

July 1, 2022

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

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

Security Code: **523405**

Symbol: **JMFINANCIL**

Dear Sirs,

Re: Annual Report for the financial year 2021-22

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting a copy of the Company's Annual Report for the financial year 2021-22, which, inter-alia, contains the Notice convening the Thirty Seventh Annual General Meeting of the Company.

The above Annual Report is also being sent to those members of the Company, (through electronic mode) whose email ids are available with the Company. The said report is also uploaded on the Company's website at <https://jmfl.com/annual-report>.

Kindly acknowledge receipt of the above and take the same on your record.

Thank you.

Yours truly,
For **JM Financial Limited**



 **Prashant Choksi**
Group Head - Compliance, Legal
& Company Secretary

Encl.: As above

JM Financial Limited

Corporate Identity Number : L67120MH1986PLC038784

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

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

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CONSOLIDATED

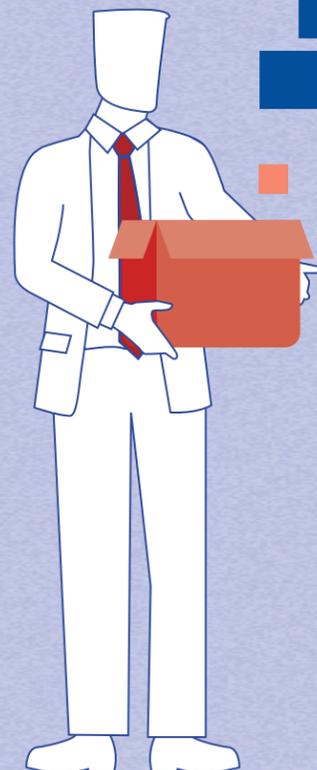
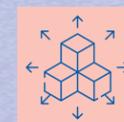
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Actualising Possibilities. Accelerating Progress.

It is the prospect of realising possibilities that keeps one invested in the path to progress. Despite economic activities facing interruptions due to pandemic, the strong liquidity in the system led to a recovery in FY 2021-22. The strong, long-term outlook, structural changes within the financial services landscape and policy framework have set the stage for sustainable growth. Leveraging digital platforms and adopting an innovative approach shall play a very important role in the new normal. At JM Financial, our activities in the year gone by were guided by this unfolding reality and overarching theme.

Our efforts in FY 2021-22 were channelled towards building resilience, scale and creating lasting value for our stakeholders. We reported the highest ever annual operating net profit in FY 2021-22. We ended FY 2021-22 with strong growth in the loan book especially across bespoke and the retail mortgage businesses.

Although we are entering a phase of geo-political disturbances, supply chain concerns, increasing inflation, tightening of accommodative policies across central banks and volatile capital markets, we are confident of India's strong long-term economic outlook.



The red tie man realising growth aspirations

As developments in the industry indicate a positive and promising outlook, the red tie man is eager to make the most of new and emerging opportunities with greater digital prowess, deep understanding of its diverse client base and new growth categories that are propelling sustained success.

FY 2021-22 Key Highlights

Walkthrough of the year



ASSETS UNDER MANAGEMENT (AUM) AND LOAN BOOK

₹ 61,211* crore Private Wealth Management	₹ 20,202* crore Retail Wealth Management	₹ 1,030* crore Elite Wealth Management
₹ 10,936 crore Distressed Credit	₹ 13,017** crore End of Year Loan Book	

*Comprises distribution assets and advisory assets, as applicable
**Excluding episodic financing loan book



FINANCIAL HIGHLIGHTS

₹ 3,763 crore Total Income	₹ 1,348 crore Profit Before Tax	₹ 773 crore Profit After Tax
₹ 10,453* crore Net Worth (including non-controlling interest)**	1.29x Gross Debt/Equity	

*Computed after reducing goodwill of ₹52.44 crore from shareholders' funds
** Non-controlling interest excludes non-controlling interests of security receipts holder under distressed credit business



PRESENCE

112* Branches	634 Locations	185 Cities	4** Overseas Locations
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*Across thirteen states and two union territories in the country
**Includes three subsidiaries and one representative office



SOCIAL HIGHLIGHTS

2,405 Employees	20% Women Employees	1,698 Person Hours Training Programme	~26,000 Patients aided through the mobile health unit cumulatively
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STRONG CREDIT RATING

Long-term debt rating*

- CRISIL AA Stable
- ICRA AA Stable
- India Ratings AA Stable

*Long-term debt rating for JM Financial Asset Reconstruction Company Limited is AA- Stable

Short-term debt rating

- CRISIL A1+
- ICRA A1+
- India Ratings A1+



QUARTERLY HIGHLIGHTS

Q1

In June 2021, JM Financial Private Equity Fund finalised an investment of ₹350 million in Walko Food Company Private Limited, a Pune-based consumer packaged food company to fund the Company's current expansion plans. The investment proceeds will be used to support brand building activities and the expansion of the Company's existing capacities. JM Financial India Fund II completed its eighth investment.

Q2

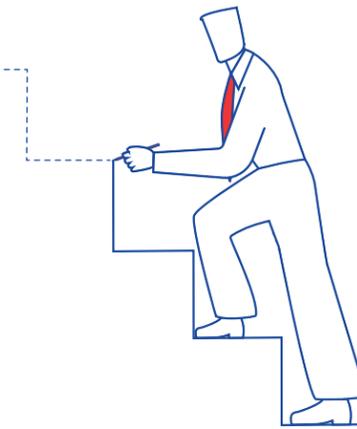
In September 2021, JM Financial Products Limited, announced the launch of Tranche – I Public Issue of ₹500 crore of Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of face value of ₹1,000 each.

Q3

In November 2021, JM Financial Products Limited announced the launch of Bondskart.com, a first-of-its-kind, intuitive, digital investment platform that provides investors with access to a wide range of debt securities, paving the way for hassle-free investments.

Q4

Consolidated net profit of JM Financial Limited increased by 31.01% YoY to ₹773.16 crore for FY 2021-22. This is the highest ever annual operating net profit reported.



Corporate Snapshot

Bringing ease and expertise into finance

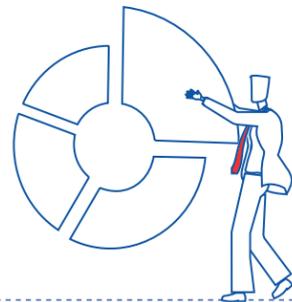
JM Financial is one of India's most prominent integrated financial services player. We offer an array of integrated and diversified financial services to corporations, financial institutions, high net-worth individuals and retail customers.

With over four decades of experience, we have collaborated with several leading Indian and international clients. We have earned the trust and confidence of a diverse client base across multiple geographies by offering pioneering strategies around transactions. Our focus, commitment and determination enable us to remain well-poised to make the most of the upcoming market and industry opportunities to deliver value to our stakeholders and clients across business segments.

Headquartered in Mumbai, we have a presence across 634 locations in 185 Indian cities and 4 international locations through our subsidiaries and a representative office.

We are a people-focused organisation, where talented professionals from diverse backgrounds come together to pursue common organisational objectives and values, helping our businesses reach the next level.

We remain deeply committed to fostering progress in the community through our social interventions in domains of education, healthcare, skill development, entrepreneurship promotion, disaster relief and animal welfare.



Business Segments

Investment Bank

- Comprises investment banking, institutional equities and research, private equity funds, fixed income, syndication and finance
- Caters to institutional, corporate, government and ultra-high net worth clients

Mortgage Lending

Includes wholesale and retail mortgage lending (housing finance business, education institutions lending and loan against property)

Asset management, Wealth management and Securities business (Platform AWS)

- Includes wealth management, broking, portfolio management services and mutual fund business
- Integrated investment platform for clients

Alternative and Distressed Credit

Comprises the asset reconstruction business and alternative credit funds

Core Values

Our value system is the bedrock of our business, helping us achieve the vision and goals we have set for ourselves to build a strong company culture. Together, these values give purpose to our organisation's function and is a behavioural guidance for everyone in the organisation.

Reflecting our ideals, culture and ethics, they enable us to stay true to our long-term vision of creating consistent value for all our stakeholders.



CLIENT FOCUS

We always put the interest of our clients before our own. We understand our client needs, seek new opportunities for them, address them and deliver unique solutions as per their expectations. The success of our clients is the biggest reward for us.



INTEGRITY

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



INNOVATION

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



PARTNERSHIP

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



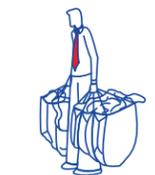
TEAM WORK

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



IMPLEMENTATION

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



PERFORMANCE

We believe in development of our people and continuously hone our skills, setting higher targets of performance for ourselves. We strive to attract, develop and retain the best talent. We recognise and reward talent based on merit.

