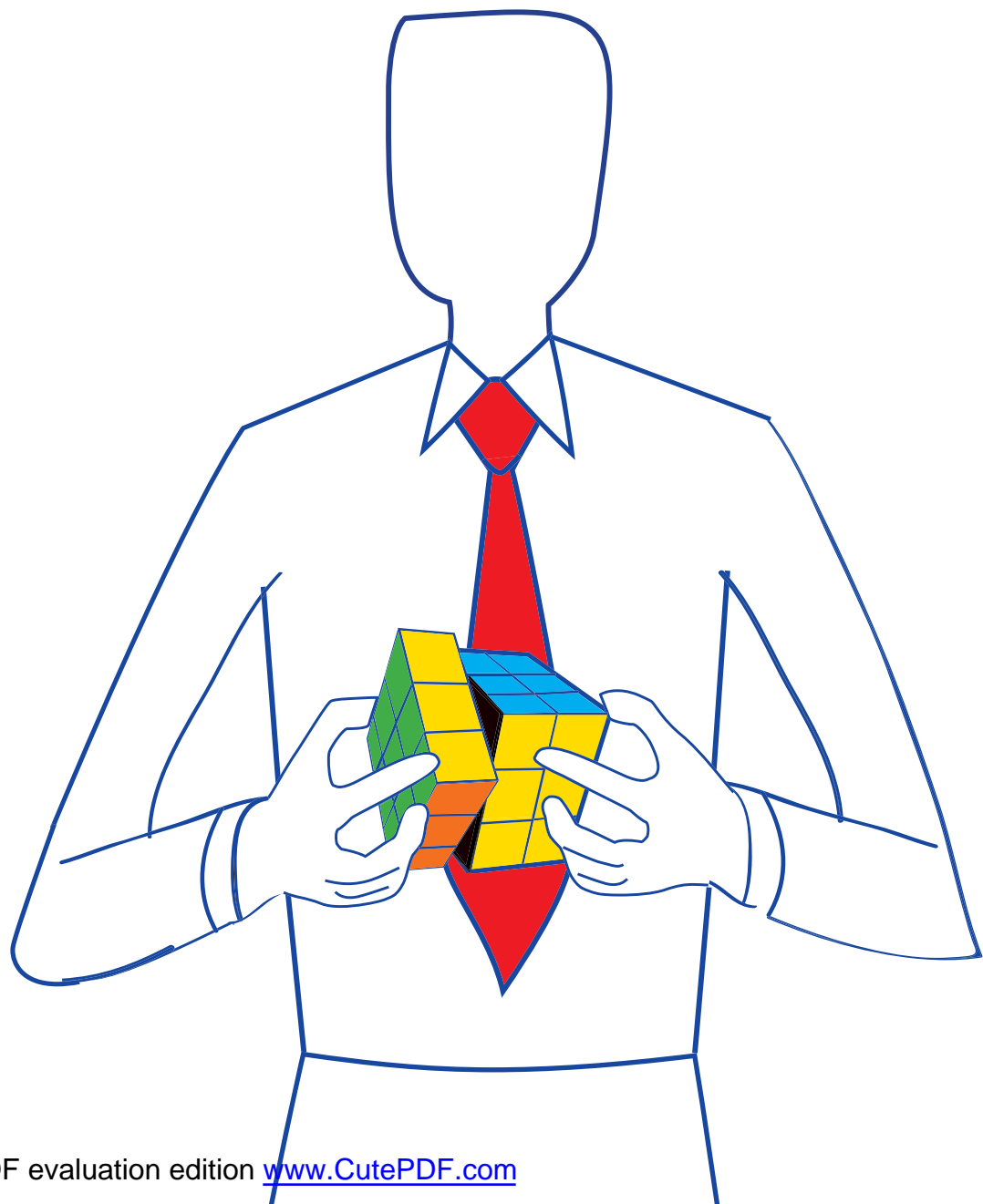


FOR A LEAP FORWARD



JM Financial Limited
Annual Report 2013-14



A Rubik's Cube is an appropriate tool for problem solving. The search for the perfect orientation requires one to understand the different ways it can move. There is one correct solution, amid a multitude of combinations and paths. Focus, commitment and persistence are required for the effort.

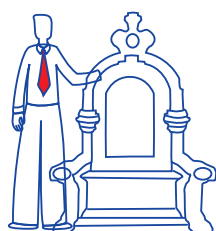
At JM Financial, we use the same persistent and innovative problem-solving approach to create long-term value for our clients and the wider stakeholder community.

India is poised to move forward on the path of recovery. Optimism and ambition for growth is expected to fuel investment growth. We, being one of the leading players in the financial services landscape, are ready to take a leap forward to leverage opportunities coming our way.

Our dynamism will position us well to take a leap forward and create more value for our clients, investors, employees and other stakeholders in the coming years.

