

August 23, 2017

BSE Limited
Department of Corporate Services
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
Mumbai 400001

Dear Sirs,

Sub: Meeting of the equity shareholders of the Company - Copy of the notice thereof
Security Code: 523405

Please be informed that a meeting of the equity shareholders of JM Financial Limited is convened on Monday, September 25, 2017 at 4.00 p.m. at P.L. Deshpande Mini Theatre, Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400025 pursuant to the order dated August 2, 2017 of the National Company Law Tribunal, Mumbai Bench to consider and approve the amalgamation embodied in the Scheme of Amalgamation between JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited and JM Financial Limited and their respective shareholders.

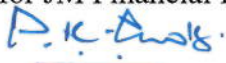
Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy each of the Notice of above meeting, the explanatory statement thereto and the Scheme of Amalgamation together with other relevant documents as sent to the shareholders of the Company.

The above referred documents are also available on the website of the Company viz., www.jmfl.com.


We request you to disseminate the above information on your website.

Thank You.

Yours faithfully,
for JM Financial Limited



P K Choksi

 **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

NOTICE-EQUITY SHAREHOLDERS**JM FINANCIAL LIMITED**

CIN: L67120MH1986PLC038784

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025

Tel No.: +91 22 6630 3030 • Fax : +91 22 6630 3223 • Website : www.jmfl.com • Email ID: shareholdergrievance@jmfl.com**NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF JM FINANCIAL LIMITED CONVENED AS PER THE DIRECTIONS OF THE MUMBAI BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL****Meeting of equity shareholders of JM Financial Limited**

Day : Monday

Date : September 25, 2017

Time : 4.00 p.m.

Venue : P.L. Deshpande Mini Theatre, Ravindra Natya Mandir, Near Siddhivinayak Temple,
Sayani Road, Prabhadevi, Mumbai – 400025.**E-VOTING DETAILS:**

Start Date and Time	:	September 21, 2017 at 9.00 a.m.
End Date and Time	:	September 24, 2017 at 5.00 p.m.

Sr. No	Particulars	Page No.
1.	Notice of meeting of the Equity Shareholders of JM Financial Limited convened as per the directions of the Mumbai Bench of the National Company Law Tribunal.	2-6
2.	Explanatory statement under Section 230(3) read with Section 102 and other applicable provisions of the Companies Act, 2013.	7-19
3.	Scheme of Amalgamation between JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited and JM Financial Limited and their respective shareholders.	20-32
4.	Report pursuant to Section 232(2)(c) of the Companies Act, 2013 as described on page 33.	33
5.	Audited Financial Statements of JM Financial Limited for the financial year ended March 31, 2017.	34-72
6.	Route Map of the meeting venue.	73
7.	Form of Proxy.	75-76
8.	Attendance Slip.	Enclosed

COMPANY SCHEME APPLICATION NO. 793 OF 2017
JM FINANCIAL LIMITED.....APPLICANT COMPANY
NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS

Notice is hereby given that by an order dated August 2, 2017, the Mumbai Bench of the National Company Law Tribunal ("the NCLT") has directed a meeting to be held of equity shareholders of the Applicant Company for the purpose of considering, and if thought fit, approving the amalgamation embodied in the Scheme of Amalgamation between JM Financial Institutional Securities Limited ("JMFIS" or "the First Transferor Company") and JM Financial Investment Managers Limited ("JMFIM" or "the Second Transferor Company") and JM Financial Limited ("JMFL" or "the Applicant Company" or "the Transferee Company") and their respective shareholders ("the Scheme").

In pursuance of the said order and as directed therein further notice is hereby given that the meeting of equity shareholders of the Applicant Company will be held on Monday, September 25, 2017 at 4.00 p.m. at P.L. Deshpande Mini Theatre, Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400025 to consider and, if thought fit, to approve the following resolution under Section 230 read with Section 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions of Companies Act, 2013, and the provisions of the Memorandum and Articles of Association of the Applicant Company for approval of the Amalgamation embodied in the Scheme:

"RESOLVED THAT pursuant to the provisions of Section 230 read with Section 232 of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Rules made thereunder, including any statutory modification or re-enactment thereof, for the time being in force, and other applicable provisions of the Act and the provisions of the Memorandum and Articles of Association of the Applicant Company and subject to the approval of the Mumbai Bench of the National Company Law Tribunal ("the NCLT"), and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Mumbai Bench of the NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Applicant Company (hereinafter referred to as "the Board", which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the Amalgamation embodied in the Scheme placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved."

"RESOLVED FURTHER THAT the Board/any Committee of the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Amalgamation embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Mumbai Bench of the NCLT while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

Copies of the said Scheme and of the statement under Section 230 are enclosed along with this Notice and also can be obtained free of charge at the registered office of the Applicant Company. Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Applicant Company at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025 not later than 48 hours before the meeting.

Forms of proxy can be obtained at the registered office of the Applicant Company.

The Mumbai Bench of the NCLT has appointed Mr. Nimesh Kampani, Chairman of the Applicant Company and failing him, Mr. Darius E Udwadia, Independent Director and failing him Mr. Vishal Kampani, Managing Director as the Chairman of the meeting. The said Scheme, if approved by the equity shareholders in the meeting, will be subject to the subsequent approval of the Mumbai Bench of the NCLT.

Place : Mumbai
Date : August 18, 2017

Nimesh Kampani
Chairman appointed for the meeting

JM Financial Limited
Registered Office : 7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai - 400025
(CIN: L67120MH1986PLC038784)

NOTES:

1. **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.**
2. Pursuant to the provisions of the Companies Act, 2013 (hereinafter called “the Act”) and the Rules made thereunder a person can act as proxy on behalf of the Members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10% (ten percent) of the total 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% (ten percent) of the total 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.
3. This notice is being sent to those equity shareholders of the Applicant Company whose name is recorded in the register of members or in the register of beneficial owners maintained by National Securities Depository Limited and/or Central Depository Services (India) Limited as on Friday, August 18, 2017. The authorized representative of a body corporate which is a registered equity shareholder of the Company may attend and vote at the meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend the meeting is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the schedule time of the commencement of the meeting.
4. Members are requested to:
 - a. bring the attendance slip duly completed and signed at the meeting.
 - b. quote their respective Folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.
5. Equity shareholders are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
6. Foreign Portfolio Investors (FPIs) who are registered equity shareholder(s) of the Applicant Company would be required to deposit certified copies of Custodial Resolutions/Power of Attorney, as the case may be, authorising the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the meeting.
7. Electronic copy of this Notice convening the meeting of equity shareholders of the Applicant 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 IDs are registered with their respective Depository Participants. 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 through the permitted mode. However, any shareholder who wishes to receive a physical copy of the Notice is requested to send an email to Karvy Computershare Private Limited at inward.ris@karvy.com or shareholdergrievance@jmfl.com duly quoting his/her DP ID and Client ID or the Folio number, as the case may be.
8. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.

9. The Notice convening the meeting of equity shareholders will be published through advertisement in Free Press Journal in the English language and translation thereof in Navshakti in the Marathi language (both Mumbai Editions).
10. The quorum for the meeting of the equity shareholders of the Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013.
11. The Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Monday, September 18, 2017, only shall be entitled to cast their votes either by physical ballot at the meeting or through remote e-voting.
12. The Notice will be displayed on the website of the Company viz., www.jmfl.com.
13. The documents referred to in the accompanying Explanatory Statement will be available for inspection by the equity shareholders at the registered office of the Applicant Company on all working days, except Saturdays, between 2.00 p.m. and 4.00 p.m. up to the date of the meeting.

14. INSTRUCTIONS FOR EVOTING

Information and other instructions relating to e-voting are as under:

- I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company provides to its members, the facility to exercise their right to vote on resolution proposed to be passed in the meeting of equity shareholders by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using the electronic voting system from a place other than venue of the meeting ("remote e-voting") will be provided by Karvy Computershare Private Limited (Karvy).
- II. The facility for voting through ballot paper shall also be made available at the meeting 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 may also attend the meeting but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Thursday, September 21, 2017 (9:00 a.m.) and ends on Sunday, September 24, 2017 (5:00 p.m.). During this period, the members of the Applicant Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Monday, September 18, 2017, may cast their votes by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter.
- V. Once the vote on a resolution is cast by the member through e-voting, such member shall not be allowed to change it subsequently.
- VI. A person who is not a member as on cut-off date should treat this Notice for information purpose only.
- VII. The process and manner for remote e-voting is as under:
 - A. Members whose email IDs are registered with the Company/DPs will receive an email from Karvy informing them of their User-ID and Password. Once the Members receive the email, he or she will need to go through the following steps to complete the e-voting process:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - ii. Enter the login credentials (i.e. User ID and Password) which will be sent separately. However, if you are already

registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.

- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the E-Voting Event Number for JM Financial Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as on the cut-off date. If you do not want to cast your vote, select “ABSTAIN”.
- viii. Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- ix. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- x. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote. During the voting period, members can login any number of times till you have voted on the Resolution.
- xi. Corporate/Institutional members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: jayshreedagli@gmail.com or shareholdergrievance@jmfml.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the format “Corporate Name_EVENT NO.”

- B. In case a member receives physical copy of the Notice [for members whose e-mail addresses are not registered with the Company/their respective DPs or who have requested for the physical copy]:

- i. Initial password is provided as below/ at the bottom of the Attendance Slip for the Meeting:

EVEN (E-Voting Event Number)	USER ID	PASSWORD/ PIN

- ii. Please follow all steps from Sl. No. (i) to Sl. No.(xi) of VII(A) above, to cast vote.

C. GENERAL INSTRUCTIONS:

- i. In case of any query pertaining to e-voting, please visit ‘Help & FAQ’s section’ available at Karvy’s website <https://evoting.karvy.com>.

- ii. If you are already registered with Karvy e-voting platform then you can use your existing User ID and Password for casting the vote through remote e-voting.
 - iii. 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.
- VIII. The voting rights of members shall be in proportion to their holding of shares in the paid up equity share capital of the Company as on the cut-off date, viz., Monday, September 18, 2017.
- IX. Any person who becomes a member of the Company after despatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Monday, September 18, 2017, may obtain the User ID and Password in the manner as mentioned below:
 - a) If the mobile number of the member is registered against Folio No./DP ID and Client ID, the member may send SMS : **MYEPWD <space> E-Voting Event Number + Folio No. or DP ID and Client ID to 9212993399**
Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL:
MYEPWD <SPACE> 1402345612345678
Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - b) If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “Forgot Password” and enter Folio No. or DP ID and Client ID and PAN to generate a password.
 - c) You may call Karvy’s toll free number 1-800-3454-001 for any help.
 - d) You may send an e-mail request to evoting@karvy.com.
- X. 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 above cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot paper.
- XI. As directed by the Mumbai Bench of the NCLT, Ms. Jayshree S Joshi, Company Secretary (Membership No. FCS 1451), Proprietress of Jayshree Dagli & Associates, Company Secretaries, Mumbai has been appointed as the Scrutiniser to scrutinise the e-voting process and voting at the venue of the meeting in a fair and transparent manner.
- XII. Voting shall be allowed at the end of discussion on the resolution on which voting is to be held with the assistance of Scrutiniser, by use of ballot paper for all those members who are present at the meeting but have not casted their votes by availing the remote e-voting facility.
- XIII. The Scrutiniser shall after the conclusion of voting at the Meeting, 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 3 (three) days of the conclusion of the meeting, a consolidated Scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or to 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 shall be placed on the website of the Company, viz., www.jmfl.com and on the website of Karvy immediately after the declaration of result by the Chairman or by a person, duly authorised for the purpose. The result shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Applicant Company are listed.
- XV. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the meeting, i.e., September 25, 2017.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENCH, AT MUMBAI
COMPANY SCHEME APPLICATION NO. 793 OF 2017
IN THE MATTER OF THE COMPANIES ACT, 2013**

And

In the matter of

JM Financial Institutional Securities Limited

And

JM Financial Investment Managers Limited

And

JM Financial Limited

And

Their respective shareholders

And

In the matter of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

JM Financial Limited.....the Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE MEETING OF EQUITY SHAREHOLDERS OF JM FINANCIAL LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

In this statement, JM Financial Institutional Securities Limited is hereinafter referred to as “JMFL” or “the First Transferor Company”, JM Financial Investment Managers Limited is hereinafter referred to as “JMFL” or “the Second Transferor Company” and JM Financial Limited is hereinafter referred to as “JMFL” or “the Transferee Company”. The other definitions contained in the Scheme will apply to this Explanatory Statement also. The following statement as required under Section 230(3) of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with Section 102 of the Act, sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as members.

1. Pursuant to an Order dated August 2, 2017 passed by the Mumbai Bench of the National Company Law Tribunal in the Company Scheme Application No. 793 of 2017 referred to hereinabove, a meeting of the Equity Shareholders of JMFL is being convened at P.L. Deshpande Mini Theatre, Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400025 at 4.00 p.m. on September 25, 2017 for the purpose of considering and if thought fit, approving the proposed Scheme.
2. The draft Scheme of Amalgamation was considered and approved by the Board of Directors (hereinafter referred to as “the Board”) of the Applicant Company at the meeting held on May 2, 2017.
3. Based on the review and discussion, the Board of JMFL has come to the conclusion that the Scheme is in the best interest of JMFL and its shareholders.
4. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed as **Annexure A**.
5. **BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:**

JM Financial Institutional Securities Limited:

- a) The First Transferor Company, JM Financial Institutional Securities Limited was incorporated under the Companies Act, 1956, in the State of Maharashtra in the name of Morgan Stanley India Private Limited on September 11, 1995. Its name was subsequently

changed to 'JM Morgan Stanley Limited' with effect from February 23, 1999 and it was further changed to 'JM Financial Consultants Private Limited' with effect from June 7, 2007. The name was further changed to its current name with effect from May 29, 2012.

- b) The Registered Office of JMFIS is situated at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025, Maharashtra.
- c) The PAN of JMFIS is AAACM7079C.
- d) The details of the authorised, issued, subscribed and paid-up share capital of JMFIS as on March 31, 2017 are as under:

Particulars	Rupees
Authorised Share Capital	
5,00,20,000 Equity Shares of Rs.10/- each	50,02,00,000
4,38,00,000 Preference Shares of Rs. 10/- each	43,80,00,000
Total	93,82,00,000
Issued, Subscribed and Paid-up Share Capital	
2,80,00,000 Equity Shares of Rs.10/- each fully Paid-up	28,00,00,000
Total	28,00,00,000

Subsequent to the above Balance Sheet date and as on date, there has been no change in the authorised, issued, subscribed and paid up share capital of JMFIS.

