies were noticed on such verification
- (c) The company has not disposed off substantial part of its fixed assets during the year
- (ii) The nature of the business/activities of the company during the year is such that paragraph 4(ii) is not applicable.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) According to the information and explanation given to us, the Company has not accepted any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) Based on the audit procedures applied and according to the information and explanations given, there are no transaction which needs to be entered in the register maintained under section 301 of the Companies Act, 1956
- (vi) The company has not accepted any public deposits within the meaning of section 58A and 58AA of the Companies Act, 1956.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The company is not required to maintain any cost records under Section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, wealth tax, provident fund and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, were in arrears, as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues on account of income tax, wealth tax, and other statutory dues which have not been deposited on account of any dispute.
- (x) The company is incorporated on 31<sup>st</sup> March, 2010 and hence paragraph 4(x) is not applicable.
- (xi) The company has not taken any loan from any financial institution or banks.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiv) The company has maintained proper records of transactions and contracts in respect of investments in shares, debentures and other securities and timely entries have been made therein. The investments are held by the company in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not availed any term loans during the year.

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- (xvii) According to the records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment (fixed assets, etc.) and vice versa.
  - (xviii) During the year company has not made any preferential allotment of shares to parties covered under section 301 of Companies Act 1956.
  - (xix) According to the information and explanations given to us and the records examined by us, during the year company has not issued any debentures.
  - (xx) The company has not raised any money by public issue during the year.
  - (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**For Arun Arora & Co.**  
*Chartered Accountants*

**Arun Arora**  
*(Proprietor)*  
Membership No.: A-12018

Place: Mumbai  
Date: April 21, 2104

**JM FINANCIAL PROPERTIES AND HOLDINGS LIMITED**  
BALANCE SHEET AS AT 31ST MARCH 2014

		(In Rupees)	
	Note	As at 31.03.2014	As at 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share capital	2.1	98,05,00,000	98,05,00,000
(b) Reserves and surplus	2.2	1,01,49,735	(1,99,78,192)
		<b>99,06,49,735</b>	<b>96,05,21,808</b>
<b>(2) Deferred tax Liabilities</b>	2.3	16,73,119	-
<b>(3) Current Liabilities</b>			
(a) Short term borrowings	2.4	81,00,00,000	81,85,00,000
(b) Trade Payables	2.5	3,63,85,333	1,14,408
(c) Other current liabilities	2.6	30,16,28,606	32,61,30,471
		<b>114,80,13,939</b>	<b>114,47,44,879</b>
<b>Total</b>		<b>214,03,36,793</b>	<b>210,52,66,687</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	2.7		
(i) Tangible assets		30,32,20,681	-
(ii) Intangible assets		4,91,165	-
(b) Long term loans and advances	2.8	5,59,39,665	174,31,25,103
		<b>35,96,51,511</b>	<b>174,31,25,103</b>
<b>(2) Current assets</b>			
(a) Cash and cash equivalents	2.9	8,01,34,353	34,42,17,580
(b) Short term loans and advances	2.10	170,04,84,255	1,75,96,897
(c) Other current assets	2.11	66,674	3,27,107
		<b>178,06,85,282</b>	<b>36,21,41,584</b>
<b>Total</b>		<b>214,03,36,793</b>	<b>210,52,66,687</b>