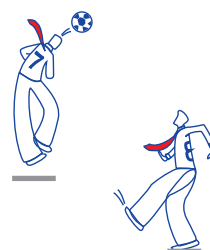
Our Core Values

Client focus



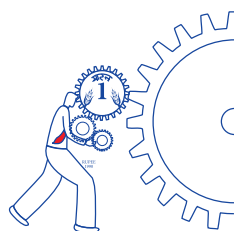
We always put the interest of our clients before our own. Understanding our client needs, seeking new opportunities for them, addressing them and delivering unique solutions as per their expectations is imperative to us. The success of our clients is the biggest reward for us.

Teamwork



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.

Implementation



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

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.

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.

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.

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Corporate Information

BOARD OF DIRECTORS

Mr. Nimesh Kampani - Chairman & Managing Director
Mr. E A Kshirsagar
Mr. Darius E Udwadia
Mr. Paul Zuckerman
Dr. Vijay Kelkar
Mr. Keki Dadiseth

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.

PRINCIPAL BANKERS

HDFC Bank Limited

REGISTERED OFFICE

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025

Tel.: 91-22-6630 3030

Fax: 91-22-6630 3223

Email: shareholdergrievance@jmfl.com

Website: www.jmfl.com

CIN

L67120MH1986PLC038784

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

Tel: 91-22-6772 0300/6772 0400

Fax: 91-22-2859 1568 / 2850 8927

Email: sharepro@shareproservices.com

Website: www.shareproservices.com

Consolidated Performance Review

CONSOLIDATED GROSS INCOME

	[₹ in Crore]
13-14	1,006.67
12-13	1,042.23
11-12	873.97
10-11	895.92
09-10	628.79
08-09	464.92
07-08	742.29

CONSOLIDATED PROFIT/(LOSS)

	[₹ in Crore]
13-14	209.53
12-13	182.92
11-12	121.17
10-11	174.56
09-10	151.66
08-09	(105.21) ²
07-08	150.12 ¹

CONSOLIDATED NETWORTH

	[₹ in Crore]
13-14	2,091.87
12-13	1,975.97
11-12	1,864.77
10-11	1,814.42
09-10	1,702.03
08-09	1,592.60
07-08	1,762.62

CONSOLIDATED BOOK VALUE PER SHARE

	[₹]
13-14	27.70
12-13	26.29
11-12	24.87
10-11	24.20
09-10	22.70
08-09	21.24
07-08	23.52 ³

CONSOLIDATED EARNINGS PER SHARE

	[₹]
13-14	2.78
12-13	2.44
11-12	1.62
10-11	2.33
09-10	2.02
08-09	(1.40) ²
07-08	2.00 ³

DIVIDEND PER SHARE

	[₹]
13-14	1.00
12-13	0.90
11-12	0.60
10-11	0.60
09-10	0.25 ⁵
08-09	0.20
07-08	0.20 ^{3&4}

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 Company and its subsidiaries 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.

Consolidated Tax Information

CORPORATE TAX ¹

13-14	79.98
12-13	74.93
11-12	59.55
10-11	52.78
09-10	47.37
08-09	29.50
07-08	455.53

DIVIDEND DISTRIBUTION TAX ²

13-14	13.86
12-13	16.87
11-12	7.97
10-11	7.89
09-10	6.68
08-09	2.83
07-08	12.75

SERVICE TAX ³

13-14	41.71
12-13	37.48
11-12	40.56
10-11	42.54
09-10	39.41
08-09	44.81
07-08	68.42

PAYROLL TAX ⁴

13-14	40.44
12-13	31.96
11-12	46.64
10-11	55.62
09-10	16.16
08-09	55.26
07-08	79.51

NON PAYROLL TAX ⁵

13-14	18.61
12-13	14.23
11-12	16.30
10-11	19.21
09-10	22.39
08-09	17.20
07-08	22.56

SECURITIES TRANSACTION TAX ⁶

13-14	65.56
12-13	76.08
11-12	97.06
10-11	101.18
09-10	77.78
08-09	39.23
07-08	70.54

TOTAL TAX BORNE AND PAID ⁷

13-14	94
12-13	92
11-12	68
10-11	61
09-10	54
08-09	32
07-08	468

Total Tax Borne - ₹ 869 crore

TOTAL TAX DEDUCTED/ COLLECTED AND PAID ⁸

13-14	166
12-13	160
11-12	201
10-11	218
09-10	156
08-09	156
07-08	241

Total Tax Paid - ₹ 1,298 crore

**Total Tax Borne & Paid and
Total Tax Deducted/Collected
& Paid for last seven years -
₹ 2,167 crore**

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



Mr. Nimesh Kampani
Chairman & Managing Director

Mr. Nimesh Kampani, aged 67 years, is the founder and Chairman of the JM Financial group. He is a commerce graduate from Sydenham College, Mumbai and a qualified Chartered Accountant. In his career spanning over four decades, Mr. Kampani has made pioneering contributions to the development of the Indian capital markets and has advised several corporates on their strategic and financial needs, especially capital raising and mergers & acquisitions and has also advised 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, BSE Limited, 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 also a member of the High Powered Expert Committee constituted by the Ministry of Finance on making Mumbai an International Finance Centre. He was a member of the Advisory Panel on Financial Regulation and Supervision of the Committee on Financial Sector Assessment constituted by 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 a member of the Governing Council of the Indian Institute of Capital Markets and 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. He is a Member of CII National Council and Chairman of CII National Committee on Capital Markets. He 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.