- e) The shares of JMFIS are not listed on any stock exchange.
- f) JMFIS is a wholly owned subsidiary of JMFL.
- g) The objects for which JMFIS has been established are set out in its Memorandum of Association. The main objects of JMFIS are set out hereunder:

- 1. To carry on the business of merchant banking in all its aspects, to act as managers to issues and offers, whether by way of public offer or otherwise, of shares, stocks, debentures, bonds, units, participation certificates, deposits, bills, warrants or any other instruments whether or not transferable or negotiable, commercial or other paper or scrips (hereinafter collectively referred to as the 'securities'), to underwrite, sub-underwrite or to provide stand-by or procurement arrangements, in respect of the securities, to issue guarantees or to give any other commitments for subscribing or agreeing to subscribe or procure or agree to procure subscription for the securities, to manage portfolio investments, of any person or company, by investment in various avenues like mutual funds, growth funds, income funds, risk funds, tax exempt funds, pension/superannuation funds and to pass the benefits of portfolio investments to the investors as dividends, bonus, interest, or such other modes as may be necessary, to provide financial and investment assistance for the purposes herein.**
- 1A To carry on the business of acting as financial consultants, project consultants, issue houses, discount houses, custodians, registrar and transfer agents, managers; and advisors, in respect of any financial or project related services, including services in respect of issue of equity, preference or other capital debentures, debt instruments or other securities and loans, guarantees and other financial or credit facilities for any person, company, corporation, institutions, equity, government or other agency whether incorporated or not.**
- 1B To carry on the business as share and stock brokers, finance brokers, underwriters, sub-underwriters, agents and brokers for taking, holding, dealing in, converting stocks, shares and securities of all kinds including debentures, bonds, notes, units, warrants, obligations, negotiable instruments, options, futures and forwards, other derivative products, money market instruments, debt instruments, fixed income instruments and instruments of every kind or description issued or guaranteed by any entity incorporated or unincorporated, or issued or guaranteed by any Government or**

public authority, brokers for units of Unit Trust of India, brokers for Mutual Funds, brokers for debentures, bonds, Government Securities, National Savings Certificates, Small Savings Schemes and generally for securities of every kind or description on account of clients or on its own account on any one or more of the recognised Stock Exchanges in India or otherwise; brokers for securities of non-Indian issuers; and to engage itself in the activities of stock lending; preparation and distribution of research material and all other related activities; act as facilitators, arrangers of funds, mobilisers of resources, including fixed deposits and mutual funds, by way of placements or primary issues or otherwise; whether in India or in any other part of the world.

There has been no change in the objects of JMFIS during the last five years i.e., since August 1, 2012.

JM Financial Investment Managers Limited

- a) The Second Transferor Company, JM Financial Investment Managers Limited (JMFIM) was incorporated under the Companies Act, 1956 in the name of 'Fidelity Legal & Custodian Services Limited' on April 18, 1985. Its name was changed to its current name with effect from February 16, 2006.
- b) The Registered Office of JMFIM is situated at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025, Maharashtra.
- c) The PAN of JMFIM is AAACF2955J.
- d) The details of the authorised, issued, subscribed and paid-up share capital of JMFIM as on March 31, 2017 are as under:

Particulars	Rupees
Authorised Share Capital	
20,00,000 Equity shares of Rs. 10/- each.	2,00,00,000
Total	2,00,00,000
Issued, Subscribed and Paid-up Share Capital	
18,00,000 Equity shares of Rs. 10/- each fully Paid up.	1,80,00,000
Total	1,80,00,000

Subsequent to the above Balance Sheet date and as on date, there has been no change in the authorised, issued, subscribed and paid up share capital of JMFIM.

- e) JMFIM is a wholly owned subsidiary of JMFL.
- f) The shares of JMFIM are not listed on any stock exchange.
- g) The objects for which JMFIM has been established are set out in its Memorandum of Association. The main objects of JMFIM are set out hereunder:
 1. ***To carry on the business of advising and managing venture capital funds for private investors, trusts, institutional investors, banks, companies, individuals or any other body corporate (whether incorporated or not in India or abroad) for investment in stocks, shares, finance, debenture bonds, property, depository receipts, options, obligations, derivatives or in and all kinds of financial instruments; to float various venture capital schemes for investments in various sectors including but not limited to real estate and allied sectors.***
 2. ***To carry on the business of promoting, organising, supervising, procuring, incorporating and giving financial or other assistance in India or abroad independently or in association with any other person, Government or any other agencies whether incorporated or not and to act as administrators or managers of any investment trusts or funds including any growth funds, income or capital funds, taxable or tax exempt funds, provident funds, pension funds, gratuity funds,***

superannuation funds, charitable funds and unit trusts or consortium, to act as trustees for bondholders, debenture holders and other purposes herein mentioned; to constitute any trust and to subscribe and act as, and to exercise the powers of trustees, executors, administrators, receivers, treasurers, attorneys, nominees, and agents and to manage the funds of all kinds of trusts and to render periodic advice on investments, finance, taxation and to invest these funds from time to time in various forms of investments including stocks, shares, finance, debentures, bonds, property, depository receipts, options, obligations, derivatives, or in and all kinds of financial instruments.

There has been no change in the objects of JMFL during the last five years i.e., since August 1, 2012.

JM Financial Limited

- a) The Transferee Company, JM Financial Limited (JMFL) was incorporated under the Companies Act, 1956 in the name of 'J.M. Share and Stock Brokers Private Limited' on January 30, 1986. Its name was changed to its existing name with effect from September 15, 2004.
- b) The Registered Office of JMFL is situated at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025.
- c) The PAN of JMFL is AAACJ2590B.
- d) The details of the authorised, issued, subscribed and paid-up share capital of JMFL as on March 31, 2017 are as under:

Particulars	Rupees
Authorised Share Capital	
100,00,00,000 Equity shares of Re. 1/- each.	100,00,00,000
Total	100,00,00,000
Issued, Subscribed and Paid-up Share Capital	
79,45,25,114 Equity shares of Re. 1/- each fully Paid up.	79,45,25,114
Total	79,45,25,114

Subsequent to March 31, 2017, the issued, subscribed and paid-up share capital of JMFL has undergone a change consequent upon the allotment of equity shares to the eligible employees under employee stock option scheme. The authorised, issued, subscribed and paid-up share capital of JMFL as on August 18, 2017 is thus as under:

Particulars	Rupees
Authorised Share Capital	
100,00,00,000 Equity shares of Re. 1/- each.	100,00,00,000
Total	100,00,00,000
Issued, Subscribed and Paid-up Share Capital	
79,70,67,410 Equity shares of Re. 1/- each fully Paid up.	79,70,67,410
Total	79,70,67,410

- e) The shares of JMFL are listed on BSE Limited and National Stock Exchange of India Limited.
- f) The objects for which JMFL has been established are set out in its Memorandum of Association. The main objects of JMFL are set out hereunder:
 1. *To promote, and/or to invest, whether directly or indirectly, in the financial services business in India and/or abroad, to set up a joint venture and/or make investment in joint ventures, to invest the funds of the Company in any stocks, shares, bonds, debentures, stock obligations or securities of any company or corporation or body(ies) corporate including any unincorporated company and partnership firms and generally to subscribe for, secure, hold, sell, underwrite, invest, dispose off, exchange and deal in shares, stocks, debentures, debenture-stock, government securities, bonds, units of*

Unit Trust of India and other Mutual Funds, securities of any Government or Public Authority or Company or Corporation and to provide venture capital, to operate in the short term money market, to deal in bills of exchange, promissory notes, other negotiable instruments and securities, to give inter corporate loans and deposits, and to lend money and/or negotiate loans, and to borrow or receive moneys or deposits with or without security to/from such persons or bodies corporate and upon such terms and conditions as the Company may think fit.

- 1A.** *To carry on the business of providing, directly or indirectly, management, industrial and financial consultancy, advisory, professional, technical, legal, managerial, secretarial, taxation and other allied services connected with any industry, business, profession, to any person or persons including, without limitation, individuals, firms, or body(ies) corporate whether within or outside India.*

There has been no change in the objects of JMFL during the last five years i.e., since August 1, 2012.

6. BACKGROUND OF THE SCHEME

- a) JMFL (the Transferee Company) is a Core Investment Company ('CIC') registered with the Reserve Bank of India ("the RBI") having investments in subsidiary and associate companies.
- b) JMFIS (the First Transferor Company) is a Securities and Exchange Board of India (SEBI) Registered Category I Merchant Banker, Stock Broker and Research Analyst. Its Institutional Equities Division having trading memberships of various exchanges along with the registration with SEBI as a Stockbroker and Research Analyst is being demerged into JM Financial Securities Limited which is a step down wholly owned subsidiary of JMFL vide Company Scheme Application No. 795 of 2017 with Appointed Date as closing business hours of December 31, 2017. Post demerger of the Institutional Equities Division, the residual JMFIS will be merged into JMFL with Appointed Date of January 1, 2018.
- c) JMFIM (the Second Transferor Company) is engaged in the business of private equity fund management and it is proposed to be merged into JMFL.
- d) The Scheme thus provides for amalgamation of JMFIS and JMFIM with JMFL and various other matters consequential to such amalgamation or otherwise integrally connected thereto.

7. RATIONALE OF THE SCHEME

JM Financial Group is a pioneer in rendering services in the areas of Merchant Banking, Institutional Equities, Asset Management/ Broking, NBFC, Asset Reconstruction amongst others. Its flagship company, JMFL is a CIC under the RBI Regulations.

The key management team of JMFL is responsible for strategic and management decisions. As a part of group restructuring exercise to streamline the business operations and to bring administrative synergies, it is proposed to merge JMFIS (post demerger of Institutional Equities Division) and JMFIM into JMFL. This would increase the underwriting capability of JMFL and yield synergies and operating efficiencies including elimination of multiplicity of corporate functions and related management processes.

8. SALIENT FEATURES OF THE SCHEME

8.1 Salient features of the Scheme are set out as below:

- The Scheme provides for amalgamation of JMFIS and JMFIM into JMFL.
- The Scheme is presented under Section 230 to Section 232 and other applicable provisions of the Act, to the extent notified and applicable, and as amended from time to time for amalgamation of JMFIS and JMFIM in JMFL and their respective shareholders.

- JMFIS, JMFIM and JMFL shall make applications and/or petitions under Section 230 read with Section 232 and other applicable provisions of the Act to Mumbai Bench of the NCLT for sanction of this Scheme and all matters ancillary or incidental thereto.
- 'Appointed Date' for the Scheme is January 1, 2018 or such other date as may be fixed or approved by the relevant Mumbai Bench of the NCLT, if and when made operational or such other competent authority.
- 'Effective Date' means the date on which the certified copy of the order sanctioning this Scheme passed by the Mumbai Bench of the NCLT or such other competent authority, as may be applicable, is filed with the Registrar of Companies, Mumbai, Maharashtra.
- As JMFL, singly and/or jointly with its nominees, holds the entire share capital of JMFIS and JMFIM, upon the Scheme becoming effective and upon the amalgamation of JMFIS and JMFIM into JMFL, no shares will be issued to or by JMFL and JMFL's investment in the entire share capital of JMFIS and JMFIM shall stand cancelled in the books of JMFL.
- On the Scheme becoming effective, JMFL shall account for the Amalgamation in its books as per the applicable accounting principles prescribed under the Accounting Standard 14 as issued by the Institute of Chartered Accountants of India.
- All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by JMFL.
- This Scheme is conditional upon and subject to the following:
 - a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, including the Reserve Bank of India, Stock Exchange(s) and/or Securities and Exchange Board of India, which by law may be necessary for the implementation of this Scheme.
 - b) The Scheme being approved by the respective requisite majorities of the members of JMFIS, JMFIM and JMFL, as may be directed by the Mumbai Bench of the NCLT, and/or any other competent authority, and it being sanctioned by the Mumbai Bench of the NCLT and/or any other competent authority, as may be applicable.
 - c) The certified copies of the order of Mumbai Bench of the NCLT under Sections 230 to 232 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Mumbai, Maharashtra.
 - d) Certified copy of the orders of the Mumbai Bench of the NCLT approving the Scheme of Arrangement for demerger of Institutional Equities Division from JM Financial Institutional Securities Limited into JM Financial Securities Limited being filed with the Registrar of Companies, Mumbai, Maharashtra.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The above salient features only cover some of the key provisions of the Scheme.

9. CAPITAL STRUCTURE OF JMFL PRE AND POST AMALGAMATION

Particulars	Pre Amalgamation as on March 31, 2017		Post Amalgamation	
	No. of Shares	Rupees in Crore	No. of Shares	Rupees in Crore
Authorised Share Capital				
Equity Shares of Re. 1/- each	100,00,00,000	100.00	152,02,00,000	152.02
Preference Shares of Rs. 10/- each	-	-	4,38,00,000	43.80
Issued, Subscribed and Paid-up Share Capital				
Equity Shares of Re. 1/- each, fully paid up	79,45,25,114	79.45	Refer Note below.	

Notes:

1. JMFL holds the entire share capital of JMFIS and JMFIM. Hence, no shares will be issued by JMFL pursuant to merger of JMFIS and JMFIM into JMFL.
2. The issued, subscribed and paid-up share capital of JMFL is subject to change due to allotment of shares upon exercise of stock options by the eligible employees.