Significant accounting policies & notes to financial statements

1 & 2

**As per our attached report of even date**

**For and on behalf of**

**Arun Arora & Co.**

Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-

**Arun Arora**

Proprietor

Membership No.A-12018

Sd/-

**Manish Sheth**

Director

Sd/-

**Prashant Choksi**

Director

Sd/-

**Anil Salvi**

Director

**Place:** Mumbai

**Date:** April 21, 2014

**Place:** Mumbai

**Date:** April 21, 2014

**JM FINANCIAL PROPERTIES AND HOLDINGS LIMITED**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(In Rupees)

	Note	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>I Income:</b>			
(a) Revenue from Operations	2.12	20,10,93,600	4,82,53,200
(b) Other income	2.13	1,15,37,090	7,56,388
<b>Total Revenue</b>		<b>21,26,30,690</b>	<b>4,90,09,588</b>
<b>II Expenses:</b>			
(a) Finance costs	2.14	8,90,54,214	3,83,55,493
(b) Depreciation and amortization expense	2.7	1,20,05,023	-
(c) Other expenses	2.15	6,92,70,408	2,00,18,545
<b>Total Expenses</b>		<b>17,03,29,645</b>	<b>5,83,74,038</b>
<b>III Profit / (Loss) before tax</b>		<b>4,23,01,045</b>	<b>(93,64,450)</b>
<b>IV Less: Tax expense</b>			
Current tax		1,05,00,000	-
Deferred tax		16,73,118	-
		<b>1,21,73,118</b>	<b>-</b>
<b>V Profit / (Loss) for the year</b>		<b>3,01,27,927</b>	<b>(93,64,450)</b>
<b>Earnings per equity share</b>	2.18		
(face value of ₹ 10/- each)			
(Basic EPS (in ₹))		10.04	(7.06)
(Diluted EPS (in ₹))		10.04	(7.06)

Significant accounting policies &amp; notes to financial statements 1 &amp; 2

**As per our attached report of even date**
**For and on behalf of**
**Arun Arora & Co.**

Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-

**Arun Arora**

Proprietor

Membership No.A-12018

Sd/-

**Manish Sheth**

Director

Sd/-

**Prashant Choksi**

Director

Sd/-

**Anil Salvi**

Director

**Place:** Mumbai

**Date:** April 21, 2014

**Place:** Mumbai

**Date:** April 21, 2014

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	(In Rupees)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Cash flow from operating activities</b>		
<b>A</b> Net Profit (Loss) before tax	4,23,01,045	(93,64,450)
<b>Adjustment for :</b>		
Depreciation	1,20,05,023	-
Dividend income	(54,51,004)	(3,92,936)
Interest income	(60,83,086)	-
Interest expense	8,90,54,214	-
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>13,18,26,192</b>	<b>(97,57,386)</b>
<b>Adjustment for :</b>		
(Increase)/decrease in short-term loans and advances	(168,28,87,358)	(1,75,96,897)
(Increase)/decrease in long-term loans and advances	170,13,91,000	(173,68,99,948)
(Increase)/decrease in other current assets	2,60,433	(3,27,107)
Increase/(decrease) in trade payables	3,62,70,925	-
Increase/(decrease) in other current liabilities	(2,45,01,865)	32,62,17,098
<b>Cash generated from/(used in) operations</b>	<b>16,23,59,327</b>	<b>(143,83,64,240)</b>
Direct taxes paid	(2,47,05,562)	(62,25,155)
<b>Net Cash from/(used in) Operating Activities (A)</b>	<b>13,76,53,766</b>	<b>(144,45,89,395)</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of current investments	(81,68,51,004)	(21,53,92,936)
Sale of Current Investments	81,68,51,005	21,63,00,025
Purchase of fixed assets	(31,57,16,869)	-
Interest income	60,83,086	-
Dividend Received	54,51,004	3,92,936
<b>Net Cash from/(used in) Investing Activities (B)</b>	<b>(30,41,82,779)</b>	<b>13,00,025</b>
<b>C Cash flow from Financing Activities</b>		
Proceeds from issue of equity share capital	-	2,95,00,000
Proceeds from issue of preference share capital	-	95,05,00,000
Redemption of preference share capital	-	(1,10,00,000)
Interest expense	(8,90,54,214)	-
Proceeds from short term borrowings	(85,00,000)	81,85,00,000
<b>Net Cash (used in)/ from Financing Activities (C)</b>	<b>(9,75,54,214)</b>	<b>178,75,00,000</b>
Net increase in cash and cash equivalents (A+B+C)	(26,40,83,227)	34,42,10,630
Cash and cash equivalents at the beginning of the year	34,42,17,580	6,949
Cash and cash equivalents at the end of the year	<b>8,01,34,353</b>	<b>34,42,17,580</b>

**Notes:**

- 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).
- Previous year's figures have been regrouped and rearranged wherever necessary

Significant accounting policies & notes to financial statements 1 & 2

**As per our attached report of even date**

**For and on behalf of**

**Arun Arora & Co.**

Chartered Accountants

Sd/-

**Arun Arora**

Proprietor

Membership No.A-12018

**For and on behalf of the Board of Directors**

Sd/-

**Manish Sheth**

Director

Sd/-

**Prashant Choksi**

Director

Sd/-

**Anil Salvi**

Director

**Place:** Mumbai

**Date:** April 21, 2014

**Place:** Mumbai

**Date:** April 21, 2014

**JM FINANCIAL PROPERTIES AND HOLDINGS LIMITED**  
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

**1 SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the generally accepted accounting principles in India and as per the provisions of the Companies Act, 1956. ('the Act') and the accounting principles generally accepted in India and comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs), to the extent applicable.