He also serves as an Independent Director on the Boards of several leading Indian companies.

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 entities support several social causes ranging from healthcare, education, research in ayurvedic medicine, animal welfare, employment generation, entrepreneurship development, etc.



Mr. E A Kshirsagar
Non Executive & Independent Director

Mr. E A Kshirsagar, aged 72 years, is a Fellow member of the Institute of Chartered Accountants in England & Wales.

Mr. Kshirsagar has wide experience in Corporate Strategy & Structure, Valuation, Feasibility Studies, Disinvestments, Mergers & Acquisitions. He was associated with the Management Consultancy division of A F Ferguson for over three decades and retired in 2004 as Senior Partner.

Mr. Kshirsagar currently serves on the Board of the leading Indian public companies. He is also the Chairman of the Board of Trustees of the Chhatrapati Shivaji Maharaj Vastu Sangrahalaya (formerly, Prince of Wales Museum) and Hon. Treasurer of Bombay Natural History Society (BNHS).



Mr. Darius E Udwadia
Non Executive & Independent Director

Mr. Darius E Udwadia, aged 74 years, is a Solicitor and Advocate of the Bombay High Court. He is also a Solicitor of the Supreme Court of England.

Mr. Udwadia is a founder partner of M/s. Udwadia & Udeshi, Solicitors & Advocates since July, 1997 which is presently named M/s. Udwadia Udeshi & Argus Partners. Prior to July 1997, he was a partner of M/s. Crawford Bayley & Co., Solicitors & Advocates for over 20 years. He and his Firm are legal advisors to Indian and multinational companies.

Mr. Udwadia has during his 49 years of active law practice acquired substantial knowledge, skill, experience and expertise in areas of corporate law, mergers, acquisitions and takeovers, corporate restructuring, foreign collaboration, joint ventures, project finance, intellectual property, international loans and finance related transactions, real estate and conveyancing.

Mr. Udwadia also serves on the Board of several reputed Indian public and private companies.



Dr. Vijay Kelkar, aged 72 years, has done B.S. from University of Pune, India, 1963, M.S. from University of Minnesota, USA, 1965 and Ph. D from University of California at Berkeley, USA in 1970.

Dr. Kelkar is currently the Chairman of the India Development Foundation, New Delhi. He was the Chairman, Forum of Federations, Ottawa from January 2010 to March 2013. He was the Chairman of the Finance Commission in the rank of a Union Cabinet Minister until January, 2010. He was earlier Advisor to the Minister of Finance in the rank of a Minister of State from 2002 to 2004, and is known for his role in economic reforms in India. Prior to this, he has held various senior level positions in Government of India (GOI) as well as in international organizations including Executive Director for India, Sri Lanka, Bangladesh and Bhutan at the IMF from August, 1999 to August, 2002; Finance Secretary, GOI, 1998–1999; Chairman, Tariff Commission, GOI, 1997–1998; Secretary, Ministry of Petroleum & Natural Gas, GOI, 1994–1997; Director & Coordinator, International Trade Division, UNCTAD, Geneva, Switzerland, 1991–1994; Chairman, Bureau of Industrial Costs & Prices and Secretary to the GOI, 1987–1991; Secretary, Economic Advisory Council to the Prime Minister, GOI, 1985–1988; Advisor, Economic Policy & Planning, Ministry of Petroleum & Natural Gas, GOI, 1982–1987; Economic Advisor, Ministry of Commerce, GOI, 1977–1981.

In January 2011, the President of India awarded him “PADMA VIBHUSHAN”, the second highest Civilian Award for distinguished and exceptional service to the Nation.

Dr. Kelkar chaired Task Force for implementation of the Fiscal Responsibility and Budget Management Act, Ministry of Finance, Government of India, 2004; Task Force on Direct Taxes, Ministry of Finance, Government of India, 2002 as well as Task Force on Indirect Taxes, Ministry of Finance, Government of India, 2002. In the year 2012, he chaired the Committee appointed by the Finance Minister to outline a roadmap for fiscal consolidation.

Dr. Kelkar has been member of Board of Directors, Advisory Council and Board of Governors of various global companies and organizations including Tata Consulting Services, CITI Group, Hero Motors, Indian Council for Research on International Economic Relations, Administrative Staff College of India, Hyderabad, India National Innovation Foundation, Ahmedabad, Indian Society of Energy and Environment Economics, New Delhi, and Indian Institute of Technology, New Delhi, among many others.

Dr. Kelkar has also taught at Administrative Staff College of India, Hyderabad, Center for Economic Development and Administration, Kathmandu, Nepal, South Asia Institute, Heidelberg University, Germany and University of California at Berkeley, USA.