Key Performance Indicators

Consolidated Performance Review

Revenue		Profit*		Networth	
	₹ in crore		₹ in crore		₹ in crore
21-22	3,763.28	21-22	773.16	21-22	7,633.77
20-21	3,226.63	20-21	590.14	20-21	6,947.46
19-20	3,453.55	19-20	544.98	19-20	5,586.33
18-19	3,499.49	18-19	572.18	18-19	5,079.25
17-18	3,096.60	17-18	600.86	17-18	4,502.20
16-17	2,359.26	16-17	470.20	16-17	3,372.38
15-16	1,684.66	15-16	400.46	15-16	2,804.21
14-15	1,403.04	14-15	330.52	14-15	2,437.71
13-14	1,006.67	13-14	209.53	13-14	2,091.87
12-13	1,042.23	12-13	182.92	12-13	1,975.97

Book Value Per Share		Earnings Per Share		Dividend Per Share	
	₹ per share		₹ per share		₹ per share
21-22	80.01	21-22	8.11	21-22	1.65
20-21	72.92	20-21	6.34	20-21	0.50
19-20	66.41	19-20	6.48	19-20	0.20
18-19	60.47	18-19	6.82	18-19	1.00
17-18	53.73	17-18	7.48	17-18	1.80
16-17	42.45	16-17	5.93	16-17	1.50
15-16	35.54	15-16	5.08	15-16	1.45
14-15	31.10	14-15	4.32	14-15	1.35
13-14	27.70	13-14	2.78	13-14	1.00
12-13	26.29	12-13	2.44	12-13	0.90

Gross Debt Equity Ratio		Net Debt Equity Ratio		Cash and Cash Equivalents	
	in times		in times		₹ in crore
21-22	1.29	21-22	0.94	21-22	3,637.34
20-21	1.29	20-21	0.73	20-21	5,350.60
19-20	1.47	19-20	1.04	19-20	3,412.33
18-19	1.94	18-19	1.70	18-19	1,736.58
17-18	2.54	17-18	2.29	17-18	1,468.66
16-17	2.41	16-17	2.24	16-17	771.48
15-16	1.92	15-16	1.61	15-16	1,095.10
14-15	1.53	14-15	1.31	14-15	678.82
13-14	1.32	13-14	0.98	13-14	771.74
12-13	1.97	12-13	1.50	12-13	1,015.95

Note

The Group adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 and, therefore, Consolidated Revenue, Profit and Earnings per Share for the years prior to FY 2017-18 are as per erstwhile Indian GAAP (IGAAP). Consolidated net worth, book value per share, gross and net debt equity ratio and cash and cash equivalents for the years prior to FY 2016-17 are as per erstwhile IGAAP

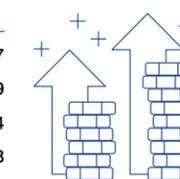
*Consolidated profit after tax and non-controlling interest

Consolidated Tax Information

Corporate Tax ¹		Dividend Distribution Tax and Buyback Tax ²		GST & Service Tax ³	
	₹ in crore		₹ in crore		₹ in crore
21-22	355.7	21-22	-	21-22	304.1
20-21	260.8	20-21	-	20-21	214.5
19-20	316.0	19-20	3.7	19-20	213.3
18-19	446.3	18-19	29.9	18-19	204.8
17-18	438.4	17-18	31.8	17-18	216.4
16-17	334.8	16-17	11.1	16-17	129.6
15-16	222.4	15-16	18.7	15-16	99.1
14-15	156.4	14-15	21.3	14-15	68.9
13-14	80.0	13-14	13.9	13-14	41.7
12-13	74.9	12-13	16.9	12-13	37.5

Payroll Tax ⁴		Non Payroll Tax ⁵		Securities Transaction Tax ⁶	
	₹ in crore		₹ in crore		₹ in crore
21-22	105.9	21-22	94.0	21-22	284.7
20-21	72.7	20-21	161.1	20-21	230.7
19-20	93.0	19-20	34.0	19-20	197.2
18-19	94.7	18-19	40.9	18-19	203.9
17-18	81.8	17-18	28.6	17-18	208.3
16-17	73.3	16-17	24.6	16-17	140.1
15-16	59.0	15-16	20.0	15-16	105.7
14-15	46.6	14-15	21.3	14-15	116.3
13-14	40.4	13-14	18.6	13-14	65.6
12-13	32.0	12-13	14.2	12-13	76.1

Total Tax Borne and Paid ⁷		Total Tax Deducted/Collected and Paid ⁸	
	₹ in crore		₹ in crore
21-22	355.7	21-22	788.7
20-21	260.8	20-21	678.9
19-20	319.6	19-20	537.4
18-19	476.2	18-19	544.3
17-18	470.2	17-18	535.1
16-17	345.9	16-17	367.6
15-16	241.2	15-16	283.9
14-15	177.7	14-15	253.2
13-14	93.8	13-14	166.3
12-13	91.8	12-13	159.8



₹7,148 crore

Total tax borne and paid and total tax deducted/collected and paid during the last ten years

NOTES:

- 1 Comprises provision for taxes, including deferred tax
 - 2 Comprises tax on dividend distributed and tax on buyback
 - 3 Comprises gross GST and service tax paid
 - 4 Comprises tax deducted at source from employees' remuneration and paid
 - 5 Comprises tax deducted/collected at source from payments to/from parties and paid
 - 6 Comprises transaction tax collected from the clients and paid
 - 7 Comprises corporate tax and dividend distribution tax
 - 8 Comprises GST, service tax, payroll tax, non-payroll tax and Securities transaction tax
- The above information has been verified by an independent chartered accountant's firm

From the Management's Desk

Making meaningful strides amidst uncertainties



The inherent resilience of the economy set the stage for us to leverage our strengths and explore a multitude of possibilities to bring consistent growth to the ecosystem. The strategic gear shifts and priorities we set out to achieve began bearing positive impact during the year and we are excited to see what more can be achieved through our diversified business model and accelerated use of technology and digitalisation.

Thanks to the improving business environment and on the back of strong capital market business, we achieved the highest ever annual operating consolidated net profit in FY 2021-22. In addition, our robust balance sheet position allowed us to deliver a strong loan book in the quarter ended March 2022 especially in the bespoke and retail mortgage segment.

Our real estate loan book witnessed a higher than normal level of prepayments. Throughout the year, we maintained strong liquidity buffers and adopted a solution-based approach apart from rigorous credit monitoring and risk management mechanisms.

The year saw significant progress as we expanded our network to ~55 locations across India. We are working towards keeping the momentum going and further expanding our presence in FY 2022-23.

Going forward, we will continue to serve our clients with our diversified business model driven by strong fundamentals while keeping a close watch on the evolving market scenario. In the next phase of our growth as a leading, integrated financial services business, our endeavour would be to support growth through realising emerging possibilities.

We thank each one of you, our stakeholders, for reposing your continued trust and support in our vision.

Mr. Vishal Kampani

Non-Executive Vice Chairman, JM Financial Limited
Managing Director- JM Financial Products Limited & JM Financial Credit Solutions Limited

The year under review was marked with challenges and an evolving operational landscape. Unpredictability has been the underlying theme in FY 2021-22 because of multiple pandemic waves, inflationary pressure, market turbulence, geopolitical tensions, varying monetary policy stances and economic impact of sanctions. Having said that, the fiscal and liquidity measures and persistent policy support by the central bank steadied the nerves, cushioned domestic equities and kept economic recovery on track.



Backed by a stable macroeconomic environment along with strong capital market performance and positive investor sentiment, we delivered robust performance across our business verticals and reported record profitability. The results were powered by the strong balance sheet, disciplined approach and best in class talent and experienced leadership. Going forward, we remain committed to accelerate growth from traditional businesses and newer opportunities which will further strengthen our core competence to cater to our diverse stakeholders.

Mr. Atul Mehra

Joint Managing Director,
JM Financial Limited



The heightened uncertainty in the global economy, escalation of geo-political tensions and its spillovers, rising pandemic wave and its subsequent tapering on the back of aggressive vaccination drive made FY2021 -22 quite an eventful year. We witnessed improved profitability during FY 2021- 22 and maintained an upward growth trajectory. We would like to speed up the momentum with our steadfast focus on unearthing opportunities and realising those by keeping our underlying basics intact and adding further value to our stakeholders in the long term.

Mr. Adi Patel

Joint Managing Director,
JM Financial Limited



Board of Directors

Leading in the right direction

Our visionary and seasoned Board informs and directs our organisational strategy and growth agendas. They are responsible to ensure that the Company remains agile, aware and ahead while functioning with the highest standards of integrity and transparency.



Mr. Nimesh Kampani
Non-Executive Chairman



Mr. Vishal Kampani
Non-Executive Vice Chairman



Mr. E A Kshirsagar
Independent Director



Dr. Vijay Kelkar
Independent Director



Mr. Paul Zuckerman
Independent Director



Mr. Keki Dadiseth
Independent Director



Ms. Jagi Mangat Panda
Independent Director



Mr. P S Jayakumar
Independent Director



Mr. Navroz Udwadia
Independent Director



Ms. Roshini Bakshi
Independent Director



Mr. Pradip Kanakia
Independent Director



Mr. Sumit Bose
Independent Director



Mr. Atul Mehra
Joint Managing Director



Mr. Adi Patel
Joint Managing Director

Leadership Team

Bringing expertise and experience to the table

Mr. Atul Mehra
Joint Managing Director,
JM Financial Limited

Mr. Manish Sheth
Group CFO and Managing Director & CEO,
Home Loans

Mr. Richard Liu
Managing Director & Head of
Research, Institutional Equities

Mr. Krishna Rao
Managing Director & Co-Head,
Equity Broking Group

Mr. Adi Patel
Joint Managing Director,
JM Financial Limited

Mr. Subodh Shinkar
Managing Director & CEO,
Investment Advisory and Distribution

Mr. Devan Kampani
Managing Director & Deputy CEO,
Investment Banking

Mr. Sanjay Bhatia
Managing Director & Co-Head,
Business Affiliates Group

Ms. Sonia Dasgupta
Managing Director & CEO,
Investment Banking

Mr. Amitabh Mohanty
Managing Director & CEO,
Mutual Fund

Ms. Cheryl Netto
Managing Director & Deputy CEO,
Investment Banking

Mr. Ashu Madan
Managing Director & Co-Head,
Business Affiliates Group

Mr. Anil Bhatia
Managing Director & CEO,
Asset Reconstruction

Mr. Prashant Choksi
Managing Director & Group Head,
Compliance, Legal & Company Secretary

Mr. Ranganath Char
Managing Director,
Real Estate Advisory

Mr. Vinay Jaising
Managing Director & Co-Head,
Portfolio Management
Services

Mr. Anish Damania
Managing Director & CEO,
Institutional Equities

Mr. Anil Salvi
Managing Director & Group Head,
Human Resources & Administration
and CEO, RE Consulting