10. PRE AND POST AMALGAMATION SHAREHOLDING PATTERN

The Pre-Merger Shareholding Pattern of JMFIS (the First Transferor Company) as on March 31, 2017 is as follows

Sr. No	Name of shareholder	No of Equity shares held	% of total
1.	JM Financial Limited	2,79,99,994	100%
2.	JM Financial Limited jointly with JM Financial Investment Managers Limited	1	
3.	JM Financial Limited jointly with Ms. Dipti Neelakantan	1	
4.	JM Financial Limited jointly with Mr. P K Choksi	1	
5.	JM Financial Limited jointly with Mr. Manish Sheth	1	
6.	JM Financial Limited jointly with Mr. S R Nayak	1	
7.	JM Financial Limited jointly with Ms. Glenys Crasta	1	
TOTAL		2,80,00,000	100

The Pre-Merger Shareholding Pattern of JMFIM (the Second Transferor Company) as on March 31, 2017 is as follows

Sr. No	Name of shareholder	No of Equity shares held	%
1.	JM Financial Limited	17,99,994	100
2.	JM Financial Limited jointly with Mr. S R Nayak	1	
3.	JM Financial Limited jointly with Mr. P K Choksi	1	
4.	JM Financial Limited jointly with Mr. Manish Sheth	1	
5.	JM Financial Limited jointly with Ms. Glenys Crasta	1	
6.	JM Financial Limited jointly with Ms. Dipti Neelakantan	1	
7.	JM Financial Limited jointly with Mr. Vishal Kampani	1	
TOTAL		18,00,000	100

The Pre and Post Merger Shareholding Pattern of JMFL (the Transferee Company) as on March 31, 2017 is as follows:

Sr. No	Description	Pre-Merger shareholding		Post-Merger shareholding	
		Number of shares	% (A+B)	Number of shares	% (A+B)
(A)	PROMOTER AND PROMOTER GROUP				
(1)	Indian				
(a)	Individuals/Hindu Undivided Family	19,20,72,485	24.17	19,20,72,485	24.17
(b)	Bodies Corporate	32,69,49,508	41.15	32,69,49,508	41.15
(c)	Others	-	-	-	-
	Sub-Total A(1):	51,90,21,993	65.32	51,90,21,993	65.32

(2)	Foreign				
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-	-	-
	Sub-Total A(2) :	-	-	-	-
	Total A=A(1)+A(2)	51,90,21,993	65.32	51,90,21,993	65.32
(B)	PUBLIC SHAREHOLDING				
(1)	INSTITUTIONS				
(a)	Mutual Funds	1,98,39,589	2.50	1,98,39,589	2.50
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternative Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	11,55,83,321	14.55	11,55,83,321	14.55
(f)	Financial Institutions/ Banks	2,05,041	0.03	2,05,041	0.03
(g)	Insurance Companies	-	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-	-
(i)	Any other	-	-	-	-
	Sub-Total B(1) :	13,56,27,951	17.07	13,56,27,951	17.07
(2)	Non-Institutions				
(a)	Individuals				
	(i) Individuals holding nominal share capital upto Rs. 2 lakh	4,73,29,997	5.96	4,73,29,997	5.96
	(ii) Individuals holding nominal share capital in excess of Rs. 2 lakh	3,32,16,486	4.18	3,32,16,486	4.18
(b)	NBFC registered with RBI	10,35,448	0.13	10,35,448	0.13
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (holding DRs)	-	-	-	-
(e)	Others	5,82,93,239	7.34	5,82,93,239	7.34
	Sub-Total B(2) :	13,98,75,170	17.60	13,98,75,170	17.60
	Total B=B(1)+B(2) :	27,55,03,121	34.68	27,55,03,121	34.68
(C)	Shares held by Employee Trust	-	-	-	-
	Total C	-	-	-	-
	Total (A+B+C) :	79,45,25,114	100	79,45,25,114	100

Note:

1. JMFL is a listed entity. Hence, its shareholding pattern is subject to change from time to time due to trading of shares on stock exchanges and issue of shares pursuant to exercise of stock options by the eligible employees. Subsequent to March 31, 2017, the paid up share capital of JMFL has increased to Rs. 79,70,67,410/- due to the issue and allotment of shares to the eligible employees upon exercise of stock options by them.

11. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

- 11.1. The Directors of JMFIS, JMFIM and JMFL may be deemed to be concerned and/ or interested in the proposed Scheme to the extent of the shares that may be held by them or by the companies, firms, institutions, trusts (of which they are Directors, Partners, Members or Trustees) in JMFIS, JMFIM and JMFL. None of the Directors and the Key Managerial Personnel of

JMFIS, JMFIM and JMFL has any material interest in the Scheme except as shareholders to the extent of the shares held by them, as reflected in the Register of Directors' Shareholding maintained by JMFIS, JMFIM and JMFL. Additionally, the Scheme of Amalgamation does not have any effect on the Directors/Key Managerial Personnel/Promoters/ Non-promoter Shareholders/Creditors/Employees of JMFIS, JMFIM and JMFL.

11.2. The details of the present directors and Key Managerial Personnel of JMFIS, JMFIM and JMFL and their respective shareholdings as on March 31, 2017 are as follows:

JMFIS

Name	Designation	Shares held in JMFIS	Shares held in JMFIM	Shares held in JMFL
Mr. Nimesh Kampani	Chairman	-	-	13,53,57,500
Mr. Vishal Kampani	Director	-	-	1,02,63,647
Ms. Dipti Neelakantan	Director	-	-	5,25,006
Mr. Prashant Choksi	Director	-	-	2,54,500
Mr. Paul Zuckerman	Independent Director	-	-	-
Mr. Sujal Shah	Independent Director	-	-	-
Mr. S R Nayak	Whole time Director & Chief Financial Officer	-	-	98,645
Mr. Chintal D Sakaria	Company Secretary	-	-	-

JMFIM

Name	Designation	Shares held in JMFIS	Shares held in JMFIM	Shares held in JMFL
Mr. Vishal Kampani	Chairman	-	-	1,02,63,647
Ms. Dipti Neelakantan	Director	-	-	5,25,006
Mr. Manish Sheth	Director	-	-	2,65,295
Mr. Anil Bhatia	Director	-	-	-
Mr. Raj Agarwal	Chief Financial Officer	-	-	-

JMFL

Name	Designation	Shares held in JMFIS	Shares held in JMFIM	Shares held in JMFL
Mr. Nimesh Kampani	Chairman	-	-	13,53,57,500
Mr. Darius E Udawadia	Independent Director	-	-	-
Mr. E A Kshirsagar	Independent Director	-	-	-
Mr. Paul Zuckerman	Independent Director	-	-	-
Dr. Vijay Kelkar	Independent Director	-	-	-
Mr. Keki Dadiseth	Independent Director	-	-	-
Ms. Jagi Mangat Panda	Independent Director	-	-	-
Mr. Vishal Kampani	Managing Director	-	-	1,02,63,647
Mr. Prashant Choksi	Group Head – Compliance, Legal & Company Secretary	-	-	2,54,500
Mr. Manish Sheth	Group Chief Financial Officer	-	-	2,65,295

12. GENERAL

- 12.1. JMFIS, JMFIM and JMFL had made an application before the Mumbai Bench of NCLT for the sanction of the Scheme under Section 230 to Section 232 of the Act. A copy of the proposed scheme has been filed by the respective companies with the Registrar of Companies, Mumbai, Maharashtra.
- 12.2. In relation to the meeting of JMFL, equity shareholders of JMFL whose names would appear in the records of the Company as on Monday, September 18, 2017 shall be eligible to vote at the meeting of the equity shareholders of JMFL convened at the direction of the Mumbai Bench of the NCLT by e-voting/ballot paper.
- 12.3. There are Secured as well as Unsecured Creditors in JMFIS. JMFIS has dues of Rs. 16.13 Lakh to Secured Creditors as on June 30, 2017. There are Unsecured Creditors amounting to Rs. 991.61 Lakh in JMFIS as on June 30, 2017.
- 12.4. There are Secured as well as Unsecured Creditors in JMFIM. JMFIM has dues of Rs. 13.04 Lakh to Secured Creditors as on June 30, 2017. There are Unsecured Creditors amounting to Rs. 165.86 Lakh in JMFIM as on June 30, 2017.
- 12.5. There are Secured as well as Unsecured Creditors in JMFL. JMFL has dues of Rs. 0.87 Lakh to Secured Creditors as on June 30, 2017. There are Unsecured Creditors amounting to Rs. 37,521.26 Lakh in JMFL as on June 30, 2017.
- 12.6. The rights and interests of Secured and Unsecured creditors of JMFIS, JMFIM and JMFL will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, JMFL will be able to meet its liabilities as they arise in the ordinary course of business.
- 12.7. Except to the extent of the shares held by the Directors and Key Managerial Personnel, none of the Directors, Key Managerial Personnel of JMFL or their relatives is in any way concerned or interested in the aforesaid resolution.
- 12.8. As on August 18, 2017, the entire share capital of JMFIS and JMFIM is held by JMFL.
- 12.9. The latest audited accounts for the year ended March 31, 2017 of JMFL indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any Secured or Unsecured creditor of the concerned companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the Amalgamation will not cast any additional burden on the shareholders or creditors of any of the companies, nor will it affect the interest of any of the shareholders or creditors.
- 12.10. There are no winding up proceedings pending against JMFIS or JMFIM as of date.
- 12.11. No investigation proceedings are pending under the provisions of Chapter XIV of the Act or under the provisions of the Companies Act, 1956 in respect of any of the companies.
- 12.12. The concerned companies are required to seek approvals/sanctions/no-objection from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director and Official Liquidator and will obtain the same at the relevant time.
- 12.13. Since JMFIS and JMFIM are wholly owned subsidiaries of JMFL, no shares will be issued and allotted by JMFL pursuant to amalgamation and accordingly, the shares of JMFIS and JMFIM held by JMFL shall stand cancelled. Thereby, the shareholders of JMFL will continue to remain beneficial owners of JMFIS and JMFIM in the same proportion in which they held shares in JMFIS and JMFIM prior to amalgamation. Thus, there would be no change in the shareholding pattern of JMFL.

12.14. A report pursuant to Section 232(2)(c) of the Act, explaining effect of the Scheme on the shareholders, key managerial personnel, promoters and non-promoter shareholders, are enclosed as **Annexure B** hereto.

12.15. The Scheme will not have any impact on the employees of JMFIS and JMFIM as they would continue to be in employment of JMFL without any change in their terms of employment on account of the Scheme. Further, no change in the Board of Directors of JMFL is envisaged on account of the Scheme.

12.16. Names and addresses of the directors and promoter(s) of JMFIS are as under:

Name of Directors	Address of Directors
Mr. Nimesh Kampani	123, Maker Tower B, Cuffe Parade, Colaba, Mumbai 400005
Mr. Vishal Kampani	123, Maker Tower B, Cuffe Parade, Colaba, Mumbai 400005
Ms. Dipti Neelakantan	1203A, Birchwood, Hiranandani Gardens, Powai, Mumbai 400076
Mr. P K Choksi	403/404 Yeshomangal CHS, L S Road, Andheri, Mumbai 400058
Mr. Paul Zuckerman	105, Grosvenor Road, London, United Kingdom – SW1V3LG
Mr. Sujal Shah	Mayfair Kumkum CHS Ltd., S V Road, Andheri, Mumbai 400058
Mr. S R Nayak	Venus Apartments, Bhandar Gulli, Matunga, Mumbai 400016

Name of Promoter	Address of Promoter
JM Financial Limited	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025.

12.17. Names and addresses of the directors and promoter(s) of JMFIM are as under:

Name of Directors	Address of Directors
Mr. Vishal Kampani	123, Maker Tower B, Cuffe Parade, Colaba, Mumbai 400005.
Ms. Dipti Neelakantan	1203A, Birchwood, Hiranandani Gardens, Powai, Mumbai 400076.
Mr. Manish Sheth	1C/41, Kalpatru Gardens, Off Ashok Chakravarty Road, Kandivali West, Mumbai 400101.
Mr. Anil Bhatia	1, Nileema, 12 th Road, Khar West, Mumbai 400052.

Name of Promoter	Address of Promoter
JM Financial Limited	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025.

12.18. Names and addresses of the directors and promoters of JMFL are as under:

Name of Directors	Address of Directors
Mr. Nimesh Kampani	123, Maker Tower B, Cuffe Parade, Colaba, Mumbai 400005.
Mr. Darius E Udawadia	142, Empress Court, Maharashi Karve Road, Churchgate, Mumbai 400020.
Mr. E A Kshirsagar	19, Tarangini, Twin Tower Road, Prabhadevi, Mumbai 400025
Mr. Paul Zuckerman	105, Grosvenor Road, London, United Kingdom – SW1V3LG
Dr. Vijay Kelkar	A-701, Blossom Boulevard, South Main Road, Koregaon Park, Pune 411001
Mr. Keki Dadiseth	8A Maneck, L D Ruparel Road, Malabar Hill, Mumbai 400006
Ms. Jagi Mangat Panda	C-1, Chandrashekharpur, Orissa, Bhubaneswar 751016
Mr. Vishal Kampani	123, Maker Tower B, Cuffe Parade, Colaba, Mumbai 400005.

Name of Promoters	Address of Promoters
Mr. Nimesh Kampani	123, Maker Tower B, Cuffe Parade, Colaba, Mumbai 400005.
J. M. Financial & Investment Consultancy Services Private Limited	141, Maker Chambers III, Nariman Point, Mumbai 400021

- 12.19. The Board of Directors of JMFIS approved the Scheme on May 2, 2017. Details of directors of JMFIS who voted in favour/ against/did not participate in the meeting of the Board of Directors are given below:

Name of Directors	Voted in favour/against/did not participate
Mr. Nimesh Kampani	Voted in favour
Mr. Vishal Kampani	Voted in favour
Ms. Dipti Neelakantan	Voted in favour
Mr. P K Choksi	Voted in favour
Mr. Paul Zuckerman	Voted in favour
Mr. Sujal Shah	Voted in favour
Mr. S R Nayak	Voted in favour

- 12.20. The Board of Directors of JMFIM approved the Scheme on May 2, 2017. Details of directors of JMFIM who voted in favour/ against/did not participate in the meeting of the Board of Directors are given below:

Name of Directors	Voted in favour/against/did not participate
Mr. Vishal Kampani	Voted in favour
Ms. Dipti Neelakantan	Voted in favour
Mr. Manish Sheth	Voted in favour
Mr. Anil Bhatia	Voted in favour

- 12.21. The Board of Directors of JMFL approved the Scheme on May 2, 2017. Details of directors of JMFL who voted in favour/ against/did not participate in the meeting of the Board of Directors are given below:

Name of Directors	Voted in favour/against/did not participate
Mr. Nimesh Kampani	Voted in favour
Mr. Darius E Udawadia	Voted in favour
Mr. E A Kshirsagar	Voted in favour
Mr. Paul Zuckerman	Voted in favour
Dr. Vijay Kelkar	Voted in favour
Mr. Keki Dadiseth	Voted in favour
Ms. Jagi Mangat Panda	Voted in favour
Mr. Vishal Kampani	Voted in favour

- 12.22. The Audited Financial Statements of JMFL for the financial year ended on March 31, 2017 are enclosed hereto as **Annexure C**.

- 12.23. Inspection of the following documents specified under Rule 6(3)(ix) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, will be available to the equity shareholders of JMFL at its registered office on all working days, except Saturdays, between 2.00 p.m. and 4.00 p.m. up to the date of the meeting.