**1.2 Use of estimates**

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles, 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**

Revenue is recognised at the point when there is reasonable certainty of its ultimate realisation/ collection.

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

Interest income is recognised on accrual basis.

**1.4 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 rates as per management's estimate of useful life of the fixed assets, or at the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher, as per the following table:

<b>Assets</b>	<b>Useful Life</b>
Furniture and fixtures	10 years
Office equipment	5 years
Computers and software	5 years
Leasehold improvements	10 years or lease period whichever is lower
Office premises	61 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.

### **1.5 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.

### **1.6 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 differences 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 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.

### **1.7 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.

### **1.8 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.

### **1.9 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 Rupees)	
	As at 31.03.2014	As at 31.03.2013
<b>Authorised</b>		
25,000,000 (25,000,000) Equity Shares of Rs.10/- each	25,00,00,000	25,00,00,000
125,000,000 (125,000,000) Preference Shares of Rs.10/- each	125,00,00,000	125,00,00,000
	<b>150,00,00,000</b>	<b>150,00,00,000</b>
<b>Issued, Subscribed and Paid-up</b>		
30,00,000 (30,00,000) Equity Shares of Rs.10/- each fully paid up	3,00,00,000	3,00,00,000
9,50,50,000 (9,50,50,000) Preference Shares of Rs. 10/- each fully paid up	95,05,00,000	95,05,00,000
<b>Total</b>	<b>98,05,00,000</b>	<b>98,05,00,000</b>

**Note a:**

Out of Equity and Preference shares issued by the Company, shares held by each shareholder including its holding company, ultimate holding company and their subsidiaries/associates, holding more than 5 percent shares specifying the numbers of shares held are as below:

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares:</b>				
JM Financial Limited (Holding Company)	30,00,000	100%	30,00,000	100%
<b>Preference Shares:</b>				
JM Financial Limited (Holding Company)	9,50,50,000	100%	9,50,50,000	100%

**Note b:**

**Reconciliation of the number of equity shares outstanding**

	As at 31.03.2014		As at 31.03.2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	30,00,000	3,00,00,000	50,000	5,00,000
Shares issued during the year	-	-	29,50,000	2,95,00,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000

**Note c:**

**Reconciliation of the number of preference shares outstanding**

	As at 31.03.2014		As at 31.03.2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	9,50,50,000	95,05,00,000	11,00,000	1,10,00,000
Shares issued during the year	-	-	9,50,50,000	95,05,00,000
Shares redeemed during the year	-	-	11,00,000	1,10,00,000
Shares outstanding at the end of the year	9,50,50,000	95,05,00,000	9,50,50,000	95,05,00,000

**Note d:**

Aggregate number of shares allotted as fully paid up by way of bonus shares during last 5 years:

Particulars	No. of shares
<b>Equity Shares :</b>	
Fully paid up by way of bonus shares	Nil
<b>Preference Shares :</b>	
Fully paid up by way of bonus shares	Nil

**Note e:**
**Terms and rights attached to each class of shares:**
**Equity shares :**

The Company has only one class of shares referred to as equity shares having a face value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders.

**Preference shares :**
**1) RIGHT TO RANK PRIOR TO EQUITY SHARES:**

The holder(s) of the Participating Non Cumulative Redeemable Preference Shares (PRPS) shall have a right to rank prior to the equity shares of the Company in liquidation, dissolution and on winding up of the company, subject to the provisions of the Companies Act, 1956 (the Act), as amended from time to time.

**2) VOTING RIGHTS:**

The holder(s) of the PRPS shall be entitled to vote only on resolutions placed before the Company which directly affect the rights attached to the PRPS in accordance with applicable provisions of the Act.

**3) DIVIDEND:**

The PRPS shall carry a fixed non-cumulative preference dividend at the rate of 10%, subject to availability of distributable profits and the said dividend, if declared, shall be paid on a pro-rata basis during the year of its issue for the period commencing from the date of its allotment till the end of the financial year during which the said PRPS are allotted. Additionally, the PRPS shall have a right to participate in the profits of the Company by way of a dividend, the equivalent amount of which shall not exceed the yield of 6% p.a. on the issue price and the same shall be paid along with payment of dividend to the equity shareholders.