Mr. Anuj Kapoor
Managing Director & CEO,
Private Wealth Group and Venture
Capital Funds Platform

Mr. Rakesh Parekh
Managing Director & Co-Head,
Portfolio Management
Services

Mr. Darius Pandole
Managing Director & CEO,
Private Equity & Equity AIFs

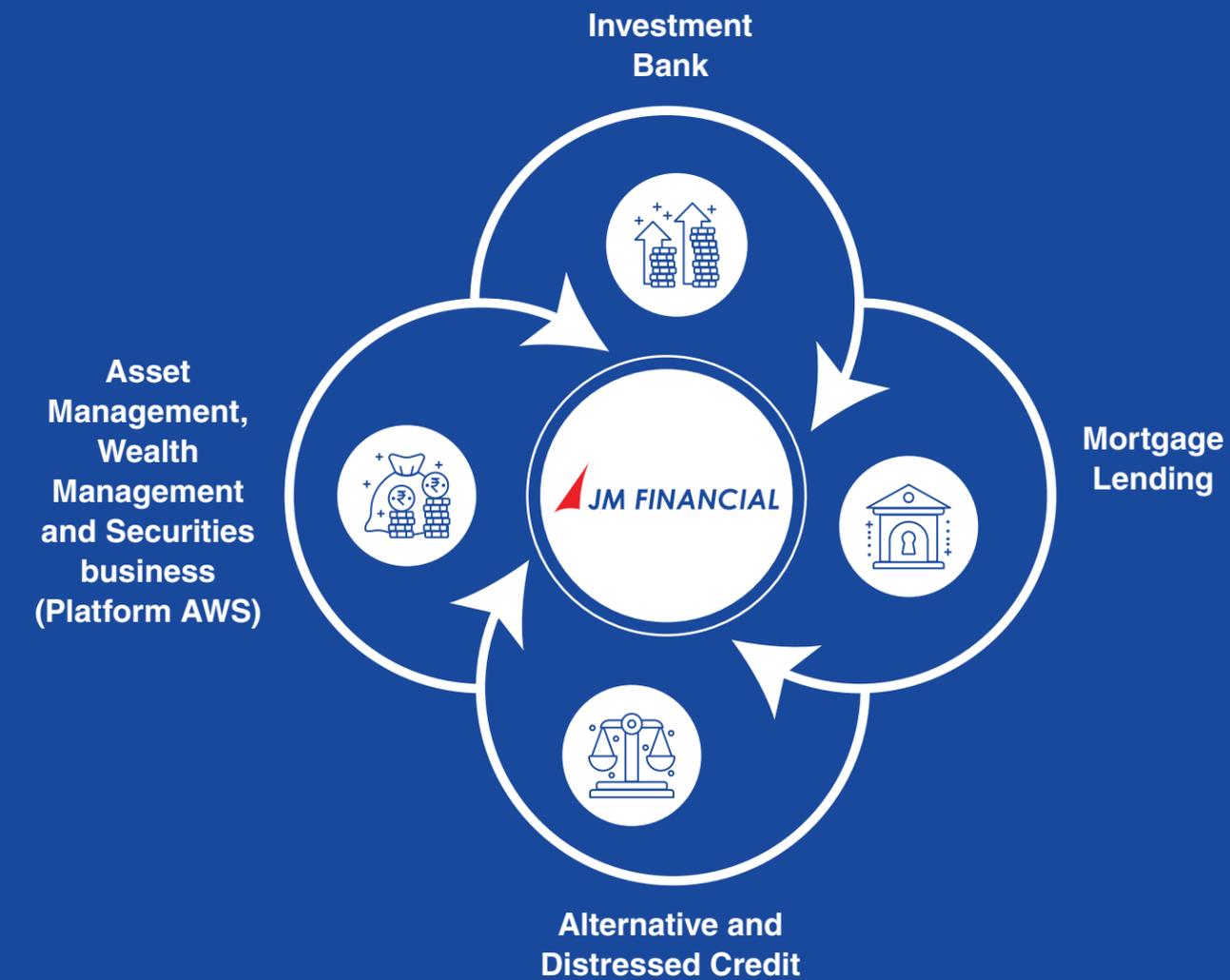
Mr. Ajay Manglunia
Managing Director & Head,
Investment Grade Group

Mr. Dimplekumar Shah
Managing Director & Co-Head,
Equity Broking Group

Business Segment Review

Unlocking value across verticals

We are reimagining ways to further strengthen the core essence of our value-creation process while delivering a wide range of services to diverse market segments. Our rich experience and expertise have been the guiding force in our mission to explore emerging growth avenues that are more sustainable, transformative and impactful for our varied stakeholders.



INVESTMENT BANK



Investment Banking

As a full service investment banking franchise across diverse product range, we have a strong track record of over four decades. Our enduring relationships with large and emerging corporates in India allow us to participate in a variety of transactions. We cater to institutional, corporate, government and ultra-high net worth clients.



Equity Capital Markets

FY 2021-22 was another strong year for Equity Capital Markets. Fund raising through equity products, included initial public offerings, qualified institutions placements, rights issues, among others, continued liquidity amid domestic and foreign investors.

Over 190 corporates raised about ₹2.0 trillion through equity markets to fund their capital requirements and provide exit to existing shareholders. Despite the weakness witnessed in the last quarter, we expect momentum to pick-up in the second half of FY 2022-23.

We continued to lead in the equity capital markets and successfully executed over 50 transactions during FY 2021-22. Our commitment and deep understanding of the Indian markets helped us achieve our clients' goals.



FY 2021-22 MARQUEE EQUITY CAPITAL MARKET TRANSACTIONS

Notable Initial Public Offerings (IPOs)

 SONA BLW ₹5,550 crore Sona BLW Precision Forgings	 NYKAA ₹5,350 crore FSN E-Commerce Ventures	 ADITYA BIRLA SUN LIFE CAPITAL ₹2,768 crore Aditya Birla Sun Life AMC	 LODHA ₹2,500 crore Macrotech Developers	 SapphireFoods ₹2,073 crore Sapphire Foods India
 Clean Science & Technology ₹1,546 crore Clean Science & Technology	 KRSNAA DIAGNOSTICS ₹1,213 crore Krsnaa Diagnostics	 CMS ₹1,100 crore CMS Info Systems	 MapmyIndia ₹1,040 crore C.E. Infosystems	 GO COLORS! ₹1,014 crore Go Fashion (India)

Other notable equity capital market transactions

 Gupshup Technologies Private Placement ₹1,800 crore	 IDFC FIRST Bank ₹3,000 crore IDFC First Bank QIP	 Bank of India QIP ₹2,550 crore	 Canara Bank QIP ₹2,500 crore	 Saregama India QIP ₹750 crore
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Mergers and Acquisitions (M&A) Advisory

We are a proven leader in the M&A space and are recognised as one of the finest partners to Indian and international clients for meeting their M&A advisory needs. Based on our deep understanding of industry trends, regulations and entrenched relationships with key buyers and sellers, we work with our clients to optimise the strategic and financial value of each transaction.

We represent marquee corporates and business houses in the country. We have been involved in some of the largest and most multi-faceted M&A transactions covering acquisitions, divestitures, restructurings, takeovers, schemes of arrangements and fairness opinions, and other financial/strategic advisories.

We continued the growth momentum as one of the most successful investment banks in the Indian M&A space and announced 14 M&A transactions with a total deal value of ~₹71,545 crore during FY 2021-22.



#3

In the Mergermarket League Tables FY 2021-22 on completed deals basis

(Source: Mergermarket as on April 5, 2022)

FY 2021-22 MARQUEE COMPLETED M&A AND PRIVATE EQUITY TRANSACTIONS

 TVS Family Financial Advisor in connection with the family arrangement involving the TVS Group	 PharmEasy Thyrocare Lead M&A Advisor to API Holdings and Docon Technologies, and Manager to the Open Offer to the shareholders of Thyrocare Technologies	 Heineken Financial Advisor to Heineken for acquisition of 14.99% stake in United Breweries	 Brakes India Exclusive Financial Advisor to the TVS Group on acquisition of ZF Friedrichshafen AG's 49% shareholding in Brakes India
 Escorts Financial Advisor to Escorts on strategic investment from Kubota Corporation, Japan in Escorts	 IL&FS Financial and Transaction Advisor to IL&FS Group on sale of stake in IL&FS Environmental Infrastructure & Services, TerraCIS Technologies and ONGC Tripura Power Company	 Sundaram AMC Exclusive Financial Advisor to Sundaram Asset Management Company for the purchase of the Indian asset management businesses of Principal Group, USA	 GMR Infrastructure Exclusive advisor to GMR Infrastructure on its strategic group restructuring involving vertical split demerger of its Non-Airport Business into GMR Power and Urban Infra
 Blackstone Mphasis Exclusive Manager to the Open Offer to the public shareholders of Mphasis Limited by BCP Topco IX Pte. Ltd	 Orient Refractories Financial Advisor in connection with a scheme of arrangement involving Orient Refractories and certain group companies	 Calibre Chemicals Exclusive Financial Advisor to Calibre Chemicals and its promoters on controlling stake sale to Everstone Capital	 Blackstone Advisor to Blackstone on stake sale via block deal in S H Kelkar to Firmenich



Institutional Equities

Our Institutional Equities business offers brokerage services in both cash and derivative segments to domestic as well as international institutional clients. We provide high-quality, differentiated research with strong focus on new stock ideas, intensive client servicing and efficient trade execution, complemented with hassle-free, post-trade settlement. During FY 2021-22, we continued to generate differentiated stock ideas and publish thought-leading thematic and sector reports, macro and investment strategy products, among others. This helped us maintain a strong two-way relationship with our growing institutional investor client base.