- a) Copy of the Order dated August 2, 2017 of the Mumbai Bench of the NCLT passed in Company Scheme Application No. 793 of 2017 directing the convening of the meeting of the equity shareholders of JMFL.
- b) Audited Financial Statements of JMFL for the financial year ended March 31, 2017.
- c) Copy of the Scheme of Amalgamation.
- d) Certificate issued by the auditor dated July 13, 2017 stating that the accounting treatment proposed in the Scheme is in conformity with accounting standards prescribed under Section 133 of Act.
- e) Copies of the Memorandum and Articles of Association of JMFIS, JMFIM and JMFL.

This Statement may be treated as the Statement under Section 230(3) read with Section 102 of the Act. A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025 or at the office of its Advocates M/s. Hemant Sethi & Co, 1602, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400071.

Place : Mumbai
Date : August 18, 2017

Nimesh Kampani
Chairman appointed for the meeting

JM Financial Limited

Registered Office : 7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai - 400025
CIN L67120MH1986PLC038784

**SCHEME OF AMALGAMATION
BETWEEN
JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED
AND
JM FINANCIAL INVESTMENT MANAGERS LIMITED
AND
JM FINANCIAL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013**

(A) PREAMBLE

This Scheme of Amalgamation ('Scheme') is presented pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for amalgamation of JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited with JM Financial Limited.

(B) DESCRIPTION OF COMPANIES**a) JM FINANCIAL LIMITED ('JMFL')**

- i. JM Financial Limited is a public limited company incorporated under the provisions of Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.
- ii. The equity shares of JMFL are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).
- iii. JMFL is a Core Investment Company registered with the Reserve Bank of India ("the RBI") having investments in subsidiary and associate companies.

b) JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED ('JMFIS')

- i. JM Financial Institutional Securities Limited is a public limited company incorporated under the provisions of Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.
- ii. The entire share capital of JMFIS is held by JM Financial Limited together with its nominees.
- iii. JMFIS is a Securities and Exchange Board of India (SEBI) Registered Category I Merchant Banker, Stock Broker and Research Analyst. JMFIS presently provides merchant banking services including advisory services for capital market transactions, raising of capital, mergers, acquisitions, restructuring, financial advisory and private equity advisory to corporates in the domestic and international markets. JMFIS also provides research and analysis based stock broking services to both domestic and offshore institutional clients.

c) JM FINANCIAL INVESTMENT MANAGERS LIMITED ('JMFIM')

- i. JM Financial Investment Managers Limited is a public limited company incorporated under the provisions of Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.

- ii. The entire share capital of JMFIM is held by JM Financial Limited and its nominees.
- iii. JMFIM is engaged in the business of private equity fund management. Currently, JMFIM manages the JM Financial India Fund which is a broad-based, multi-sector USD 225 million fund that has invested in dynamic and fast growing domestic companies seeking growth capital.

(C) RATIONALE FOR THE SCHEME

JM Financial Group is a pioneer in rendering services in the areas of Merchant Banking, Institutional Equities, Asset Management/ Broking, NBFC, Asset Reconstruction amongst others. Its flagship company, JMFL is a Core Investment Company (CIC) under the RBI Regulations.

The key management team of JMFL overlooks strategic and management decisions, as a part of group restructuring exercise to streamline the business operations and to bring administrative synergies, it is proposed to merge JMFIM & JMFIS (post demerger of Institutional Equities Division) into JMFL. This would increase the underwriting capability of JMFL and yield synergies and operating efficiencies including elimination of multiplicity of corporate functions such as controllers, compliance, human resources, etc.

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part A** deals with the definitions and share capital;
- (ii) **Part B** deals with amalgamation of JMFIS and JMFIM with JMFL; and
- (iii) **Part C** deals with other terms and conditions applicable to this Scheme.

PART A

1. DEFINITIONS

In this Scheme of Amalgamation, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2 **“Appointed Date”** means January 01, 2018 or such other date as may be approved by the NCLT at Mumbai, or any other competent authority, as maybe applicable.
- 1.3 **“Board of Directors” or “Board”** means the board of directors of JMFIS, JMFIM and JMFL, as the case may be, and shall include a duly constituted committee thereof.
- 1.4 **“Effective Date”** means the date on which the certified copy of the order sanctioning this Scheme of Amalgamation, passed by the NCLT or such other competent authority, as may be applicable, is filed by JMFIS, JMFIM and JMFL with the Registrar of Companies, Mumbai, Maharashtra.
- 1.5 **“JMFIS” or “the First Transferor Company”** means JM Financial Institutional Securities Limited (CIN: U65192MH1995PLC092522), a company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, for the purpose of amalgamation of JMFIS.
- 1.6 **“JMFIM” or “the Second Transferor Company”** means JM Financial Investment Managers Limited (CIN: U74100MH1985PLC035954), a company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.
- 1.7 **“JMFL” or “the Transferee Company”** means JM Financial Limited (CIN: L67120MH1986PLC038784), a company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.
- 1.8 **“NCLT” or “Tribunal”** means the National Company Law Tribunal of Judicature at Mumbai.
- 1.9 **“Scheme” or “the Scheme” or “this Scheme” or “this Scheme of Amalgamation”** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 17 of this Scheme as approved or directed by the NCLT or such other competent authority, as may be applicable.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT

The amalgamation of JMFIS and JMFIM into JMFL, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date, but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1 The authorised share capital and the issued, subscribed and fully paid-up share capital of JMFIS as on March 31, 2017 is as under:

Particulars	Amount (Rs)
<u>Authorised Share Capital</u>	
5,00,20,000 Equity Shares of Rs. 10/- each	50,02,00,000/-
4,38,00,000 Preference Shares of Rs. 10 each	43,80,00,000/-
TOTAL	93,82,00,000/-
<u>Issued, Subscribed & Paid-up Share Capital</u>	
2,80,00,000 Equity Shares of Rs. 10/- each	28,00,00,000/-
TOTAL	28,00,00,000/-

Subsequent to March 31, 2017 and on the date of filing this scheme, there is no change in the issued, subscribed and paid up capital of JMFIS. The entire paid-up equity share capital is held by JMFL together with its nominees.

- 3.2 The authorised share capital and the issued, subscribed and paid-up share capital of JMFIM as on March 31, 2017 is as under:

Particulars	Amount (Rs)
<u>Authorised Share Capital</u>	
20,00,000 Equity Shares of Rs. 10/- each	2,00,00,000/-
TOTAL	2,00,00,000/-
<u>Issued, Subscribed & Paid-up Share Capital</u>	
18,00,000 Equity Shares of Rs. 10/- each	1,80,00,000/-
TOTAL	1,80,00,000/-

Subsequent to March 31, 2017 and on the date of filing this scheme, there is no change in the issued, subscribed and paid up capital of JMFIM. The entire paid-up equity share capital is held by JMFL together with its nominees.

- 3.3 The authorised share capital and the issued, subscribed and fully paid-up share capital of JMFL as on March 31, 2017 is as under:

Particulars	Amount (in Rs.)
<u>Authorised Share Capital</u>	
1,00,00,00,000 Equity Shares of Re. 1 each	1,00,00,00,000/-
TOTAL	1,00,00,00,000/-
<u>Issued, Subscribed & Paid up Capital</u>	
79,45,25,114 Equity Shares of Re.1/- each fully paid-up	79,45,25,114/-
TOTAL	79,45,25,114/-

Subsequent to March 31, 2017, there has been a change in the issued, subscribed and fully paid-up share capital of JMFL pursuant to issue of shares under employee stock option scheme. The new issued, subscribed and fully paid-up share capital of JMFL as on July 25, 2017 is as under:

Particulars	Amount (in Rs.)
<u>Authorised Share Capital</u>	
1,00,00,00,000 Equity Shares of Re. 1 each	1,00,00,00,000/-
TOTAL	1,00,00,00,000/-
<u>Issued, Subscribed & Paid up Capital</u>	
79,70,67,410 Equity Shares of Re.1/- each fully paid-up	79,70,67,410/-
TOTAL	79,70,67,410/-

PART B

AMALGAMATION OF JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED AND JM FINANCIAL INVESTMENT MANAGERS LIMITED WITH JM FINANCIAL LIMITED

4. TRANSFER AND VESTING OF UNDERTAKING OF JMFIS AND JMFIM INTO JMFL

- 4.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of JMFIS and JMFIM including all its properties and assets, (whether movable or immovable, tangible or intangible), land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, all the receivables, advances, deposits etc. including, without limitation, all the movables and immovable properties and assets of JMFIS and JMFIM comprising amongst others, investments, and business licenses, trading licenses, permits, authorisations, if any, rights and benefits of all agreements and approvals and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other taxes paid to the authorities, brand names, trademarks, copy rights, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, no objection certificate from any authorities, including the municipal authorities, electricity board, licenses, power of attorney, lease, tenancy rights, letter of intents, permissions, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits, minimum alternate tax credit entitlement, etc., credit for service tax, sales tax / value added tax / goods and services tax and / or any other statutes, incentives, if any, and all other rights, title, interest, contracts shall, pursuant to the order of the NCLT and pursuant to provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in JMFL on a going concern basis so as to become the assets of JMFL.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by JMFIS, JMFIM and JMFL shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

- 4.2. Without prejudice to the generality of Clause 4.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:
- (a) Subject to the provisions of this Scheme, as specified hereinafter, and with effect from the Appointed Date, the entire business and the undertaking of JMFIS and JMFIM including all their debts, liabilities, duties and obligations of every description and also including, without limitation, all the movable properties and assets of JMFIS and JMFIM comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in JMFL as a going concern so as to become the assets and liabilities of JMFL.
 - (b) Without prejudice to the provisions of Clause 4.2. (a) above, in respect of such assets and properties of JMFIS and JMFIM as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or

by endorsement and/or delivery, the same shall be so transferred by JMFIS and JMFIM and shall, upon such transfer, become the assets and properties of JMFL as an integral part of the undertaking, without requiring any separate deed or instrument or conveyance for the same. No stamp duty or any other charges shall be payable on the transfer of such movable properties upon its transfer and vesting in JMFL.

- (c) In respect of movables other than those dealt with in Clause 4.2 (b) above including sundry debtors, bills, loans and advances, deposits of any kind and other current assets, if any, whether receivable in cash or kind or for the value to be received, cash and bank balances, investments, etc., shall on and from the Appointed Date stand transferred to and vested in JMFL without any notice or other intimation to the debtors or depositor or any person, as the case may be, so that the said debt, loan, advance, deposit, investments, etc. stands transferred and vested in JMFL.
 - (d) All immovable properties of JMFIS and JMFIM, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of JMFIS and JMFIM, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto without taking any approval, shall stand vested in and/ or be deemed to have been vested in JMFL, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme and the order of the Tribunal shall for all purposes be treated as the instrument conveying transfer of such properties and assets to JMFL without requiring the execution of any other deed or document or instrument of conveyance and its filings with the Registrar concerned. Such assets shall stand vested in JMFL by operation of law. JMFL shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable property in this regard.
- 4.3. Upon coming into effect of this Scheme and with effect from the Appointed Date, all the movables and immovable properties and assets of JMFIS and JMFIM comprising amongst others investments, and business licenses, trading licenses, permits, authorisations, if any, rights and benefits of all agreements and approvals and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other taxes paid to the authorities, brand names, trademarks, copy rights, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, no objection certificate from any authorities, including the municipal authorities, electricity board, licenses, powers of attorney, lease, letters of intent, permissions, leases, tenancy rights, liberties, approvals or consents relating to and/or held by JMFIS and JMFIM and all rights and benefits that have accrued or which may accrue to JMFIS and JMFIM, whether before or after the Appointed Date shall stand vested in or transferred to JMFL, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of JMFL pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by JMFIS and JMFIM shall vest with and be available to JMFL on the same terms and conditions.
- 4.4. Upon coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description pertaining to JMFIS and JMFIM shall also without any further act or deed, be transferred to or deemed to be transferred to JMFL, so as to become from the Appointed Date the debts, liabilities, duties and obligations of JMFL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

- 4.5. All encumbrances, if any, existing prior to the Effective Date over the assets of JMFIS and JMFIM which secure or relate to the liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to JMFL. Provided that, if any of the assets of JMFIS and JMFIM have not been encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such encumbrances shall not relate or attach to any of the other assets of JMFL. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 4.6. All taxes of any nature, duties, cess or any other like payments or deductions made by JMFIS and JMFIM to any statutory authorities such as Income Tax, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax etc. or any tax deduction/ collection at source, including Minimum Alternate Tax, relating to the period after the Merger Appointed Date and upto the Effective Date shall be deemed to have been on account of and on behalf of JMFL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to JMFL upon the coming into effect of this Scheme and upon relevant proof and documents being provided to the said authorities.
- 4.7. The provisions of this Scheme as they relate to the amalgamation of JMFIS and JMFIM, has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect other parts of the Scheme.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which JMFIS and JMFIM are party or to the benefit of which JMFIS or JMFIM may be eligible, and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favour of JMFL and may be enforced as fully and effectually as if instead of JMFIS or JMFIM, JMFL had been the party thereof.
- 5.2. JMFL shall, if so required or become necessary, enter into and / or issue and / or execute deeds, writings or confirmation in order to give formal effect to the provisions of this Scheme. Further, JMFL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of JMFIS and JMFIM and to implement or carry out all formalities required on the part of JMFIS and JMFIM to give effect to the provisions of this Scheme.

6. STAFF, WORKMEN, AND EMPLOYEES

- 6.1. On the Scheme becoming effective, staff and employees, if any, of JMFIS and JMFIM in service on the Effective Date, shall be deemed to have become staff and employees of JMFL on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting as on the said date.
- 6.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Pension Fund, Superannuation Fund or any other Special Fund or Trusts (hereinafter referred to as Fund or Funds) created or existing

for the benefit of the staff, workmen and employees of JMFIS and JMFIM, if any, shall become trusts/funds of JMFL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of JMFIS and JMFIM in relation to such Fund or Funds shall become those of JMFL. It is clarified that the services of the staff and employees of JMFIS and JMFIM will be treated as having been continuous for the purpose of the said Fund or Funds.

7. LEGAL, TAXATION AND OTHER PROCEEDINGS

Upon coming into effect of this Scheme and with effect from the Appointed Date, all suits, actions, appeal and other proceedings including legal and taxation proceedings (including before any statutory or quasi-judicial authority or tribunal) of whatever nature is pending by or against JMFIS and JMFIM, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against JMFL as effectually and in the same manner and to the same extent as if the same has been instituted and/or pending and/or arising by or against JMFIS and JMFIM.