**4) TERM OF PREFERENCE SHARES:**

The tenure of PRPS shall be 10 years from the date of allotment provided that the Company shall have a right to redeem PRPS either fully or partly, in tranches, any time within a period of 10 years by giving at least 15 days written notice to the PRPS holder(s).

**5) REDEMPTION OF SHARES:**

The PRPS may be redeemed at par or at such premium as may be decided by the Board of Directors of the Company.

**2.2 RESERVES AND SURPLUS**

	As at 31.03.2014	(In Rupees) As at 31.03.2013
<b>Surplus in statement of profit and loss:</b>		
Opening balance	(1,99,78,192)	(1,06,13,742)
Add: Profit / (loss) for the year	3,01,27,927	(93,64,450)
<b>Closing balance</b>	<b>1,01,49,735</b>	<b>(1,99,78,192)</b>
<b>Total</b>	<b>1,01,49,735</b>	<b>(1,99,78,192)</b>

## 2.3 DEFERRED TAX LIABILITIES

	(In Rupees)	
	As at 31.03.2014	As at 31.03.2013
<b>Deferred Tax Liability</b>		
Depreciation on Fixed Assets	16,73,118	-
<b>Total</b>	<b>16,73,118</b>	<b>-</b>

## 2.4 SHORT-TERM BORROWINGS

	(In Rupees)	
	As at 31.03.2014	As at 31.03.2013
Inter corporate deposits (unsecured)	81,00,00,000	81,85,00,000
<b>Total</b>	<b>81,00,00,000</b>	<b>81,85,00,000</b>

## 2.5 TRADE PAYABLES

	(In Rupees)	
	As at 31.03.2014	As at 31.03.2013
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	3,63,85,333	1,14,408
<b>Total</b>	<b>3,63,85,333</b>	<b>1,14,408</b>

## 2.6 OTHER CURRENT LIABILITIES

	(In Rupees)	
	As at 31.03.2014	As at 31.03.2013
Statutory Dues	15,28,606	45,29,706
Interest accrued but not due on borrowings	-	2,15,00,765
Security deposit	30,01,00,000	30,01,00,000
<b>Total</b>	<b>30,16,28,606</b>	<b>32,61,30,471</b>

**JM FINANCIAL PROPERTIES AND HOLDINGS LIMITED**
**2.7 FIXED ASSETS**

(In Rupees)

	Gross block (at cost)				Depreciation / Amortisation				Net block	
	As at 31.03.2013	Additions for the year	Deductions for the year	As at 31.03.2014	As at 31.03.2013	Additions for the year	Deductions for the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>i) TANGIBLE ASSETS</b>										
<b>Owned assets:</b>										
Furniture, fixtures and Improvements	-	27,12,82,996	-	27,12,82,996	-	90,42,765	-	90,42,765	26,22,40,231	-
Office equipments	-	4,32,55,589	-	4,32,55,589	-	28,83,706	-	28,83,706	4,03,71,883	-
Computers	-	6,52,037	-	6,52,037	-	43,469	-	43,469	6,08,568	-
<b>TOTAL (i)</b>	-	<b>31,51,90,621</b>	-	<b>31,51,90,621</b>	-	<b>1,19,69,940</b>	-	<b>1,19,69,940</b>	<b>30,32,20,681</b>	-
<b>ii) INTANGIBLE ASSETS</b>										
Software	-	5,26,248	-	5,26,248	-	35,083	-	35,083	4,91,165	-
<b>TOTAL (ii)</b>	-	<b>5,26,248</b>	-	<b>5,26,248</b>	-	<b>35,083</b>	-	<b>35,083</b>	<b>4,91,165</b>	-
<b>TOTAL (i+ii)</b>	-	<b>31,57,16,869</b>	-	<b>31,57,16,869</b>	-	<b>1,20,05,023</b>	-	<b>1,20,05,023</b>	<b>30,37,11,846</b>	-
Previous year	-	-	-	-	-	-	-	-	-	-

## 2.8 LONG TERM LOANS AND ADVANCES (Unsecured, considered good)

	As at 31.03.2014	(In Rupees) As at 31.03.2013
Capital advances	-	14,00,000
Security Deposits	3,55,08,948	173,54,99,948
Income tax paid (net of provision)	2,04,30,717	62,25,155
<b>Total</b>	<b>5,59,39,665</b>	<b>174,31,25,103</b>