We are the preferred choice of our clients and have consistently scored well among broker partners for several foreign and domestic institutional investors. We provide end-to-end delivery through full-service sales, trading, research and corporate access services. In addition to a strong local presence, our international offices in Singapore and USA continued to help expand our reach across large Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs) looking for exposure to Indian equities.

Crystal-Gazing into India's Green Energy Boom



Only of 50% of bid out solar is u/c (lag in PSAs); fulfilling RPO backlog enough to bridge the gap

Govt. focus on domestic sourcing well-intended, but can imply short-term capacity constraints

CMP factors zero RE growth for NTPC vs. higher RE growth for Tata Power / JSW Energy

India Auto-tech Gearing up for a Digital Journey



Secular tailwinds to enable decadal growth in Auto-tech

Trust & Convenience keys to expansion of digital used car transactions

Used car sales to grow to 2x of new cars

Cement Small Caps House is in order; Small caps ripe for re-rating



Sacrificed volumes to improve profitability and pare debt

Balance sheet well capitalised; Aggressive expansion to capture share

Initiate on Sagar Cements (BUY), Orient Cement (BUY) and HeidelbergCement (HOLD)

Investor Access Events

Our services also include networking access to best-in-class corporates, senior government bureaucrats, industry experts and thought-leaders across diverse sectors and varied spectrum of the economy. The speaker sessions include topics relevant to the investor community. The FY 2021-22 edition of the JM Financial Banking, Financial Services and Insurance (BFSI) Conference received encouraging response facilitating over 1,500 interactions.



Sales and Sales Trading

Our Institutional Equities business strengthened its position as one of India's foremost institutional brokerage houses. In FY 2021-22, we consummated some of the most marquee fund raise mandates and were at the epicentre of frenzied secondary market activity. Our 20+ sales and sales trading teams offer bespoke customised solutions to 450+ global and domestic institutional investors. We continued to attract requisite talent to further augment our reach and client entrenchment.

During the year, we ramped up hiring across the sales and trading desk, resulting in increased traction on both volumes and client interaction front, a trend we are confident of capitalising on. Combined with continued investments in technology, we remain a preferred partner for institutional investors across regions for seamless execution of complex trades.



Capital Market Lending

Our Capital Market Lending group offers margin-funding, loan against shares and other securities to meet the fund requirements of various categories of clients inter-alia Retail and HNI, HUFs and Corporate Entities. The group also provides finance for investment in primary market issues as well as ESOP and Mutual Fund schemes. Loans under this segment are typically short-term advances and primarily cater to the financial requirements of clients under the broking and wealth management businesses. The strong synergies within our businesses enable cross-selling of these financial products.

Key highlights

- The steady state financing book for the capital market lending stood at ₹834 crore
- IPO financing undertaken across entities amounted to ₹1,11,169 crore across 46 issuances (including four NCDs, one FPO and one SME issuances) as compared to ₹85,357 crore across 31 issuances (including two NCDs issues) in the previous year

Numbers as on March 31, 2022



Bespoke Finance

The Bespoke Finance Group at JM Financial aims to provide customised financing solutions to companies and promoters to meet diverse fund requirements, related to debt finance working capital, growth capital, acquisition finance, bridge finance, equity fund-raising, stake accretion or investments in group companies, buy-out of private equity investors, among others.

The bespoke finance book as on March 31, 2022 stood at ₹4,287 crore as compared to ₹2,092 crore as on March 31, 2021. During FY 2021-22, the group focused on profitable, short-term transactions and deployment of capital to support its franchises and clients.

Going forward, we aim to drive business through sustained engagement with clients and expect that there will be more opportunities to grow the lending business on the back of the investment banking franchise in the next few quarters. We particularly stand to benefit given our overall low leverage and strong balance sheet position.



Financial Institution Financing

Our Financial Institution Financing (FIF) group provides customised credit facilities to Financial Institutions (FIs). FIF specialises in underwriting loans to FIs towards their onward lending programme, such credit facilities are provided to Non-Banking Financial Institutions, which are rated between BBB and AA. The strategy is to partner with firms, which have high-quality investors as part of their cap table with strong management team and a proven business model. We are intending to build a healthy loan book with a diversified approach.

The FIF loan book as on March 31, 2022 stood at ₹440 crore as compared to ₹9 crore as on March 31, 2021.



Real Estate Consulting

Dwello is a technology-based real estate consulting division operating within the primary, residential, real estate space. Our team of experienced professionals and trained consultants leveraging cutting-edge technology and analytics, assists customers in making appropriate decisions during their home buying journey.

Dwello is present across most micro-markets in Mumbai and Pune and has set up operations in Bengaluru and the NCR. As on March 31, 2022, our portal displayed detailed information on 4,093 projects, of which 2,451 projects were from Mumbai and 1,642 from Pune.

A fair share of our visitors to the online portal come organically, enquiring about properties.

Dwello developed a customer data platform, Dwello Analytics, using cutting-edge technology to drive record sales and marketing efficiencies.



AMENITIES DEVELOPERS HAVE ADDED IN THE RECENT YEARS



In Q4 FY 2021-22, our portal displayed comprehensive information of 4,093 projects



Private Equity Fund

JM Financial India Fund II (Fund II) is a 2019 vintage (i.e., Final Close) private equity fund, as a Category II AIF.

Fund II is an India-focused, sector-agnostic private equity fund, designed to achieve superior risk-adjusted returns by investing growth capital in dynamic and fast-growing, small to mid-market Indian companies. We believe that the small to mid-market opportunity segment is relatively less crowded, offering attractive investment opportunities in growth-stage companies that are in their early phase of expansion. Key target sectors include financial services, consumer, manufacturing technology and others (logistics, agri-allied sectors, among others). Fund II has finalised 10 investments and funds are fully deployed. In addition, Fund II completed a partial divestment from one of its portfolio companies.

During December 2021, JM Financial India Growth Fund III (Fund III) completed its first closing. As on March 31, 2022, Fund III has finalised three investments, API Holdings Private Limited, Aarman Solutions Private Limited, and BigHaat Agro Private Limited, respectively and continues to evaluate a strong pipeline of investment opportunities in its target segments. Like Fund II, Fund III is an India-focused, sector agnostic private equity fund tailored to achieve superior

risk-adjusted returns by investing growth capital in dynamic and fast-growing, small to mid-market Indian companies.

In addition to the two operating funds, we also managed the JM Financial India Fund (Fund I), a 2006 vintage India-focused, private equity fund. Fund raised was ₹952 crore as capital and successfully exited from all its portfolio companies (including one partial exit). It distributed/appropriated an aggregate of 203% in INR terms (excluding income tax related retentions and reserves), of the capital contributions.



Investment Grade Group

The Investment Grade Group (IGG) (erstwhile Institutional Fixed Income division) commenced operations in the second half of FY 2019-20 with a focus on raising debt resources for corporate clients, investment advisory and active dealing in corporate bonds. During FY 2021-22, in its second full year of operations, the key developments for the desk along with focus are as are mentioned here:

Public Issues of Non-Convertible Debentures (NCDs)

The team worked extensively with higher-rated corporates in the private sector. We ranked #3 in FY 2021-22 on the Prime Database League Table.



Private Placement

Some of the key issues managed during the year are as follows:

- ₹8,000 crore Food Corporation of India
- ₹6,000 crore NHA
- ₹4,000 crore IRFC
- ₹4,000 crore REC Ltd
- ₹1,950 crore HPCL
- ₹2,000 crore REC Ltd
- ₹2,000 crore Union Bank of India
- ₹1,997 crore Bank of Baroda

Total volume of issuances managed in the public issue space was ~₹4,000 crore, gaining a market share of ~35%

We arranged ~₹55,853 crore in the private placement space across 32 issuances



Bondskart

Bondskart was launched in November 2021. It is a one-of-its kind, intuitive digital investment platform, which enables, retail investors to trade or invest in Fixed Income Securities, including Corporate Bonds. The platform has further strengthened our bouquet of financial services apart from complementing the investment distribution network of the group. Bondskart.com offers diverse fixed income investment options across rating categories, yields and instrument types.

Investors can log into the Bondskart.com website or mobile apps available on Android and iOS to trade and invest in bonds.

NOTABLE DEBT CAPITAL MARKET TRANSACTIONS CONCLUDED DURING THE YEAR:



Arranger for Private Placement of NCDs ₹250 crore



Sole Advisor for MLD Issuance ₹150 crore



Sole Arranger for Maiden Issuance of NCDs ₹200 crore



Lead Manager for public issuance of NCDs ₹1,700 crore

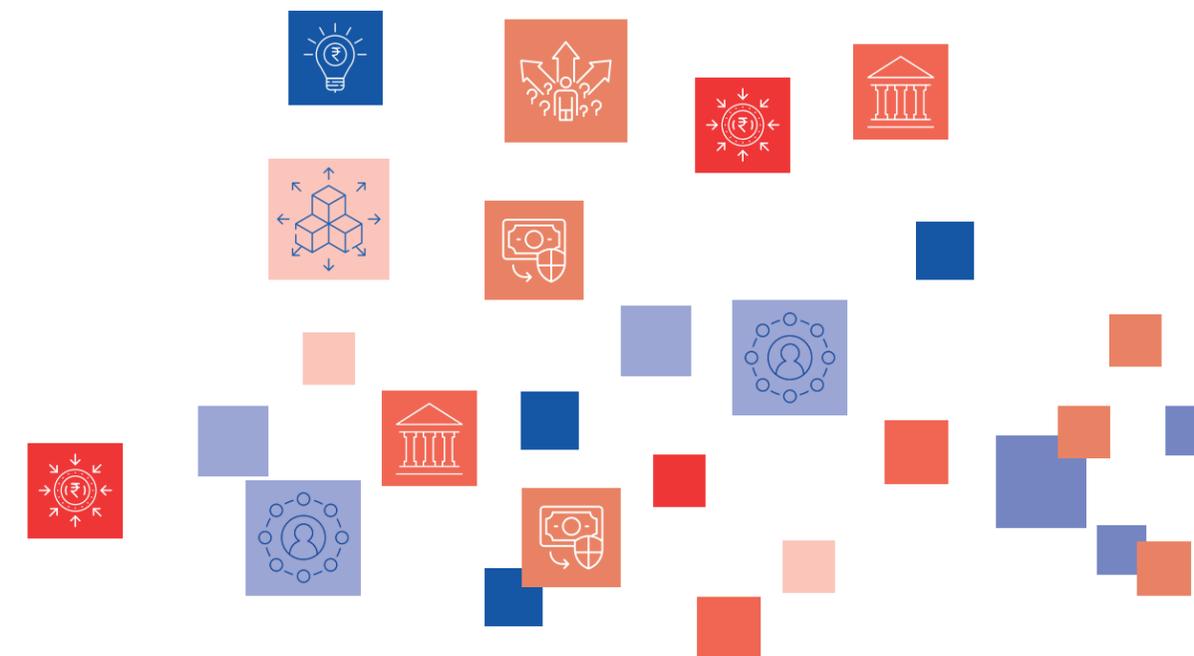


Arranger for Private Placement of NCDs ₹2,000 crore



Sole Lead Manager for Public Issue of NCDs ₹1,000 crore

The Investment Grade Group continued as an authorised market maker for Bharat Bond ETFs across five schemes managed by Edelweiss AMC. IGG has also been authorised as a market maker for SBI MF ETF 10 year gilt scheme, Nippon MF ETF NIFTYCPSE BD PLUS SDL & ICICI Prudential MF ETF 5 year GSEC and as a part of that role, we actively provided buy and sell quotes on the exchanges.





MORTGAGE LENDING

The Mortgage Lending business is divided into two parts (i) Wholesale Mortgage Lending and (ii) Retail Mortgage Lending.



Wholesale Mortgage

The Wholesale Mortgage Lending business is focused on offering a solution based approach to clients in the real estate sector by catering to their various financing requirements while keeping in mind typical nature of the industry. We consider our clients as partners and aspire to have significant mind share when it comes to meeting financing requirements and designing solutions. Under this business segment, we offer Project Loan, Loan against Land, Project at Early Stage Loan, Loan against Property and Loan against Securities.

The impact of Covid-19 on the wholesale mortgage segment was largely due to lockdowns in different regions with

varied measures based on the pandemic waves. During this period, there was a sharp fall in the footfalls in the projects impacting fresh sales. Further the pandemic also led to the delay in new project rollouts, movement of people, on-site construction due to labour shortage as well as commercial leasing decisions. It has impacted the valuation of collateral, the asset quality, and issuance of moratorium. The second and third wave also impacted the timeline for the resolution of some of the projects.

As on March 31, 2022, the total loan book for Wholesale Mortgage Lending stood at ₹6,286 crore as compared to ₹7,158 crore as on March 31, 2021.



Retail Mortgage Housing Finance

Our Housing Finance business is committed to democratising access to housing finance in the affordable segment, which is an under-served market owing to credit under-penetration by the traditional financial institutions.

FY 2021-22 had two distinct phases in the retail mortgage business. The year began with a fierce pandemic wave, which caused heightened uncertainty in the business ecosystem. New disbursements slowed down considerably as well as collection efficiencies deteriorated and bounce rates increased significantly. Credit growth was flat YoY for housing finance companies in Q1 FY 2021-20.

Unlike during the first wave, the RBI did not offer a carte blanche moratorium facility to all borrowers in the second wave. Instead, the RBI extended one-time restructuring guidelines on account of pandemic related stress to retail and MSME borrowers. Increased vaccination coverage meant the impact of the second wave on economic activity was relatively short-lived. During the second half, there was strong credit demand and improved collection efficiency.

Performance in FY 2021-22

Despite the uncertain operational environment in H1 FY 2021-22, JM Financial Home Loans Ltd (JMFHLL) executed its branch expansion agenda. This demonstrates the long-term commitment to grow in this segment. The Company expanded its branch network from 31 to 50 during H1 FY 2021-22. This paid rich dividends when demand bounced back in H2 FY 2021-22. JMFHLL's monthly disbursement run rate more than doubled in H2 FY 2021-22 versus a year ago. Overall, the Retail Mortgage loan book of the group crossed an important milestone of ₹1,000 crore.

As we enter FY 2022-23, we expect business momentum to take firm roots.



Education Institutions Lending

The year gone by was challenging for the business of education institutions, with the devastating second wave disrupting the academic calendar until August 2021. However, education institutes began recovering from the impact from September onwards with high school grades resuming physical classes.

Both new disbursements and collections continued to show improvement in Q4 FY 2021-22. With schools and colleges operating at full capacity pan India, collection efficiency of the education institution loan portfolio improved to over 98% in March 2022.

Larger education institutions are likely to continue taking a significant volume of fresh enrolments away from smaller institutes. Several such institutes may not keep afloat due to multiple reasons, of which inability to invest in digital learning resources may be the key one. Significantly higher admissions in pre-primary and primary grades, which parents held back over the last two years, are likely to provide a further fillip to the fortunes of the larger and more established institutions. With larger institutions gaining ground at the cost of smaller ones, the strategy of the business is being realigned to reflect the evolving reality. There is a greater thrust on supporting larger institutions to ride the next phase of the growth.

₹1,170 crore

Retail Mortgage loan book of
the Group



ALTERNATIVE AND DISTRESSED CREDIT

This segment operates principally in the asset reconstruction business and alternative credit funds.

Banking on our proven track record, we have emerged as one of the consistent top performers in the industry in terms of recovery, resolution and profitability. The emphasis on resolutions over growth continued in FY 2021-22, yielding significant recoveries of ₹2,041 crore through restructuring, settlement, enforcement of security and CIRP process. We had 65 exits (trusts) till date spanning sectors, which helped us develop strong expertise in resolving distressed assets.

Our goal is to realise investments and generate returns through the revival of companies, restructuring of debt, monetisation of non-core assets and infusion of additional funds, if required.

Detailing our approach

In FY 2021-22, we acquired dues of ₹2,092 crore, including aggregation of debt of one large account. Our investment strategy is to acquire quality assets at the right price and limiting the downside risk by ensuring sufficient underlying security value. Our investment approach is based on a disciplined due diligence process that evaluates risks while identifying various measures to increase value from our investments. Despite the challenges in funding ARCs, we raised an amount of ₹792 crore through external borrowings. Our team has extensive experience in banking, corporate debt restructuring and bankruptcy. We closely work with diverse, sector-specific professionals and sector-specialised firms for the revival of the acquired units.



We look forward to evaluating opportunities to grow our business. Our acquisition strategy has primarily been and will remain oriented towards full cash acquisitions. However, future acquisition focus will be more on a co-investment model involving financial investors and strategic partners, thus ensuring growth as well as sustainable and moderate level of debt leverage. In the coming years, we will focus on acquiring retail portfolios of optimal sizes at right prices.

₹2,041 crore

Recoveries during FY 2021-22



ASSET MANAGEMENT, WEALTH MANAGEMENT AND SECURITIES BUSINESS (PLATFORM AWS)

Within this segment, we offer an integrated investment platform to a cross-section of clients.

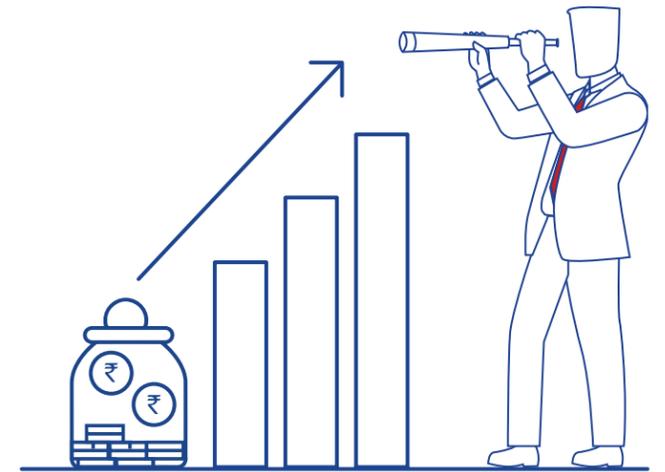


Asset Management

Operational for close to three decades in the Asset Management business (Mutual Fund) in India, JM Financial Asset Management Limited offers a bouquet of 12 mutual fund schemes across the risk-return spectrum catering to the specifics of institutional and individual investors.

We established our presence across all demographics and have achieved a pan-India presence with 10 branches, 81 investor service centres and ~16,700 distributors as on March 31, 2022. The Average Assets Under Management (AAUM) of JM Financial Mutual Fund for FY 2021-22 is ₹2,139 crore with Equity & Hybrid AAUM at ~₹555 crore, debt AAUM at ~ ₹227 crore, liquid AAUM at ~ ₹1,357 crore.

We conducted key hiring across products and sales while strengthening our branch operations. To fortify the business, we launched new products and engagements for channel partners as well as other initiatives for stakeholders



Wealth Management

Private Wealth Group

Private Wealth Management exclusively focuses on ultra-high net-worth individuals, family offices, corporates and institutions for wealth management and advisory services. With a team strength of 36 wealth advisors, we are committed to fostering long-term client relationships based on trust.

We have a robust technology platform to provide reporting, consolidated portfolio reviews and analytics across asset classes and we constantly focus on improvising it further to meet our clients' evolving requirements.

At JM Financial, our endeavour has always been to become the 'one-stop shop' for end-to-end client investment requirements. During the year, our AUM* grew by 4% from ₹59,052 crore as on March 31, 2021 to ~₹61,211 crore as on March 31, 2022.