8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 8.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and upto and including the Effective Date, JMFIS and JMFIM shall carry on and be deemed to have been carrying on their respective business and activities and shall stand possessed of and hold all of the business for and on account of and for the benefit of and in trust for JMFL. Further, all the profits or income accruing or arising to JMFIS and JMFIM or expenditure or losses arising to or incurred by JMFIS and JMFIM, with effect from the said Appointed Date shall for all purposes and intent be treated and be deemed to be and accrue as the profits or income or expenditure or losses of JMFL, as the case may be.
- 8.2. With effect from the date of approval of this Scheme by the Board of Directors of JMFIS and JMFIM and JMFL and upto and including the Effective Date:
 - (a) JMFIS and JMFIM shall carry on their respective business and activities with reasonable diligence, business prudence and shall not without the prior written consent of JMFL, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business; (ii) nor shall they undertake any new business or substantially expand their existing business;
 - (b) JMFIS and JMFIM shall not alter their respective equity capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of JMFL; and

9. SAVING OF CONCLUDED TRANSACTIONS

The amalgamation of JMFIS and JMFIM into JMFL under Clause 4 and the continuance of legal proceedings by or against JMFIS and JMFIM as per Clause 7 shall not affect any transaction or proceedings already concluded by JMFIS or JMFIM on or after the Appointed Date till the Effective Date, to the end and intent that JMFL accepts and adopts all acts, deeds and things done and executed by JMFIS and JMFIM in respect thereto as done and executed on behalf of itself.

10. CONSIDERATION

JMFL holds the entire share capital of JMFIS and JMFIM alongwith its nominees. Hence, no shares will be issued to JMFL pursuant to merger of JMFIS and JMFIM into JMFL.

11. CANCELLATION OF SHARES OF JMFIS AND JMFIM

Since entire issued, subscribed and paid-up share capital of JMFIS and JMFIM is directly held by JMFL along with its nominees, on the date of coming into effect of this Scheme and accordingly, no shares of JMFL shall be allotted in lieu or exchange of its holding in JMFIS and JMFIM and JMFL's investment in the entire share capital of JMFIS and JMFIM shall stand cancelled in the books of JMFL. Upon coming into effect of this Scheme, the share certificates, if any, and/or the shares in electronic form representing the shares held by JMFL along with its nominees in JMFIS and JMFIM shall be deemed to be cancelled without any further act or deed for cancellation thereof by JMFL, and shall cease to be in existence accordingly.

12. COMBINATION OF AUTHORISED SHARE CAPITAL

12.1. The provisions of this Clause shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

12.2. Upon the coming into effect of this Scheme, the authorised share capital of JMFL shall automatically stand increased without any further act, instrument or deed on the part of JMFL including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of JMFIS and JMFIM as on the Effective Date and the Memorandum of Association of JMFL (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under or Section 13, Section 61 or any other applicable provisions of Companies Act, 2013 would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by JMFIS and JMFIM on their authorised share capital shall be utilized and applied to the increased share capital of JMFL, and shall be deemed to have been so paid by JMFL on such combined authorised share capital and accordingly, JMFL shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

13. AMENDMENT OF THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF JMFL

With effect from the Appointed Date and upon coming into effect of this Scheme, the Objects Clause of the Memorandum of Association of JMFL be altered and amended by the insertion of the following new sub-clauses 1B, 1C, 1D and 1E immediately after the existing sub-clause 1A under Clause III-A thereof.

1B To carry on the business of merchant banking in all its aspects, to act as managers to the issue and offers, whether by way of public offer or otherwise, of shares, stocks, debentures, bonds, units, participation certificates, deposits, bills, warrants or any other instruments whether or not transferable or negotiable, commercial or other paper or scrips (hereinafter collectively referred to as the 'securities'), to underwrite, sub-underwrite or to provide stand-by or procurement arrangements, in respect of the securities, to issue guarantees or to give any other commitments for subscribing or agreeing to subscribe or procure or agree to procure subscription for the securities, to manage portfolio investments, of any person or company, by investment in various avenues like mutual funds, growth funds, income funds, risk funds, tax exempt funds, pension/superannuation funds and to pass the benefits of portfolio investments to the investors as dividends, bonus, interest, or such other modes as may be necessary, to provide financial and investment assistance for the purposes herein.

1C To carry on the business of acting as financial consultants, project consultants, issue houses, discount houses, custodians, registrar and transfer agents, managers; and advisors, in respect of any financial or project related services, including services in respect of issue of equity, preference or other capital debentures, debt instruments or other securities and loans, guarantees and other financial or credit facilities for any person, company, corporation, institutions, equity, government or other agency whether incorporated or not.

- 1D *To carry on the business of advising and managing venture capital funds for private investors, trusts, institutional investors, banks, companies, individuals or any other body corporate (whether incorporated or not in India or abroad) for investment in stocks, shares, finance, debenture bonds, property, depository receipts, options, obligations, derivatives or in and all kinds of financial instruments; to float various venture capital schemes for investments in various sectors, including but not limited to, real estate and allied sectors*
- 1E *To carry on the business of promoting, organising, supervising, procuring, incorporating and giving financial or other assistance in India or abroad independently or in association with any other person, Government or any other agencies whether incorporated or not and to act as administrators or managers of any investment trusts or funds including any growth funds, income or capital funds, taxable or tax exempt funds, provident funds, pension funds, gratuity funds, superannuation funds, charitable funds and unit trusts or consortium, to act as trustees for bondholders, debenture holders and other purposes herein mentioned; to constitute any trust and to subscribe and act as, and to exercise the powers of trustees, executors, administrators, receivers, treasurers, attorneys, nominees, and agents and to manage the funds of all kinds of trusts and to render periodic advice on investments, finance, taxation and to invest these funds from time to time in various forms of investments including stocks, shares, finance, debentures, bonds, property, depository receipts, options, obligations, derivatives, or in and all kinds of financial instruments.*

14. DISSOLUTION OF JMFIS AND JMFIM

On the coming into effect of the Scheme JMFIS and JMFIM shall stand dissolved, without being wound up.

15. ACCOUNTING TREATMENT

The accounting treatment to be given to the amalgamation shall be as prescribed under the Pooling of Interest method as per Accounting Standard 14 “Accounting for Amalgamation” as issued by the Institute of Chartered Accountants of India.

In the Books of JMFL

- 15.1. All the assets, liabilities and reserves recorded in the books of JMFIS and all the assets, liabilities and reserves recorded in the books of JMFIM shall stand transferred to and vested in JMFL pursuant to the Scheme and shall be recorded by JMFL at their book values.
- 15.2. The intercompany deposits / loans and advances outstanding and investments between JMFIS, JMFIM and JMFL will stand cancelled.
- 15.3. The investment in the share capital of JMFIS and JMFIM appearing in the books of account of JMFL will stand cancelled.
- 15.4. The difference between the book value of assets and the book value of liabilities and reserves of JMFIS and JMFIM transferred to and recorded by JMFL in terms of Clause 15.1 hereinabove respectively, after adjusting for the value of investments of JMFIS and JMFIM as appearing in the books of JMFL, shall be debited to the Surplus in the Statement of Profit and Loss or credited to Capital Reserve Account, as the case may be.
- 15.5. If considered appropriate for the purpose of application of uniform accounting methods and policies between JMFIS, JMFIM and JMFL, JMFL may make suitable adjustments to record the assets and liabilities transferred by JMFIS and JMFIM in its books and debit or credit, as the case may be, the difference to the Surplus in the Statement of Profit and Loss.

PART C

OTHER TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

16. APPLICATION TO THE NCLT

JMFIS, JMFIM and JMFL shall make all necessary applications and petitions under Sections 230 to 232 and other applicable provisions of the Act to the NCLT of Judicature at Mumbai for seeking approval of the Scheme.

17. MODIFICATION / AMENDMENT TO THE SCHEME AND GENERAL POWER TO THE BOARD

JMFIS, JMFIM and JMFL subject to approval of their respective Board of Directors, may, in their full and absolute discretion, jointly and as mutually agreed in writing consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the NCLT or any other authorities under law may deem fit to approve of, to direct and / or impose. The aforesaid powers of JMFIS, JMFIM and JMFL to give effect to the modifications / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of the NCLT or any other authorities under the applicable law to such modifications / amendments to the Scheme. The Board of Directors may modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time.

18. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- 18.1. The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, including the Reserve Bank of India, Stock Exchange(s) and/or Securities and Exchange Board of India, which by law may be necessary for the implementation of this Scheme;
- 18.2. The Scheme being approved by the respective requisite majorities of the members and / or creditors of JMFIS, JMFIM and JMFL, as may be directed by the NCLT, and/or any other competent authority, and it being sanctioned by the NCLT and/or any other competent authority, as may be applicable;
- 18.3. The certified copies of the order of NCLT under Sections 230 to 232 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Mumbai, Maharashtra.
- 18.4. Certified copy of the orders of the NCLT approving the Scheme of Arrangement for demerger of Institutional Equities Division from JM Financial Institutional Securities Limited into JM Financial Securities Limited being filed with the Registrar of Companies, Mumbai, Maharashtra.

19. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

- 19.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause 18 not being obtained and/or the Scheme not being sanctioned by the NCLT or such other competent authority and/or the Order not being passed as aforesaid before June 30, 2018 or such other date as the Board of Directors of JMFIS, JMFIM and JMFL may determine, the

Scheme shall become null and void, and be of no effect, save and except, in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability, or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and JMFL shall bear the charges and expenses in connection with the Scheme unless otherwise mutually agreed.

19.2. In the event of this Scheme failing to take effect or it becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred *inter-se* to or by the parties to the Scheme or any of them.

20. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by JMFL.

ANNEXURE B**REPORT EXPLAINING EFFECT OF THE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS & NON-PROMOTER SHAREHOLDERS.****1. Background**

- 1.1 The proposed Scheme of Amalgamation (hereinafter referred to as the “Scheme”) between JM Financial Institutional Securities Limited (hereinafter referred to as the “First Transferor Company”) and JM Financial Investment Managers Limited (hereinafter referred to as “Second Transferor Company”) and JM Financial Limited (hereinafter referred to as “Transferee Company”) and their respective shareholders was considered and approved by Board of Directors of JM Financial Limited at its meeting held on May 2, 2017.
- 1.2 This report is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013 (hereinafter referred to as the “Act”).

2. Effect of the Scheme of Amalgamation on Equity Shareholders (promoter and non-promoter shareholders), Directors and Key Managerial Personnel of JM Financial Limited

- 2.1 Under the Scheme, an arrangement is sought to be entered into between JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited and JM Financial Limited and their respective shareholders for amalgamation of First Transferor Company and Second Transferor Company into the Transferee Company. Upon the Scheme becoming effective, JM Financial Limited shall not issue and allot any shares as JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited are wholly owned subsidiaries of JM Financial Limited. No share exchange ratio is therefore required as envisaged under Section 232(2)(c) of the Act.
- 2.2 The Scheme does not have any effect on the Key Managerial Personnel and/or the Directors of JM Financial Limited.
- 2.3 The Directors and/or Key Managerial Personnel of JM Financial Limited may be deemed to be concerned and/or interested in the Scheme to the extent they are the Directors of the companies getting amalgamated, or to the extent the said Directors or Key Managerial Personnel are shareholders or partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares as a nominee or as a Trustee in any of the above mentioned companies.

for JM Financial Limited

Vishal Kampani
Managing Director
(DIN: 00009079)

AUDITED FINANCIAL STATEMENTS

STANDALONE BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	7,945.25	7,889.86
Reserves & surplus	2.2	1,64,606.79	1,57,612.24
		1,72,552.04	1,65,502.10
Share application money pending allotment		0.08	-
Non-current liabilities			
Long term borrowings	2.3	-	1.71
Deferred tax liabilities (net)	2.4	10,992.97	10,979.16
Other long term liabilities	2.5	100.00	100.00
Long term provisions	2.6	27.87	19.85
		11,120.84	11,100.72
Current liabilities			
Short term borrowings	2.7	20,656.30	42,633.80
Trade payables	2.8	92.69	87.17
Other current liabilities	2.9	856.15	983.06
Short term provisions	2.10	61.09	6,887.15
		21,666.23	50,591.18
TOTAL		2,05,339.19	2,27,194.00
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.11 A	215.37	273.42
Intangible assets	2.11 B	9.66	12.55
Non-current investments	2.12	1,76,914.80	1,75,660.30
Long term loans and advances	2.13	14,901.32	16,485.92
Other non-current assets	2.14	201.06	245.48
		1,92,242.21	1,92,677.67
Current assets			
Cash and bank balances	2.15	1,172.90	1,254.33
Short term loans and advances	2.16	10,474.14	31,252.37
Other current assets	2.17	1,449.94	2,009.63
		13,096.98	34,516.33
TOTAL		2,05,339.19	2,27,194.00
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

For and on behalf of the Board of Directors

Shivji K Vikamsey

Partner

Membership No. F-2242

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Managing Director

DIN – 00009079

E A Kshirsagar

Director

DIN – 00121824

Place: Mumbai

Date: May 2, 2017

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
Income:			
Revenue from operations	2.18	4,746.12	3,507.30
Other income	2.19	11,549.34	12,270.16
Total Revenue		16,295.46	15,777.46
Expenses:			
Employee benefits expense	2.20	825.22	1,007.80
Finance costs	2.21	3,960.40	2,715.41
Depreciation and amortisation expense	2.11	66.65	38.25
Other expenses	2.22	750.03	804.03
Provision for diminution in the value of investments		-	1.00
Total Expenses		5,602.30	4,566.49
Profit before tax		10,693.16	11,210.97
Tax Expense:			
Current tax		-	10.00
Deferred tax		13.81	(24.11)
Tax adjustment of earlier years		6.80	-
		20.61	(14.11)
Profit for the year		10,672.55	11,225.08
Earnings per equity share (EPS)	2.27		
(face value of ₹ 1/- each)			
Basic EPS (in ₹)		1.35	1.42
Diluted EPS (in ₹)		1.34	1.41
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

For and on behalf of the Board of Directors

Shivji K Vikamsey

Partner

Membership No. F-2242

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Managing Director

DIN – 00009079

E A Kshirsagar

Director

DIN – 00121824

Place: Mumbai

Date: May 2, 2017

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

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 prescribed under Section 133 of the Companies Act, 2013, ("the Act") read with paragraph 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 and lease rental 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.