## 2.9 CASH AND CASH EQUIVALENTS

	As at 31.03.2014	(In Rupees) As at 31.03.2013
Cash and cash equivalents		
Cash on hand	-	20,914
Balances with bank:		
In current accounts	1,51,34,353	91,96,666
In deposit accounts (less than 3 months maturity)	6,50,00,000	33,50,00,000
<b>Total</b>	<b>8,01,34,353</b>	<b>34,42,17,580</b>

## 2.10 SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)

	As at 31.03.2014	(In Rupees) As at 31.03.2013
Advances recoverable in cash or in kind or for value to be received	4,45,573	19,40,125
Security Deposits	170,00,00,000	-
Prepaid expenses	38,682	1,56,56,772
<b>Total</b>	<b>170,04,84,255</b>	<b>1,75,96,897</b>

## 2.11 OTHER CURRENT ASSETS (Unsecured, considered good)

	As at 31.03.2014	(In Rupees) As at 31.03.2013
Interest accrued but not due	66,674	3,27,107
<b>Total</b>	<b>66,674</b>	<b>3,27,107</b>

## 2.12 REVENUE FROM OPERATIONS

	For the year ended 31.03.2014	(In Rupees) For the year ended 31.03.2013
Lease rent	20,10,93,600	4,82,53,200
<b>Total</b>	<b>20,10,93,600</b>	<b>4,82,53,200</b>

## 2.13 OTHER INCOME

	(In Rupees)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Dividend on current investments	54,51,004	3,92,936
Interest income	60,83,086	3,63,452
Other Income	3,000	-
<b>Total</b>	<b>1,15,37,090</b>	<b>7,56,388</b>

## 2.14 FINANCE COSTS

	(In Rupees)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest expenses	8,90,54,214	3,83,55,493
<b>Total</b>	<b>8,90,54,214</b>	<b>3,83,55,493</b>

## 2.15 OPERATING & OTHER EXPENSES

	(In Rupees)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Rent expenses	6,26,27,088	1,56,56,772
Rates and taxes	27,49,413	12,01,366
Insurance	52,090	-
Auditor's remuneration (refer note 2.17)	1,30,000	40,000
Repairs & Maintenance – Others	2,78,517	-
Legal & Professional fees	4,27,414	30,88,198
Travelling and conveyance expenses	9,358	23,550
Printing & Stationery	61,898	919
Electricity Expenses	13,20,152	-
Advertisement expenses	5,000	-
Man Power Expenses	6,05,850	-
Communication Expenses	4,27,429	-
Donation	50,000	-
Miscellaneous expenses	5,26,199	7,740
<b>Total</b>	<b>6,92,70,408</b>	<b>2,00,18,545</b>

## 2.16 Operating lease

During the financial year 2012-13, the Company had taken two floors comprising five units under operating lease for a period of eighteen months, along with certain amenities. The same were non-cancellable.

Future Minimum Lease Payments under Non-Cancellable Operating Lease are as under:

(Rupees)

Particulars	Total lease payments outstanding as at March 31, 2014	Total lease payments outstanding as at March 31, 2013
Not later than one year	-	6,26,27,088
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Expenditure debited to statement of profit &amp; loss</b>	<b>6,26,27,088</b>	<b>1,56,56,772</b>

## 2.17 Auditors remuneration \*

(Rupees)

	For the year ended March 31, 2014	For the year ended March 31, 2013
As auditors	60,000	40,000
Other matters (certification work, limited review, tax audit)	70,000	-
<b>Total</b>	<b>1,30,000</b>	<b>40,000</b>

\*Above fees is exclusive of service tax of Rs.16,068/- (previous year Rs. 4,944/-)

## 2.18 Earnings per share (EPS)

(Rupees)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit / (loss) after tax	3,01,27,927	(93,64,450)
Weighted average number of equity shares outstanding during the year for calculating basic earnings per shares (Nos.)	30,00,000	13,26,986
Basic earnings per share (in ₹)	10.04	(7.06)
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per shares (Nos.)	30,00,000	13,26,986
Diluted earnings per share (in ₹)	10.04	(7.06)

## 2.19 Value of imports on CIF basis in respect of

(Rupees)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Capital Goods	61,31,356	-

## 2.20 Segment Reporting

There are no separate reportable segments as per accounting standard 17 and the entire operations of the company relates to one segment.