*Assets under Management (AUM) comprises distribution assets and advisory assets, as applicable



Elite Wealth Group

This division focuses on clients with net worth within the range of ₹1 crore to ₹100 crore. We are spread across 8 cities and are focused on opening satellite branches in tier-II locations and expanding our presence to newer markets. With about 92 wealth relationship managers (as on March 31, 2022), we cater to retired people looking for regular income and wealth preservation, first-generation entrepreneurs who seek to create alpha over their investments, top executives in corporates, millennials on their journey to create wealth and tech-savvy professionals.

Our aim is to grow as the most sought-after finance partner, next only to banks, for our customers' personal finances. We will focus on catering to all investment and insurance related needs, including exotic product variants across various asset classes through an open architecture model. We intend to provide a robust online platform for client onboarding, and execution of transactions as well as to offer unified view of their investments.



Retail Wealth Group

We built an AUM* of ₹20,202 crore with a network of over 7,300 active Independent Financial Distributors (IFDs). Our Independent Financial Distribution Group (IFDG) distributes various financial products such as mutual funds, fixed deposits, public issue of equity and NCDs and Sovereign Gold Bonds (SGBs) to retail and high net-worth customers across the country. During the year, we added over 1,500 new partners across the country.

We strengthened our digital presence with substantial growth in our online accounts through paperless transactions in mutual funds, fixed deposits, and public issues. Around 86% of the SIPs are now being managed digitally. We have digitalised the entire process of IFD empanelment, which has enhanced the experience of on-boarding of our prospective IFDs. We also ran a campaign in coordination with a startup unicorn to attract new IFDs to register with us digitally, which witnessed a significant jump of ~75% in IFD empanelment this year.

*Assets under Management (AUM) comprises distribution assets and advisory assets, as applicable



Securities

Our continued focus is on serving high net-worth individuals and corporates through branches, and retail clients through franchisees. Currently, we provide research-based equity advisory, trading services and third-party products through 34 branches and 634 locations across 185 cities in India. The equity business achieved increased delivery-based market share and widened reach and visibility by opening new branches and expanding franchisees across regions.

BlinkTrade, a user-friendly platform, enables clients to tap market opportunities and achieve investment and trading goals. Seamless access to all segments - primary and secondary products, advisory, intuitive scanners and ready-to-trade option strategies lend blink trade easy acceptance among all categories of clients, investors, traders and long-term investors.



₹9,294 crore
Average daily online volume

₹15,453 crore
Average daily volume

For FY 2021-22



Digital Business Group (DBG)

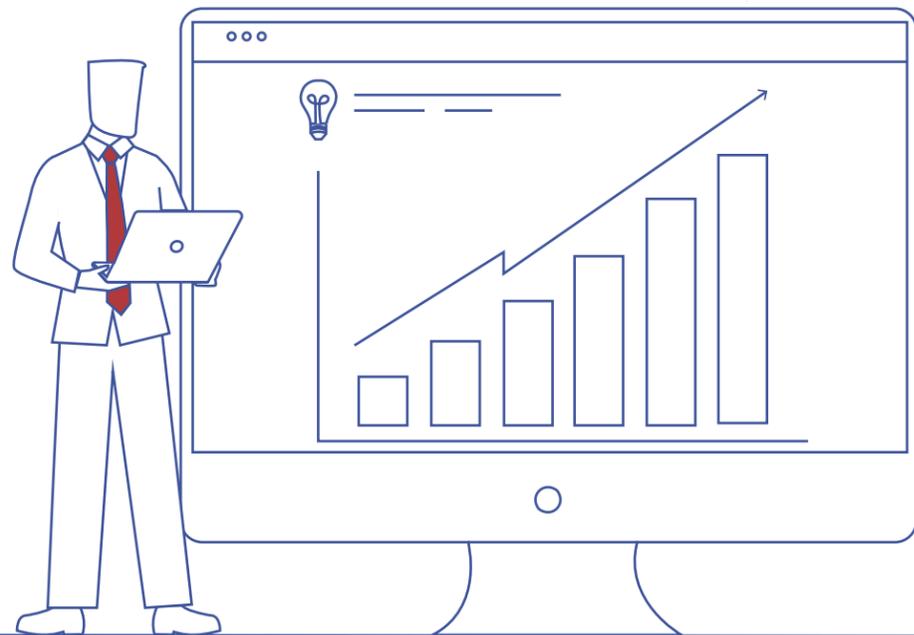
JM Financial Digital Business Group is a new age consumer internet business vertical catering to all things digital in the financial landscape. Our goal is to simplify the financial journey for all. We believe that constant flow of ideas, seamless execution and a customer-centric approach forms an effective blueprint formula to achieve success in the business.

Our digital transformation journey combines the strength of data and analytics led intelligence for smart, innovative and customer-centric services. Based on the digital backbone our pipeline of digital initiatives are spread across broking, investments, advisory, lending and other financial products.

Digital Broking

Through our digital broking arm, we focus on building a technology-centric, digital securities business. The cornerstone of the business is a web and app-based platform offering diverse financial products and services.

Our new platform will be a destination for all financial products and will make it convenient for the users to make the right financial moves. We believe our innovative yet simple digital products and processes will enable investors to plan their financial future wisely.



Our People

Raising a future ready workforce

Our employees are our true ambassadors. It has been our mission to build a motivated and future-ready workforce, offering them learning and growth opportunities in abundance.

Talent management

We believe our people are our partners in growth and it is their drive and determination that provides us the competitive edge. We prioritise building and developing a strong talent pool with relevant skillsets, and encourage continuous learning. We are working towards attracting the right talent, assessing them based on their skills, knowledge and ability to stay true to organisational values.

Our subject matter experts were encouraged to conduct these sessions and mailers were sent to all employees to invite their active participation. The event details were also uploaded on iLearn platform.

In addition to ensuring that our employees are abreast of the happenings across diverse domains, these cross-functional training sessions inspired bonding across different teams.

Ramping up virtual learning

Growth is the outcome of an environment where employees receive encouragement and support in the development of their interpersonal, emotional and professional skills. Employee training programmes and initiatives are integral to our HR vision and long-term strategic objectives.

We provide high quality training to employees through professional training companies and qualified staff. Based on the training requirements, we offer a variety of programmes and development opportunities. We adapted to innovative ways to deliver trainings due to the fact that classroom training became challenging during lockdowns. The sessions were led by our senior leadership and various teams. There was major focus on e-learning and our iLearn portal hosted several modules on behavioural and functional subjects. Employees were encouraged to use the portal and the same was made available on the Connect mobile app for on-the-go access to all learning material available on iLearn. New internally developed courses were also featured.

Knowledge community

This is our in-house learning and development initiative, which includes knowledge-sharing sessions among business groups on a mélange of topics of relevance for the financial industry.



Group monthly training calendar

This was introduced to circulate key details from training programmes across business segments and functions to be published for every employee's perusal. Their knowledge of aspects relevant to the business and the industry is enriched by way of access to diverse programmes planned within a month.

Engaging employees meaningfully

At JM Financial, we build engagement for our employees via diverse initiatives, both at group as well as at the entity level. Major festivals and important days were celebrated at our offices through various initiatives. We observed appreciation week in February 2022, where employees were encouraged to share their stories via iCheer.



Employees participating in various engagement initiatives

Resolute response

Covid-19, at its outset, created short-term disruptions and ignited long-term changes in the way the world lives and does business. Now that it is at the endemic stage, we are turning our focus to well-rounded, inclusive growth that includes building a more collaborative and empathetic workplace to maximise contributions of our people and ensure savvy stakeholder engagement.

Prioritising health and well-being

To encourage employees to initiate and maintain a healthy and active lifestyle, we introduced multiple fitness initiatives like virtual yoga sessions, live de-stressing sessions, among others. These were unique programmes to help employees remain physically and mentally active during the stressful pandemic period. The virtual yoga sessions were much appreciated by our employees. A few other initiatives like vaccination drive, medical assistance, doctor on call, and paid leaves were also undertaken to ensure well-being of our staff.

Welcoming people back to the workplace

We organised 'welcome back to office sessions', which helped employees resume work from office. We also followed the safety measures and guidelines to ensure that our employees remain safe. The guidelines issued by WHO were reiterated and we ensured that all employee queries were addressed, with constant follow-ups and advisory mails. The Human Resource Business Partners (HRBPs) played a vital role in tracking employee and family health, while extending necessary aid with the help of our admin team from time to time.



Vaccination drive conducted for JM Financial staff and family

GPTW awards for FY 2021-22

Virtual Yoga Sessions

Awards and Testimonials

Appreciation that motivates

There can be no better proof of progress than being recognised by the industry and affirmed by our clients. This year, our efforts brought us accolades and appreciation that will fuel our journey to the next chapter.



Honours



- Recognised among India's Top 50 Great Mid-Sized Workplaces 2021 for JM Financial Home Loans Limited
- Honoured for 'Commitment to Being a Great Place to Work', taking into account JM Financial Limited (including all institutional businesses), JM Financial Asset Management Limited and JM Financial Services Limited



Pat on our back



We are extremely pleased with the support and guidance provided by JM Financial as the Left Lead BRLM on the Sapphire Foods IPO. The execution team did a superb job in navigating us through complex situation with their solution-oriented approach and in helping us complete the filing documents well within the required time. The marketing team on the other hand garnered a solid response from marquee investors for the anchor and the main book, with significant oversubscription. Overall, it was a great experience working with them on this IPO and we look forward to working together in the future.

Mr. Sumeet Narang | Founder & Managing Director, Samara Capital



Magic happens when your partner believes in your business as much as you do. We were lucky to find such a partner in JM Financial. They invested time and energy in understanding the Saregama growth story, and then pushed it to achieve new pinnacles. The outcome was that Saregama QIP was over-subscribed with high quality investors. JM Financial lived up to our faith of appointing them as a sole banker for our issue.