Accordingly 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.

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 March 31, 2017	As at March 31, 2016
Authorised:		
100,00,00,000 (100,00,00,000) equity shares of ₹ 1/- each	10,000.00	10,000.00
Issued and Subscribed Capital:		
79,45,25,114 (78,89,85,636) equity shares of ₹1/- each		
Paid up Capital:		
79,45,25,114 (78,89,85,636) equity shares of ₹1/- each fully paid-up.	7,945.25	7,889.86
TOTAL	7,945.25	7,889.86

Note a:

Reconciliation of the number of equity shares outstanding

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	Amount (₹ in Lakh)	Number	Amount (₹ in Lakh)
Shares outstanding at the beginning of the year	78,89,85,636	7,889.86	78,37,23,677	7,837.24
Shares allotted upon exercise of stock options	55,39,478	55.39	52,61,959	52.62
Shares outstanding at the end of the year	79,45,25,114	7,945.25	78,89,85,636	7,889.86

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 March 31, 2017		As at March 31, 2016	
	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	25.60%	20,34,06,600	25.78%
Nimesh Kampani*	13,53,57,500	17.04%	13,53,57,500	17.16%
J. M. Assets Management Private Limited	10,30,42,908	12.97%	10,22,68,408	12.96%

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

Note d:

During the last 5 financial years the company (i) has not issued any bonus shares (ii) has not issued shares for consideration other than cash (iii) has not bought back any of its shares.

2.2 RESERVES & SURPLUS

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Capital reserve	0.44	0.44
Securities premium		
Opening balance	34,366.61	32,898.81
Add: On shares allotted upon exercise of stock options by the Employees	1,862.97	1,467.80
Closing balance	36,229.58	34,366.61
General reserve	18,250.00	18,250.00
Statutory reserve		
(under section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	3,809.00	1,563.00
Add: Transferred during the year	2,135.00	2,246.00
Closing balance	5,944.00	3,809.00
Stock options outstanding		
Opening balance	2,025.26	2,101.76
Add: Additions on account of options granted during the year	517.27	732.33
Less: Transferred to securities premium upon exercise of stock options	(811.18)	(741.50)
Less: Reduction on account of options lapsed during the year	(34.99)	(67.33)
Closing balance	1,696.36	2,025.26
Surplus in statement of profit and loss		
Opening balance	99,160.93	1,01,667.20
Add: Profit for the year	10,672.55	11,225.08
Amount available for appropriation	1,09,833.48	1,12,892.28
Less: Appropriations		
Interim dividend	5,159.37	4,732.92
Proposed final dividend (refer note 2.44)		6,711.51
Dividend distribution tax	52.70	40.92
Transferred to statutory reserve	2,135.00	2,246.00
	7,347.07	13,731.35
Closing balance	1,02,486.41	99,160.93
TOTAL	1,64,606.79	1,57,612.24

2.3 LONG TERM BORROWINGS

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Secured Loans		
Long term maturities of finance lease obligations (secured by way of hypothecation of a vehicle. The lease is repayable on a monthly basis for a period of 36 months) (refer note 2.28[a])	-	1.71
TOTAL	-	1.71

2.4 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Deferred tax liabilities:		
On investments	11,018.61	11,018.61
On depreciation	-	4.95
	11,018.61	11,023.56
Deferred tax assets:		
On expenditure	24.87	44.40
On depreciation	0.77	-
	25.64	44.40
TOTAL	10,992.97	10,979.16

2.5 OTHER LONG TERM LIABILITIES

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Property deposits	100.00	100.00
TOTAL	100.00	100.00

2.6 LONG TERM PROVISIONS

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
For employee benefits – gratuity [refer note 2.29 A (a)]	27.87	19.85
TOTAL	27.87	19.85

2.7 SHORT TERM BORROWINGS

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Unsecured Loans		
Commercial papers	20,890.00	43,500.00
Less: Unamortised discount on commercial papers	(233.70)	(866.20)
TOTAL	20,656.30	42,633.80

2.8 TRADE PAYABLES

(₹ in lakh)

	As at March 31, 2017	As at March 31, 2016
Micro, small and medium enterprises (refer note 2.26)	-	-
Other than micro, small & medium enterprises	92.69	87.17
TOTAL	92.69	87.17

2.9 OTHER CURRENT LIABILITIES

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Short term maturities of finance lease obligations (secured by way of hypothecation of a vehicle) (refer note 2.28[a])	1.71	3.08
Unclaimed dividend	209.40	170.37
Employee benefits payable	447.23	676.42
Statutory dues	25.81	21.19
Property Deposit	60.00	-
Other short term liabilities	112.00	112.00
TOTAL	856.15	983.06

2.10 SHORT TERM PROVISIONS

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
For employee benefits:		
Gratuity [refer note 2.29 A (a)]	14.56	24.33
Compensated absences [refer note 2.29 A (b)]	10.29	16.79
For standard assets (refer note 2.38)	36.24	93.60
For proposed dividend (refer note 2.44)	-	6,711.51
For dividend distribution tax	-	40.92
TOTAL	61.09	6,887.15

2.11 FIXED ASSETS

(₹ in Lakh)

	Gross block (at cost)			Depreciation / Amortisation			Net block	
	As at March 31, 2016	Additions for the year	Deductions for the year	As at March 31, 2017	As at March 31, 2016	Additions for the year	As at March 31, 2017	As at March 31, 2016
(A) TANGIBLE ASSETS								
Owned assets:								
Office premises	108.50	-	-	108.50	42.17	1.83	64.50	66.33
Furniture and fixtures	50.01	-	-	50.01	31.38	10.07	8.56	18.63
Office equipments	8.95	-	3.10	5.85	6.11	1.76	0.43	2.84
Computers	6.69	4.96	-	11.65	6.20	1.72	3.73	0.49
Leasehold improvements	88.59	0.73	-	89.32	51.81	15.95	21.56	36.78
Motor vehicle	190.80	-	46.43	144.37	46.75	28.87	115.18	144.05
Leased assets:								
Motor vehicles (refer note [a] below)	29.92	-	-	29.92	25.62	2.89	1.41	4.30
TOTAL (A)	483.46	5.69	49.53	439.62	210.04	63.09	215.37	273.42
(B) INTANGIBLE ASSETS								
Software	17.15	0.67	-	17.82	4.60	3.56	9.66	12.55
TOTAL (B)	17.15	0.67	-	17.82	4.60	3.56	9.66	12.55
TOTAL (A+B)	500.61	6.36	49.53	457.44	214.64	66.65	225.03	285.97
Previous year	406.09	145.60	51.08	500.61	200.87	38.25	285.97	

Note:

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

2.12 NON-CURRENT INVESTMENTS

(₹ in Lakh)

		As at March 31, 2017		As at March 31, 2016	
		Quantity	Amount	Quantity	Amount
I	TRADE INVESTMENTS (INVESTMENT IN GROUP COMPANIES)				
	<u>Unquoted</u>				
	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 Services Limited (refer note i)	5,00,00,000	10,750.00	4,55,00,000	9,500.00
4	JM Financial Properties and Holdings Limited	30,00,000	300.00	30,00,000	300.00
5	Infinite India Investment Management Limited	16,00,000	238.00	16,00,000	238.00
6	JM Financial Insurance Broking Private Limited (refer note ii)	-	-	60,000	1.00
7	JM Financial Products Limited	49,00,50,000	50,941.33	49,00,50,000	50,941.33
8	JM Financial Credit Solutions Limited	12,50,000	35,440.00	12,50,000	35,440.00
9	JM Financial Asset Management Limited	3,14,62,500	13,138.49	3,14,62,500	13,138.49
10	JM Financial Asset Reconstruction Company Limited (refer note iii)	12,06,50,000	13,178.58	12,06,25,000	13,174.08
	In associate company:				
11	JM Financial Trustee Company Private Limited	25,000	2.50	25,000	2.50
	<u>Quoted</u>				
	Investment in Debentures				
	In subsidiary company:				
12	JM Financial Asset Reconstruction Company Limited (13% Secured, Rated, Redeemable Non-Convertible Debentures of ₹ 10,00,000/- each) (refer note iv)	700	7,000.00	700	7,000.00
			1,76,913.31		1,75,659.81
	Less: Provision for diminution in the value of investments in respect of I(6) above.		-		1.00
			1,76,913.31		1,75,658.81
II	OTHER INVESTMENTS				
	Investments in Mutual Funds				
13	JM Equity Fund (refer note v & vi)	16,072	1.49	16,072	1.49
	TOTAL		1,76,914.80		1,75,660.30

Notes:

- JM Financial Services Limited (Financial Services) has become a wholly owned subsidiary of JM Financial Limited (the Company) upon the Company acquiring an additional 0.09% equity shares in Financial Services.
- JM Financial Insurance Broking Private Limited has been voluntarily wound up during financial year 2016-17.
- JM Financial Asset Reconstruction Company Limited (ARC) has become a subsidiary of the Company w.e.f. September 30, 2016 upon the Company acquiring an additional 0.01% equity shares in ARC. With this, the Company's equity holding in the ARC has increased from 50% to 50.01%.
- 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, 2017 is ₹ 3.82 Lakh (previous year ₹ 3.34 Lakh).

2.13 LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Capital advances	52.96	51.27
Security Deposits*	253.02	253.76
Advance tax (net of provisions)	14,595.34	16,180.89
TOTAL	14,901.32	16,485.92

* Includes ₹ 123.38 Lakh (Previous year ₹63.38 Lakh) receivable from related parties.

2.14 OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Receivable from subsidiaries	201.06	245.48
TOTAL	201.06	245.48

2.15 CASH AND BANK BALANCES

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents:		
Cash on hand	0.28	0.19
Balances with banks:		
In current accounts	63.61	74.94
In deposit accounts (less than 3 months' maturity)	675.00	800.00
	738.89	875.13
Other bank balances	434.01	379.20
TOTAL	1,172.90	1,254.33
Earmarked balances with banks for unclaimed dividend included in other bank balances	209.40	170.37

2.16 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Staff loans	0.17	0.13
Advances recoverable in cash or in kind or for value to be received	45.33	40.17
Inter corporate deposits to group companies	10,355.00	31,200.00
Property Deposit	60.00	-
Prepaid expenses	13.64	12.07
TOTAL	10,474.14	31,252.37

2.17 OTHER CURRENT ASSETS

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due	1,051.94	618.22
Receivable from subsidiaries	398.00	582.47
Interest on income tax refund receivable	-	808.94
TOTAL	1,449.94	2,009.63

2.18 REVENUE FROM OPERATIONS

(₹ in Lakh)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income	4,386.12	3,147.30
Group support service fees	360.00	360.00
TOTAL	4,746.12	3,507.30

2.19 OTHER INCOME

(₹ in Lakh)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Dividend from subsidiaries on non-current investments	11,411.00	11,355.50
Dividend on current investments	34.66	74.65
Lease rent	27.26	27.26
Interest Income – Others	-	808.94
Miscellaneous income	76.42	3.81
TOTAL	11,549.34	12,270.16

2.20 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, bonus and allowances	787.87	978.87
Contribution to provident and other funds	26.31	23.72
Gratuity	8.25	2.48
Staff welfare	2.79	2.73
TOTAL	825.22	1,007.80

2.21 FINANCE COSTS

(₹ in Lakh)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Finance charges on leased assets	0.51	1.02
Interest on borrowings	3,959.89	2,714.39
TOTAL	3,960.40	2,715.41

2.22 OTHER EXPENSES

(₹ in Lakh)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Space and other related costs (refer note 2.28 [b])	221.91	206.26
Legal and professional fees	80.45	32.24
Membership and subscription	8.87	7.07
Rates and taxes	66.46	48.25
Communication expenses	21.17	19.79
Repairs and maintenance	1.00	0.58
Travelling and conveyance expenses	23.47	25.80
Electricity expenses	12.03	11.31
Printing and stationery expenses	22.23	22.75
Advertisement and other related expenses	11.16	11.68
Information technology expenses	8.53	3.48
Donation	82.00	89.00
Insurance expenses	17.36	18.27
Auditors' remuneration (refer note 2.30)	20.70	19.46
Motor car expenses	11.57	17.20
Provision for standard assets	(57.36)	74.85

	For the year ended March 31, 2017	For the year ended March 31, 2016
Directors' sitting fees	51.79	53.24
Directors' commission	112.00	112.00
Miscellaneous expenses	34.69	30.80
TOTAL	750.03	804.03

2.23 CONTINGENT LIABILITY

Contingent liability in respect of income tax and service tax demands for various years disputed in appeal is ₹ 1,907.35 Lakh (previous year ₹ 1,522.09 Lakh).

CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 109.01 Lakh (previous year ₹ 94.84 Lakh).

2.24 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 of the Board of the Company.

During the financial year 2016-17, the Nomination and Remuneration Committee of the Board has granted stock options under Series 9, to the Employees that will vest in a graded manner and which can be exercised within a specified period. The Committee granted 12,55,515 Options (previous year 14,44,440 Options) at an exercise price of ₹ 1/- per option to the Employees.

The details of options are as under:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Outstanding at the beginning of the year	1,04,61,226	2,40,49,622
Add: Granted during the year	12,55,515	14,44,440
Less: Exercised and shares allotted during the year	55,39,478	52,61,959
Less: Exercised but pending allotment	8,000	Nil
Less: Forfeited/cancelled during the year	Nil	Nil
Less: Lapsed during the year	1,01,969	97,70,877
Outstanding at the end of the year	60,67,294	1,04,61,226
Exercisable at the end of the year	25,99,203	52,27,612

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 during the current year and previous year 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 51.38% (previous year 55.42%), dividend yield of 3.55% (previous year 2.62%), life of option being 7 years (previous year 7 years), and a risk-free interest rate of 7.80% (previous year 8%).