2.21 Statement of Cash Flow required as per accounting Standards (AS-3), issued by the Institute of Chartered Accountants of India, is attached and forms a part of the financial statement.

## 2.22 Disclosure in respect of Related Parties pursuant to accounting Standard 18

(A) List of Related Parties:

(a) Holding Company

JM Financial Limited (from October 25, 2012)  
JM Financial Products Limited (up to October 24, 2012)

(b) Fellow Subsidiaries

JM Financial Institutional Securities Limited  
JM Financial Investment Managers Limited  
JM Financial Products Limited (from October 25, 2012)  
JM Financial Services Limited  
JM Financial Asset Management Limited  
JM Financial Commtrade Limited  
Infinite India Investment Management Private Limited

**Related Party Disclosures:**

(Rupees)

Name of the related party	Nature of relationship	Description of the transaction	Amount for the year 2013-14	Amount for the year 2012-13
JM Financial Limited (from October 25, 2012)	Holding Company	Issue of equity shares	-	2,95,00,000
		Issue of preference shares	-	95,05,00,000
		Rent received	90,52,800	-
		Expenses recovered	14,10,169	-
JM Financial Products Limited (up to October 24, 2012)	Holding Company	Redemption of preference shares	-	1,10,00,000
		Expenses reimbursed	-	31,152
JM Financial Institutional Securities Limited	Fellow Subsidiaries	Rent received	7,65,55,200	2,09,31,600
		Expenses recovered	1,20,87,616	44,67,690
		ICD received	-	25,00,00,000
		ICD repaid	-	25,00,00,000
		Interest paid	-	8,28,767
		Property Deposit received	-	13,02,00,000
		Outstanding Property Deposit	13,02,00,000	13,02,00,000
JM Financial Investment Managers Limited	Fellow Subsidiaries	Rent received	48,12,000	7,85,400
		Expenses recovered	7,75,766	1,67,638
		Property Deposit received	-	49,00,000
		Outstanding Property Deposit	49,00,000	49,00,000
JM Financial Products Limited	Fellow Subsidiaries	Rent received	4,38,55,200	1,03,84,080
		Expenses recovered	60,70,251	22,16,402
		ICD received	30,00,000	161,85,00,000
		ICD repaid	37,15,00,000	125,00,00,000
		Interest expenses	53,72,822	3,42,56,863
		ICD Payable	-	36,85,00,000
		Interest Payable	-	2,01,98,848
		Property Deposit received	-	6,45,80,000
JM Financial Services Limited	Fellow Subsidiaries	Rent received	4,25,32,800	1,06,33,320
		Expenses recovered	58,69,668	22,69,601
		ICD received	-	55,00,00,000
		ICD repaid	-	55,00,00,000
		Interest paid	-	18,23,288
		Other Payable	-	28,051
		Property Deposit received	-	6,61,20,000
JM Financial Asset Management Limited	Fellow Subsidiaries	Outstanding Property Deposit	6,61,20,000	6,61,20,000
		ICD received	36,00,00,000	45,00,00,000
		Interest expenses	8,36,75,342	14,46,575
		ICD Payable	81,00,00,000	45,00,00,000
Infinite India Investment Management Private Limited	Fellow Subsidiaries	Interest Payable	-	13,01,917
		Rent received	47,95,200	9,12,000
		Expenses recovered	7,73,286	1,94,659
		Property Deposit received	-	57,00,000
		Outstanding Property Deposit	57,00,000	57,00,000

Name of the related party	Nature of relationship	Description of the transaction	Amount for the year 2013-14	Amount for the year 2012-13
JM Financial Commtrade Limited	Fellow Subsidiaries	ICD placed	11,00,00,000	-
		Interest income	15,24,932	-
		ICD received back	11,00,00,000	-

2.23 Figures of the previous year have been regrouped / reclassified / rearranged wherever necessary to correspond with those of the current year's classification / disclosure.

As per our attached report of even date

For and on behalf of  
**Arun Arora & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
**Arun Arora**  
Proprietor  
Membership No.A-12018

Sd/-  
**Manish Sheth**  
Director

Sd/-  
**Prashant Choksi**  
Director

Sd/-  
**Anil Salvi**  
Director

**Place:** Mumbai  
**Date:** April 21, 2014

**Place:** Mumbai  
**Date:** April 21, 2014