Mr. Vikram Mehra | Managing Director, Saregama India Limited



I take this opportunity to thank the JM Financial team for their support and guidance while acting as the Exclusive Financial Advisor for the acquisition of the Indian AMC business of Principal Group. The team at JM Financial led from the front, with great advice and continued assistance in navigating negotiations. We appreciate the commitment, support and professionalism that the team put in to facilitate seamless and timely execution of definitive documents and liaising with relevant regulators. The closure of this transition strengthens our trust and confidence in JM Financial and we look forward to our continued association with your organisation.

Mr. Harsha Viji | Chairman, Sundaram Asset Management Company Limited



JM Financial has been a true partner in Go Fashion's journey from being a private to a publicly listed company. The team's continued efforts, guidance and support helped us achieve a big milestone and I am very pleased with the team's end-to-end deal execution capabilities. JM Financial was able to garner a solid response for the IPO and introduce marquee investors to Go Fashion's shareholder roster.

I look forward to our long-term association with the team.

Mr. Gautam Saraogi | Promoter, Executive Director & CEO, Go Fashion (India) Limited



The understanding that JM Financial has of business was very thorough and that gave us lot of confidence in them as an advisor. The team supported us on real-time basis and brought profound insights to the table. We owe them deep gratitude for partnering our endeavour.

Mr. Siddharth Sikchi | Promoter & Executive Director – Clean Science & Technology Limited

Corporate Social Responsibility

Persevering in our endeavours

The year presented an opportunity to pick up pace once again across our community welfare initiatives and invest in enabling measurable progress in the lives led by lesser-privileged communities around us. Our robust Covid support endeavours, efforts made in rural upliftment, healthcare and education are bearing impact at the grassroots.

Our CSR arm, JM Financial Foundation, under the aegis of Integrated Rural Transformation Programme, paved the way for new projects in education and sports development, while our ongoing projects expanded to newer villages through healthcare services, agriculture and allied activities in Maharashtra and Bihar.

Reinforcing resilience

As an appropriate and well-timed response to the persisting pandemic, the group companies came together through JM Financial Shiksha Samarthan to restore continuity in education for children who have lost either or both parents to Covid, until they finish 12th grade. We contributed 2,000 preventive kits containing essential healthcare equipment and supplies to frontline healthcare workers in Jamui, Bihar. We also supported over 2,000 families in Konkan, Maharashtra with grocery kits to help rehabilitate them after the tragic floods.

6,113

Children's school fees supported across seventeen states and three union territories



JM FINANCIAL FOUNDATION
EMPOWERING PEOPLE. INSPIRING HOPE.

SHIKSHA SAMARTHAN

PROJECT DETAILS
A financial aid programme for children who have lost their parent/s to COVID-19, to support their school fees up to grade 12.

JM Financial Foundation is committed to ensure continuity in education and seeks your help in reaching out to every such child in need across the country.

TO ENQUIRE

+91 90290 59262
Just give us a missed call and we will call you back (toll-free number)

shiksha@jmfl.com
Send us an e-mail with the child's name and contact details.

+91 93211 40005

*Financial aid will be extended basis due diligence and need assessment undertaken by JM Financial Foundation for each application received.

Project Shiksha Samarthan

Ensuring quality education

We set up and operationalised digital literacy centres to ensure that children in our rural project geographies can also reap the benefits of digital. Simultaneously, we initiated libraries in government schools and community spaces to inculcate the love of reading in children, leading to their foundational literacy being nourished and strengthened gradually.

JM Financial Foundation is working to help children and young people holistically by creating technically designed sportsgrounds and operationalised them with coaching sessions by football and athletics experts. These sportsgrounds bring the right avenues, exposure, training and opportunities for the untapped youth potential found in backward, rural geographies.



Imparting digital literacy - Digital Saksharta centres in Palghar, Maharashtra

Enhancing healthcare and access

We operationalised our second mobile health unit and supported endeavours to better healthcare infrastructure and equipment in diagnostic and neonatal care facilities. Through agriculture and allied activities, we attempted crop diversification by bringing larger areas of arable land under cultivation of high-value crops, increasing net irrigated area with simple, eco-friendly water structures and increasing cattle milk yield through improved progeny.



Encouraging vegetable cultivation with kitchen garden kits

~26,000

Patients aided through the mobile health unit cumulatively

Our initiatives and their outcomes are detailed in the Corporate Social Responsibility section of the Management Discussion and Analysis

Corporate Information



BOARD OF DIRECTORS

Mr. Nimesh Kampani
Non-Executive Chairman

Mr. Vishal Kampani
Non-Executive Vice Chairman
(With effect from October 1, 2021)

Mr. E A Kshirsagar
Independent Director

Dr. Vijay Kelkar
Independent Director

Mr. Paul Zuckerman
Independent Director

Mr. Keki Dadiseth
Independent Director

Ms. Jagi Mangat Panda
Independent Director

Mr. P S Jayakumar
Independent Director

Mr. Navroz Udwadia
Independent Director
(With effect from December 9, 2021)

Ms. Roshini Bakshi
Independent Director
(With effect from December 9, 2021)

Mr. Pradip Kanakia
Independent Director
(With effect from February 7, 2022)

Mr. Sumit Bose
Independent Director
(With effect from May 24, 2022)

Mr. Atul Mehra
Joint Managing Director
(With effect from October 1, 2021)

Mr. Adi Patel
Joint Managing Director
(With effect from October 1, 2021)

GROUP HEAD – COMPLIANCE, LEGAL & COMPANY SECRETARY

Mr. Prashant Choksi

GROUP CHIEF FINANCIAL OFFICER

Mr. Manish Sheth

PRINCIPAL BANKER

HDFC Bank Limited

STATUTORY AUDITORS

BSR & Co. LLP
(Appointed with effect from
December 14, 2021)

SECRETARIAL AUDITORS

Makarand M. Joshi & Co.

REGISTERED OFFICE

JM Financial Limited
7th Floor, Cnergy, Appasaheb
Marathe Marg,
Prabhadevi, Mumbai 400 025
Tel: 91-22-6630 3030
Fax: 91-22-6630 3223
Email ID: ecommunication@jmfl.com
Website: www.jmfl.com
CIN: L67120MH1986PLC038784

REGISTRAR & TRANSFER AGENTS

KFin Technologies Limited
Unit: JM Financial Limited
Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda,
Serilingampally Mandal
Hyderabad – 500 032
Toll Free no. 1800 309 4001
Email ID: einward.ris@kfintech.com
Website: www.kfintech.com

Notice

NOTICE IS HEREBY GIVEN THAT THE THIRTY SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF JM FINANCIAL LIMITED (THE “COMPANY”) WILL BE HELD ON TUESDAY, AUGUST 2, 2022 AT 4.00 PM THROUGH VIDEO CONFERENCING (“VC”)/OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business

- To receive, consider and adopt the audited standalone financial statements of the Company consisting of the balance sheet as at March 31, 2022, the statement of profit and loss, cash flow statement and statement of changes in equity for the year ended on that date and the explanatory notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors thereon.
- To receive, consider and adopt the audited consolidated financial statements of the Company consisting of the balance sheet as at March 31, 2022, the statement of profit and loss, cash flow statement and statement of changes in equity for the year ended on that date and the explanatory notes annexed to, and forming part of, any of the said documents together with the Auditor’s report thereon.
- To declare final dividend for the financial year ended March 31, 2022.
- To appoint a director in place of Mr. Nimesh Kampani (DIN: 00009071), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- To appoint BSR & Co. LLP, Chartered Accountants (Firm registration no. 101248W/W-100022), Mumbai, as the Statutory Auditors of the Company, for a period of five (5) consecutive years with effect from the conclusion of the 37th Annual General Meeting until the conclusion of the 42nd Annual General Meeting to be held in the financial year 2027–28 and to authorise the Board of Directors to fix their remuneration.

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with the Companies (Audit and Auditors) Rules, 2014 (the “Rules”) including any amendments, statutory modifications and/or re-enactment thereof, for the time being in force, and based on the recommendation of the audit committee and the Board of Directors (the

“Board”) of the Company, the consent of the members of the Company be and is hereby accorded for the appointment of BSR & Co. LLP, Chartered Accountants (Firm registration no. 101248W/W-100022), Mumbai (the “BSR”) holding valid peer review certificate as issued by the Institute of Chartered Accountants of India, as the Statutory Auditors of the Company to hold office for a period of five (5) consecutive years with effect from the conclusion of the 37th Annual General Meeting (the “AGM”) until the conclusion of the 42nd AGM of the Company, at such remuneration as is decided by the Board.”

“RESOLVED FURTHER THAT the Board (which term shall be deemed to include any committees thereof), be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto.”

Special Business

- Appointment of Mr. Sumit Bose (DIN: 03340616) as an independent director of the Company**

To consider and, if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (the “Rules”), Regulations 16(1)(b), 17, 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) (including any amendments, statutory modifications and/or re-enactment thereof for the time being in force), and subject to such other laws, rules and regulations as may be applicable in this regard, Mr. Sumit Bose (DIN: 03340616), who was appointed by the Board of Directors (the “Board”) on May 24, 2022, based on the recommendation of the Nomination and Remuneration Committee, as an additional (independent) director of the Company pursuant to Section 161(1) of the Act and Article 132 of the Articles of Association of the Company and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of a director and who has furnished a declaration that he meets the criteria of independence as specified under the Act and the Listing Regulations, be and is hereby appointed as an independent director of the Company, not liable to retire by rotation in terms of Section 149(13) of the Act, for a term not exceeding five (5) consecutive years with effect from May 24, 2022 to May 23, 2027.”

Notice (Contd.)

“RESOLVED FURTHER THAT the Board (which term shall be deemed to include any committees thereof) be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to above resolution and matters connected therewith or incidental thereto.”