Details of options granted during the current and previous financial years 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%	4,18,505	4,81,480	May 12, 2017	April 16, 2016	32.33	42.20
33.33%	4,18,505	4,81,480	May 12, 2018	April 16, 2017	32.33	42.20
33.33%	4,18,505	4,81,480	May 12, 2019	April 16, 2018	32.33	42.20
	12,55,515	14,44,440				

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 ₹ Nil (previous year ₹ 2.57 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 remained the same (Previous year reduced) after giving effect to the stock-based employee compensation amounts as under:

	As reported		As adjusted	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Net profit (₹ in lakh)	10,672.55	11,225.08	10,672.55	11,222.51
Basic earnings per share (in ₹)	1.35	1.42	1.35	1.42
Diluted earnings per share (in ₹)	1.34	1.41	1.34	1.41

Details of options granted under various series are as under:

	Series 3	Series 4	Series 5	Series 6	Series 7	Series 8	Series 9
Grant date	21/04/2010	21/04/2011	16/04/2012	06/05/2013	01/04/2014	16/04/2015	12/05/2016
Options granted	37,50,000	75,00,000	73,02,669	36,45,774	44,85,267	14,44,440	12,55,515
Options exercised till March 31, 2017	19,55,000	66,20,121	62,42,297	26,90,487	22,06,750	3,05,081	N.A.
Options forfeited/ cancelled till March 31, 2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	Series 3	Series 4	Series 5	Series 6	Series 7	Series 8	Series 9
Grant date	21/04/2010	21/04/2011	16/04/2012	06/05/2013	01/04/2014	16/04/2015	12/05/2016
Options lapsed till March 31, 2017	10,00,000	7,56,734	7,21,857	3,76,054	3,54,527	87,462	Nil
Outstanding at end of year	7,95,000	1,23,144	3,38,515	5,79,233	19,23,990	10,51,897	12,55,515
Exercisable at end of year	7,95,000	1,23,144	3,38,515	5,79,233	6,02,898	1,60,413	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 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	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	₹1.00	₹1.00	₹1.00	₹1.00	₹1.00	₹1.00
Pricing formula	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	As was determined by the Nomination and Remuneration Committee at its meeting held on April 16, 2015	As was determined by the Nomination and Remuneration Committee at its meeting held on May 12, 2016

Notes: [i] Additionally, an aggregate amount of ₹ 711.17 Lakh being the difference between the exercise price and market price on the date of grant has been reimbursed by the subsidiary companies with which the eligible employees are/were employed/associated.

[ii] In respect of Series 1 and 2, as no options were outstanding as on March 31, 2017, the details of options granted has not been included above.

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

(₹ in Lakh)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
JM Financial Institutional Securities Limited	375.42	445.08
JM Financial Services Limited	130.79	125.28
JM Financial Products Limited	91.51	76.88
JM Financial Credit Solutions Limited	40.47	61.23
JM Financial Asset Management Limited	23.88	16.57
JM Financial Investment Managers Limited	44.62	12.70
Infinite India Investment Management Limited	4.48	-
TOTAL	711.17	737.74

- 2.26** 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.

2.27 EARNINGS PER EQUITY SHARE (EPS)

Earnings per equity share is calculated as under:

Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
Profit after tax (₹ in Lakh)	A	10,672.55	11,225.08
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	79,30,45,604	78,81,49,593
Basic earnings per share (in ₹)	A/B	1.35	1.42
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	79,30,45,604	78,81,49,593
Add: Weighted average number of potential equity shares on account of employee stock options	C	58,02,255	64,84,504
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	D=B+C	79,88,47,859	79,46,34,097
Diluted earnings per share (in ₹)	A/D	1.34	1.41

2.28 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, 2017	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2017	Total minimum lease payment outstanding as at March 31, 2016	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2016
Not later than 1 year	1.79	0.08	1.71	3.59	0.51	3.08
Later than 1 year but not later than 5 years	-	-	-	1.79	0.08	1.71
Later than 5 years	-	-	-	-	-	-
TOTAL	1.79	0.08	1.71	5.38	0.59	4.79

b) Operating lease

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

(₹ in Lakh)

	Total Minimum Lease Payments outstanding as at March 31, 2017	Total Minimum Lease Payments outstanding as at March 31, 2016
Not later than 1 year	278.05	218.05
Later than 1 year but not later than 5 years	740.22	348.16
Later than 5 years	-	-
TOTAL	1,018.27	566.21

Lease payment recognised in the statement of profit and loss for the year in respect thereof aggregates ₹ 221.91 Lakh (Previous year ₹.206.26 Lakh)

2.29 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, 2017	For the year ended March 31, 2016
Present value of the defined benefit obligation at the year end	42.43	44.18
Fair value of plan assets	-	-
Net liability	42.43	44.18
Net liability is bifurcated as follows:		
Current	14.56	24.33
Non-Current	27.87	19.85

(₹ 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, 2017	For the year ended March 31, 2016
Current service cost	1.06	1.78
Interest on defined benefit obligations	2.63	2.63
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised during the year	4.56	(1.92)
Past service cost	-	-
Net gratuity cost	8.25	2.48

(₹ in Lakh)

Actual return on plan assets	For the year ended March 31, 2017	For the year ended March 31, 2016
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, 2017	For the year ended March 31, 2016
Opening defined benefit obligation	44.18	41.69
Current service cost	1.06	1.78
Interest cost	2.63	2.63
Actuarial (gain)/loss	4.56	(1.92)
Past service cost	-	-

Reconciliation of present value of the obligation and the fair value of the plan assets:	For the year ended March 31, 2017	For the year ended March 31, 2016
Liability assumed on acquisition/(settled on divestiture) (on transfer of employees)	-	-
Benefits paid	(10.00)	-
Closing defined benefit obligation	42.43	44.18

(₹ in Lakh)

Change in fair value of plan assets	For the year ended March 31, 2017	For the year ended March 31, 2016
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 March 31, 2017	For the year ended March 31, 2016
Investment	-	-

Principal actuarial assumptions at the balance sheet date	As at March 31, 2017	As at March 31, 2016
Discount rate	7.20%	7.95%
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 ₹ 10.29 Lakh (previous year ₹16.79 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' ₹ 26.31 Lakh (previous year ₹ 23.72 Lakh).

2.30 AUDITORS' REMUNERATION

(₹ in Lakh)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Audit fees	13.94	12.93
Certification	1.66	1.45
Limited review	4.83	4.82
Reimbursement of Expenses	0.27	0.26
TOTAL	20.70	19.46

2.31 EXPENDITURE/AMOUNT SPENT IN FOREIGN CURRENCY

(₹ in Lakh)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Directors Commission and travelling expenditure	36.53	32.15
TOTAL	36.53	32.15

2.32 The Company has been classified as a Systemically Important Non-Deposit Taking Core Investment Company (CIC-ND-SI) in accordance with the Certificate of Registration issued by the Reserve Bank of India dated April 11, 2014, under Section 45-IA of the Reserve Bank of India Act, 1934.

2.33 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 March 31, 2017	As at March 31, 2016
(%) CRAR	90.12	77.93
(%) CRAR - Tier I capital	90.12	77.93
(%) CRAR - Tier II capital	0.00	0.00

(ii) **Exposures:**

A. Exposure to Real Estate Sector

(₹ in Lakh)

	Category	As at March 31, 2017	As at March 31, 2016
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 Rs. 15 lakh may be 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 March 31, 2017	As at March 31, 2016
(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;	1,76,914.80	1,75,660.30
(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

	Particulars	As at March 31, 2017	As at March 31, 2016
(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	1,76,914.80	1,75,660.30

(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	786.14 (0.24)	14,962.07 (13,347.47)	4,908.93 (24,542.04)	0.87 (0.76)	- (4,748.08)	- (-)	- (-)	- (-)	20,658.01 (42,638.59)
Assets:									
Advances	725.00 (-)	4,669.16 (6,360.50)	4,675.73 (24,368.75)	380.25 (14.41)	40.06 (523.58)	14,595.34 (16,180.89)	253.01 (253.26)	36.90 (36.90)	25,375.46 (47,738.29)
Investments	- (-)	- (-)	- (-)	- (-)	- (-)	7,000.00 (-)	- (7,000.00)	- (-)	7,000.00 (7,000.00)

Notes:

- Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.
- Figures in brackets are for the previous year.

2.34 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 amended) 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	20,656.30	-
		(42,633.80)	(-)
(f)	Other Loans (Please Specify)		
	Dues under finance lease	1.71	-
		(4.79)	(-)

	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	10,355.00
		(31,200.00)

(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	(7,000.00)
(iv) Government Securities	-
(v) Others (Please Specify)	-
2. Unquoted:	
(i) Shares:	
(a) Equity	1,69,913.31
(b) Preference	(1,68,658.81)
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	1.49
(iv) Government Securities	(1.49)
(v) Others (Please Specify)	-

(₹ in Lakh)

(5) Borrower group – wise classification of assets financed as in (2) and (3) above:				
		Amount (net of provisions)		
	Category	Secured	Unsecured	Total
1)	Related Parties			
	(a) Subsidiaries	-	10,355.00	10,355.00
		(-)	(15,000.00)	(15,000.00)
	(b) Companies in the same group	-	-	-
		(-)	(16,200.00)	(16,200.00)
	(c) Other related parties	-	-	-
		(-)	(-)	(-)
2)	Other than related parties	-	-	-
		(-)	(-)	(-)
		-	10,355.00	10,355.00
		(-)	(31,200.00)	(31,200.00)
	Less: Provision for non-performing assets	-	-	-
		(-)	(-)	(-)
		-	10,355.00	10,355.00
		(-)	(31,200.00)	(31,200.00)

(₹ 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	1,76,910.81	1,76,910.81
		(1,55,482.23)	(1,55,482.23)
	(b) Companies in the same group	2.50	2.50
		(20,176.58)	(20,176.58)
	(c) Other related parties	-	-
2)	Other than related parties	3.82	1.49
		(3.34)	(1.49)
		1,76,917.13	1,76,914.80
		(1,75,662.15)	(1,75,660.30)

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/writeoff 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	-
		(-)

2.35 There are no restructured advances as on March 31, 2017, 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.

2.36 Concentration of Advances and Exposures:

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Total Advances to twenty largest borrowers	10,355.00	31,200.00
Percentage of Advances to twenty largest borrowers to total Advances of the NBFC	100%	100%

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Total Exposure to twenty largest borrowers / customers	10,355.00	31,200.00
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	100%	100%

2.37 Core Investment Company (“CIC”) Compliance Ratios:

Sr No.	Particulars	As at March 31, 2017	As at March 31, 2016
(i)	Investments & Loans to group companies as a proportion of Net Assets (%)	98.79%	98.62%
(ii)	Investments in equity shares & compulsorily convertible instruments of group companies as a proportion of Net Assets (%)	89.63%	80.41%
(iii)	Capital Adequacy Ratio(%) [Adjusted Net Worth/Risk Weighted Assets]	90.12%	77.93 %
(iv)	Leverage Ratio(Times) [Outside Liabilities / Adjusted Net worth]	0.19	0.38

2.38 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 as amended on timely basis, requiring all NBFCs to make a general provision at 0.35 per cent of outstanding standard assets. The Company has created provision for standard assets, and is in compliance with the aforesaid RBI Notification.

2.39 The Company has spent ₹ 22 Lakh (previous year ₹ 24 Lakh) 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.	21.71
b)	Amount spent during the year:	
	In cash	22.00
	Yet to be paid in cash	-
	Total	22.00
(i)	Construction/acquisition of any asset	-
(ii)	On purposes other than (i) above	22.00

2.40 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

	SBNs (Rupees)	Other denomination notes (Rupees)	Total (Rupees)
Closing cash in hand as on 08.11.2016	500	24,210	24,710
(+) Permitted receipts	-	67,000	67,000
(-) Permitted payments	(-)	(3,000)	(3,000)
(-) Amount deposited in Banks	(500)	(-)	(500)
Closing cash in hand as on 30.12.2016	-	88,210	88,210

2.41 a) The Company is engaged in making investments in, and/or lending funds to its group companies as a Core Investment Company registered with the Reserve Bank of India, which in the context of AS 17 on “Segment Reporting” is considered as the only segment.

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 The Board of Directors of the Company has recommended a final dividend of ₹ 0.85 per equity share for the year ended March 31, 2017 (Previous Year ₹ 0.85 per equity share). The said dividend will be paid after the approval of shareholders at the thirty second Annual General Meeting. During the previous year, the Company had made a provision for the dividend recommended by the Board of Directors as per the requirements of pre-revised Accounting Standard 4 – 'Contingencies and Events Occurring after the Balance sheet date' (AS 4). However, as per the requirements of revised AS 4, the Company is not required to provide for dividend proposed/ declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend recommended by the Board of Directors for the year ended March 31, 2017. Had the Company continued with creation of provision for proposed dividend, as at the balance sheet date, its Surplus in Statement of Profit and Loss would have been lower by ₹ 6,769.13 lakh and Short Term Provision would have been higher by ₹ 6,769.13 lakh.

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

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)
JM Financial Investment Managers Limited (Investment Managers)
JM Financial Services Limited (Financial Services)
JM Financial Properties and Holdings Limited (Properties)
Infinite India Investment Management Limited (Infinite)
JM Financial Insurance Broking Private Limited (Insurance Broking) (up to October 25, 2016)
JM Financial Commtrade Limited (Commtrade)
CR Retail Malls (India) Limited (CRRM)
JM Financial Capital Limited (Capital)
JM Financial Products Limited (Products)
JM Financial Credit Solutions Limited (Credit Solutions)
JM Financial Home Loans Limited (Home Loans) (w.e.f. December 16, 2016)
JM Financial Asset Management Limited (AMC)
JM Financial Asset Reconstruction Company Limited (ARC) (w.e.f. September 30, 2016)
JM Financial Overseas Holdings Private Limited (Overseas)
JM Financial Singapore Pte Ltd (Singapore)
JM Financial Securities, Inc. (USA)

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 Limited (ARC) (up to September 30, 2016)
JM Financial Trustee Company Private Limited (Trustee)

b) Key management personnel

Mr. Vishal Kampani (VNK)

c) Individual exercising control or significant influence by way of voting power in reporting enterprise and relatives of any such person

Mr. Nimesh Kampani (NNK)
Ms. Aruna N Kampani (ARNK)
Ms. Amishi Kampani (AMNK)

d) Relative of key management personnel

Mr. Nimesh Kampani (NNK)
Ms. Aruna N Kampani (ARNK)
Ms. Amishi Kampani (AMNK)

e) Enterprise over which any person described in clause (c) 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
Related Party Disclosures:

	Subsidiaries*		Associates		Key Management Personnel		Relatives of Key Management Personnel		Individual exercising control or significant influence by way of voting power in reporting enterprise and relatives of any such person		Total (₹ in Lakh)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Investments Purchased/Transferred from												
Products	-	9,500.00	-	-	-	-	-	-	-	-	-	9,500.00
Institutional Securities	1,250.00	-	-	-	-	-	-	-	-	-	1,250.00	-
Employee related transfers to (Net)												
Products	-	3.88	-	-	-	-	-	-	-	-	-	3.88
ICD placed (Net)												
Credit Solutions	-	14,500.00	-	-	-	-	-	-	-	-	-	14,500.00
ARC	9,963.00	-	14,371	58,700.00	-	-	-	-	-	-	24,334.00	58,700.00
Properties	32,820.00	500.00	-	-	-	-	-	-	-	-	32,820.00	500.00
Commtrade	-	2,500.00	-	-	-	-	-	-	-	-	-	2,500.00
ICD repaid by												
Credit Solutions	14,500.00	-	-	-	-	-	-	-	-	-	14,500.00	-
ARC	11,353.00	-	19,146	42,500.00	-	-	-	-	-	-	30,499.00	42,500.00
Properties	33,000.00	7,500.00	-	-	-	-	-	-	-	-	33,000.00	7,500.00
Commtrade	-	2,500.00	-	-	-	-	-	-	-	-	-	2,500.00
Loan given												
Astute	51,730.25	22,500.00	-	-	-	-	-	-	-	-	51,730.25	22,500.00
Loan repaid												
Astute	51,730.25	22,500.00	-	-	-	-	-	-	-	-	51,730.25	22,500.00
Dividend received from												
Institutional Securities	700.00	5,460.00	-	-	-	-	-	-	-	-	700.00	5,460.00
Products	9,801.00	4,900.50	-	-	-	-	-	-	-	-	9,801.00	4,900.50
Investment Managers	-	540.00	-	-	-	-	-	-	-	-	-	540.00
Financial Services	910.00	455.00	-	-	-	-	-	-	-	-	910.00	455.00
Dividend paid to												
JMFICS	-	-	-	-	-	-	-	-	3,051.10	2,847.69	3,051.10	2,847.69
J.M.Assets	-	-	-	-	-	-	-	-	1,536.63	1,431.76	1,536.63	1,431.76
JSB	-	-	-	-	-	-	-	-	97.58	91.07	97.58	91.07

	Subsidiaries*		Associates		Key Management Personnel		Relatives of Key Management Personnel		Individual exercising control or significant influence by way of voting power in reporting enterprise and relatives of any such person			Total (₹ in Lakh)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2015-16
Group support fees received from													
Credit Solutions	180.00	180.00	-	-	-	-	-	-	-	-	-	180.00	180.00
Properties	180.00	180.00	-	-	-	-	-	-	-	-	-	180.00	180.00
Rent received from													
Financial Services	27.26	27.26	-	-	-	-	-	-	-	-	-	27.26	27.26
Interest received from													
Credit Solutions	307.48	286.98	-	-	-	-	-	-	-	-	-	307.48	286.98
ARC	1,019.90	-	1,071.50	1,677.99	-	-	-	-	-	-	-	2,091.40	1,677.99
Astute	1,686.30	667.61	-	-	-	-	-	-	-	-	-	1,686.30	667.61
Properties	282.38	480.41	-	-	-	-	-	-	-	-	-	282.38	480.41
Comtrade	-	17.92	-	-	-	-	-	-	-	-	-	-	17.92
Rent paid to													
Properties	95.05	95.05	-	-	-	-	-	-	-	-	-	95.05	95.05
JSB	-	-	-	-	-	-	-	-	60.00	-	-	60.00	-
Demat Charges Paid to													
Financial Services	0.01	0.01	-	-	-	-	-	-	-	-	-	0.01	0.01
Remuneration paid to													
NNK	-	-	-	-	-	-	-	-	310.07	-	-	310.07	578.76
VNK	-	-	-	-	70.00	-	-	-	-	-	-	70.00	-
Directors Sitting fees													
NNK	-	-	-	-	-	-	-	-	3.50	-	-	3.50	-
VNK	-	-	-	-	3.00	-	-	-	-	-	-	3.00	2.00

	Subsidiaries*		Associates		Key Management Personnel		Relatives of Key Management Personnel		Individual exercising control or significant influence by way of voting power in reporting enterprise and relatives of any such person		Total (₹ in Lakh)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Expenses reimbursed to												
Properties	46.91	19.93	-	-	-	-	-	-	-	-	46.91	19.93
JMFICS	-	-	-	-	-	-	-	-	2.41	3.61	2.41	3.61
Property deposits received from												
NNK	-	-	-	-	-	-	-	-	60.00	-	60.00	-
Property deposits paid												
JSB	-	-	-	-	-	-	-	-	60.00	-	60.00	-
Outstanding Balances												
Investments in	1,76,910.81	1,55,482.23	2.50	20,176.58	-	-	-	-	-	-	1,76,913.31	1,75,658.81
Property deposits received from												
Financial Services	100.00	100.00	-	-	-	-	-	-	-	-	100.00	100.00
NNK	-	-	-	-	-	-	-	-	60.00	-	60.00	-
Property deposits paid to												
Properties	63.38	63.38	-	-	-	-	-	-	-	-	63.38	63.38
JSB	-	-	-	-	-	-	-	-	60.00	-	60.00	-
ICD Outstanding												
Credit Solutions	-	14,500.00	-	-	-	-	-	-	-	-	-	14,500.00
Properties	320.00	500.00	-	-	-	-	-	-	-	-	320.00	500.00
ARC	10,035.00	-	-	16,200.00	-	-	-	-	-	-	10,035.00	16,200.00
Interest receivable from												
ARC	1,049.49	-	-	615.61	-	-	-	-	-	-	1,049.49	615.61
Amount payable to												
NNK	-	-	-	-	-	-	-	-	175.00	-	175.00	400.00
Financial Services	-	0.03	-	-	-	-	-	-	-	-	-	0.03

Note:- (i) * Subsidiaries include a partnership firm namely Astute Investments

ANNEXURE 'II' TO NOTE 2.43 OF NOTES TO THE FINANCIAL STATEMENTS
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakh)

	For the year ended March 31, 2017	For the year ended March 31, 2016
A Cash flow from operating activities		
Net Profit before tax	10,693.16	11,210.97
Adjustment for :		
Depreciation	66.65	38.25
Provision for/(reversal of) gratuity	(1.75)	2.48
Provision for/(reversal of) compensated absences	(6.50)	(2.06)
Provision for/(reversal of) standard assets	(57.36)	74.85
Provision for diminution in the value of investments	-	1.00
Dividend income	(11,445.66)	(11,430.15)
Interest expense	3,960.40	2,715.41
Operating profit before working capital changes	3,208.94	2,610.75
Adjustment for :		
(Increase)/decrease in short term loans and advances	20,778.23	(23,673.75)
(Increase)/decrease in long term loans and advances	(0.95)	(13.63)
(Increase)/decrease in other current assets	559.69	(991.61)
(Increase)/decrease in other non-current assets	(284.48)	40.17
Increase/(decrease) in trade payables	5.52	(16.21)
Increase/(decrease) in other current liabilities	(126.91)	236.29
Increase/(decrease) in long term borrowings	(1.71)	(20.14)
Cash generated from/(used in) operations	24,138.33	(21,828.13)
Direct taxes paid	1,578.75	(262.44)
Net cash from/(used in) operating activities	25,717.08	(22,090.57)
B Cash flow from investing activities		
Purchase of non-current investments	(1,254.50)	(9,500.00)
Purchase of current investments	(17,804.66)	(31,460)
Sale of current investments	17,804.66	31,460
Purchase of fixed assets	(6.36)	(145.60)
Sale of fixed assets	0.65	26.60
Increase/(decrease) in other bank balances having maturity of more than 3 months and earmarked bank balances	(54.81)	(224.34)
Dividend income	11,445.66	11,430.15
Net cash from investing activities	10,130.64	1,586.81

	For the year ended March 31, 2017	For the year ended March 31, 2016
C Cash flow from financing activities		
Proceeds from issue of equity share (including premium) upon exercise of options	1,918.36	1,520.42
Borrowing through Commercial Paper (net)	(21,977.50)	30,445.93
Share application money pending allotment	0.08	-
Interest paid	(3,960.40)	(2,715.41)
Dividend paid (including dividend distribution tax)	(11,964.50)	(11,039.03)
Net cash from /(used in) financing activities	(35,983.96)	18,211.91
Net increase/(decrease) in cash and cash equivalents	(136.24)	(2,291.85)
Cash & cash equivalents - opening	875.13	3,166.98
Cash & cash equivalents - closing	738.89	875.13
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 2.15	1,172.90	1,254.33
Less: Bank balance comprise cash in deposit accounts with original maturity of more than 3 months (as defined in AS 3 - "Cash Flow Statement")	434.01	379.20
Cash & cash equivalents as shown in Cash Flow Statement	738.89	875.13
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

For and on behalf of the Board of Directors

Shivji K Vikamsey
Partner
Membership No. F-2242

Nimesh Kampani
Chairman
DIN - 00009071

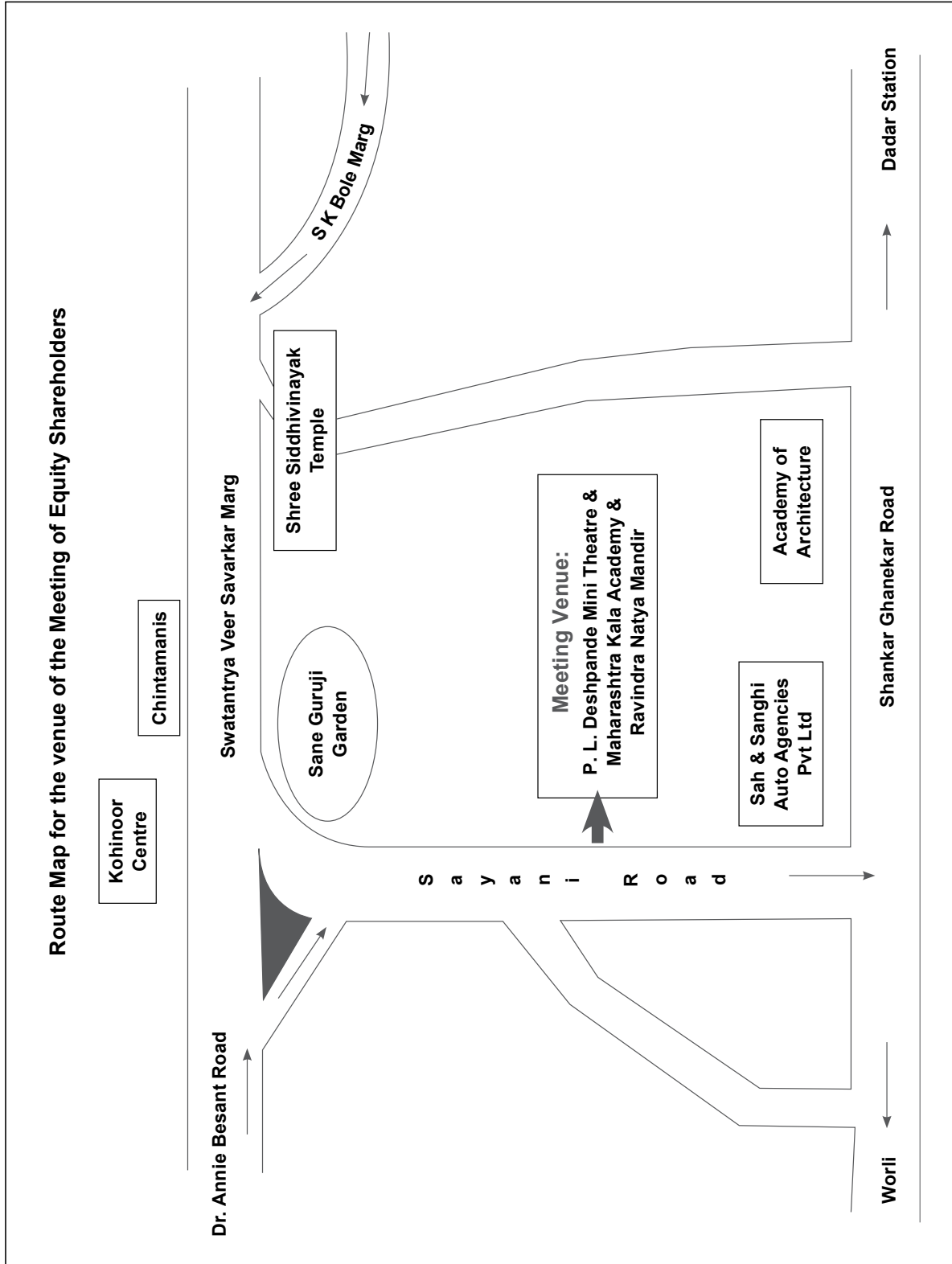
Vishal Kampani
Managing Director
DIN - 00009079

E A Kshirsagar
Director
DIN - 00121824

Place: Mumbai
Date: May 2, 2017

Prashant Choksi
Company Secretary

Manish Sheth
Chief Financial Officer



This Page is intentionally left blank

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENCH, AT MUMBAI
COMPANY SCHEME APPLICATION NO. 793 OF 2017
IN THE MATTER OF THE COMPANIES ACT, 2013**

And

In the matter of

JM Financial Institutional Securities Limited

And

JM Financial Investment Managers Limited

And

JM Financial Limited

And

Their respective shareholders

And

In the matter of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

JM Financial Limited.....the Applicant Company

Form No. MGT-11

PROXY FORM

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]**

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 JM Financial Limited, hereby appoint: -

1) Name _____

Address _____

Email id _____ Signature: _____ Or failing him / her

2) Name _____

Address _____

Email id _____ Signature: _____ Or failing him / her

3) Name _____

Address _____

Email id _____ Signature: _____

as my / our proxy and whose signature(s) are appended below to attend and vote for me/us and on my/our behalf at the Meeting of the Company to be held on and at any adjournment or adjournments thereof in respect of such resolutions and in such manner as are indicated below:

Sr. No.	Particulars
1	Approval of the Scheme of Amalgamation between JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited and JM Financial Limited and their respective shareholders and related matters thereto.

Signed this _____ day of _____ 2017

Affix Re. 1
Revenue
Stamp

(Signature of shareholder(s))

Signature of Proxy _____

NOTES:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025 not less than 48 (forty eight) hours before the commencement of the Meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Form of Proxy should be initialed.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be the shareholder of the Company.
6. Body Corporate and FPI/FII Equity Shareholder(s) would be required to deposit certified copies of Board/ Custodial Resolutions/ Power of Attorney in original, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Company at 7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025
7. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.