7. **Approval for material related party transactions with JM Financial Credit Solutions Limited**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “Listing Regulations”) and Section 188 of the Companies Act, 2013 (the “Act”), if any and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendments, statutory modifications and/or re-enactment thereof for the time being in force), read with the Company’s Policy on Dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation of the audit committee/Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (the “Board”, which term shall include any of the committees thereof) to enter into any and all material related party transactions/contracts/arrangements (whether by way of an individual transaction or all transactions taken together) with JM Financial Credit Solutions Limited (the “JM Financial Credit Solutions”), a subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, inter alia, relating to making of loans including the inter corporate deposits to, and/or giving of guarantees or providing securities on behalf of JM Financial Credit Solutions and/or making of any investments in the securities of JM Financial Credit Solutions and/or purchase from and/or sale to it of any securities and/or providing/availing of any services by the Company to/from JM Financial Credit Solutions, on such terms and conditions as the Board, in its absolute discretion, may deem fit PROVIDED HOWEVER THAT the aggregate value of all such material related party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 500 Crore (Rupees Five Hundred Crore only) during the financial year 2022-23 including and up to the annual general meeting of the Company to be held in the financial year 2023-24.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from powers herein conferred to, without being required to seek further consent/approval of the members of the Company.”

8. **Approval for material related party transactions with JM Financial Asset Reconstruction Company Limited**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “Listing Regulations”) and Section 188 of the Companies Act, 2013 (the “Act”), if any and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendments, statutory modifications and/or re-enactment thereof for the time being in force), read with the Company’s Policy on Dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation of the audit committee/Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (the “Board”, which term shall include any of the committees thereof) to enter into any and all material related party transactions/contracts/arrangements (whether by way of an individual transaction or all transactions taken together) with JM Financial Asset Reconstruction Company Limited (the “JM Financial Asset Reconstruction Company”), a subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, inter alia, relating to making of loans including the inter corporate deposits to, and/or giving of guarantees or providing securities on behalf of JM Financial Asset Reconstruction Company and/or making of any investments in the securities of JM Financial Asset Reconstruction Company and/or purchase from and/or sale to it of any securities and/or providing/availing of any services by the Company to/from JM Financial Asset Reconstruction Company, on such terms and conditions as the Board, in its absolute discretion, may deem fit PROVIDED HOWEVER THAT the aggregate value of all such material related

party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore only) during the financial year 2022-23 including and up to the annual general meeting of the Company to be held in the financial year 2023-24.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from powers herein conferred to, without being required to seek further consent/approval of the members of the Company.”

9. **Approval for material related party transactions with JM Financial Products Limited**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “Listing Regulations”) and Section 188 of the Companies Act, 2013 (the “Act”), if any and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendments, statutory modifications and/or re-enactment thereof for the time being in force), read with the Company’s Policy on Dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation of the audit committee/Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors (the “Board”, which term shall include any of the committees thereof) to enter into any and all material related party transactions/contracts/arrangements (whether by way of an individual transaction or all transactions taken together) with JM Financial Products Limited (the “JM Financial Products”), a subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, inter alia, relating to making of loans including the inter corporate deposits to, and/or giving of guarantees or providing securities on behalf of JM Financial Products and/or making of any investments in the securities of JM Financial Products and/or purchase from and/or sale to it of any securities and/or providing/availing of any services by the Company to/from JM Financial Products, on such terms

and conditions as the Board, in its absolute discretion, may deem fit PROVIDED HOWEVER THAT the aggregate value of all such material related party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore only) during the financial year 2022-23 including and up to the annual general meeting of the Company to be held in the financial year 2023-24.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from powers herein conferred to, without being required to seek further consent/approval of the members of the Company.”

10. **Approval for issuance of redeemable non-convertible debentures**

To consider and, if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 (the “Act”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014, and pursuant to the applicable provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations and guidelines issued by SEBI and the Reserve Bank of India together with applicable circulars and clarifications issued by them from time to time and to the extent applicable to the Company (including any amendments, statutory modifications and/or re-enactment thereof for the time being in force) and subject to the provisions of the Company’s Articles of Association, consent of the members of the Company be and is hereby accorded to the Board of Directors (the “Board”, which term shall include any committees thereof) to offer, issue and allot secured/unsecured, listed/unlisted, rated/unrated redeemable Non-Convertible Debentures (the “NCDs”), in one or more series/tranches, aggregating up to ₹ 1,000 Crore (Rupees One Thousand Crore only), on private placement basis and/or through public offer on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company, provided that the borrowings including by way of the NCDs will be within the overall limit of borrowing as approved by the members of the Company.”

Notice (Contd.)

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto, including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from powers herein conferred by the members.”

By Order of the Board

Prashant Choksi
Group Head - Compliance, Legal
& Company Secretary

Place: Mumbai
Date: June 24, 2022

Registered Office:

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

Notes:

- The Ministry of Corporate Affairs (the “**MCA**”) vide its circular no. 02/2022 dated May 5, 2022 and SEBI vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, have allowed the companies whose AGM is due in the calendar year 2022, to conduct the same through Video Conferencing (“**VC**”) and/or Other Audio Visual Means (“**OAVM**”) facility.
- In view of the above read with the other circulars issued by the MCA and SEBI from time to time post the pandemic (together referred to as the “**Circulars**”), the 37th AGM of the Company is convened through VC/OAVM without the physical presence of the members at a common venue. Members can, if they so desire, access these Circulars on the website of the Company at <https://jmfl.com/investor-relation/agm-egm.html>.
- The relevant statement to be annexed to the Notice pursuant to Section 102 of the Act which sets out details concerning the special business under item nos. 6 to 10 is annexed hereto and forms part of the Notice.
- Pursuant to the applicable provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her/its behalf and the proxy need not be a member of the Company. Since the 37th AGM is being held through VC/OAVM, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and

hence the proxy form, attendance slip and route map are not annexed to this Notice.

- The body corporate/institutional investors, who are members of the Company, are encouraged to attend the meeting through VC/OAVM mode and vote electronically. They are also requested to send scanned copy (PDF/JPG format) of their board or governing body resolution/authorization, authorizing their representatives to attend the AGM through VC/OAVM on their behalf and vote through remote e-voting. The said resolution/authorisation should be emailed to the Scrutiniser at jayshreedagli@gmail.com and copy marked to ecommunication@jmfl.com and evoting@nsdl.co.in.
- The register of members of the Company shall remain closed from **Monday, July 11, 2022 to Friday, July 15, 2022 (both the days inclusive)** for determining the members entitled to receive the final dividend on the equity shares for the financial year 2021-22, if declared at the 37th AGM.
- Members may note that the Board of Directors (the “**Board**”), at its meeting held on May 24, 2022, has recommended final dividend of ₹ 1.15 per share of the face value of ₹ 1/- each. The dividend, once declared at the 37th AGM, will be paid on and from **Friday, August 5, 2022** to those members:
 - whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of the business hours on **Friday, July 8, 2022** in respect of shares held by them in dematerialised form; and
 - whose names appear in the register of members at the close of business hours on **Friday, July 8, 2022** in respect of shares held by them in physical form.
- Under the Income-tax Act, 1961 (the “**IT Act**”) the Company is required to deduct tax at source (the “**TDS**”) at the time of making payment of the dividend. The TDS rates would vary depending on the residential status of each member and the documents submitted by them and accepted by the Company. Accordingly, the dividend, if declared by the members, will be paid after deducting the tax at source in the following manner.

For resident members

- Where, the Permanent Account Number (the “**PAN**”) is available and is valid,
- Tax shall be deducted at source in accordance with the provisions of the IT Act at 10% on the amount of dividend.

- No tax shall be deducted in the case of a resident individual shareholder, if
 - the amount of such dividend in aggregate paid or likely to be paid during the financial year does not exceed ₹ 5,000; or
 - the member provides the duly signed Form 15G (applicable to any person other than a company or a firm) or Form 15H (applicable to an individual above the age of 60 years) subject to meeting all the prescribed eligibility conditions. The format of Form 15G and Form 15H are available on the website of the Company at <https://jmfl.com/investor-relations/form15g.pdf> and <https://jmfl.com/investor-relations/form15h.pdf> respectively. The said form(s) may be provided by the member, by way of email, to the Company’s Registrar and Transfer Agents (the “**RTA**”) at einward.ris@kfintech.com or to the Company at ecommunication@jmfl.com.

- No tax will be withheld from dividend paid to Mutual Funds, Category - I & II Alternative Investment Funds, Infrastructure Investment Trusts and Real Estate Investment Trusts registered with SEBI, Life Insurance Corporation of India, General Insurance Corporation of India, companies formed under General Insurance Business (Nationalisation) Act, 1972 or any other insurer or other members having exemption under the applicable provisions of the IT Act.

Such resident members are required to provide details and documents as per declaration in the prescribed format available on website of the Company at https://jmfl.com/investor-relations/Self_declaration_for_resident.docx.

In case, members (both individuals and non-individuals) provides certificate under Section 197 of the IT Act for lower/NIL withholding of taxes, then the rate specified in the said certificate shall be considered by the Company only on submission of the self-attested copy of the same.

For non-resident members

- Tax will be deducted at source in accordance with the provisions of the IT Act at the rates for the time being in force. The said rate would be exclusive of surcharge and cess, which will be levied, as applicable. Currently, the rate of deduction of TDS is 20% (plus applicable surcharge and cess) on the amount of dividend.
- As per the provisions of the IT Act, the non-resident member may have an option to be governed by the provisions of the Double Tax Avoidance Agreement/

Treaty (the “**DTAA**”) between India and the country of tax residence of the member, if such DTAA provisions are more beneficial to them. To avail the DTAA benefits, the non-resident shareholder shall furnish all the following documents to the Company’s RTA:

- Self-attested copy of the PAN if allotted by the Indian Income Tax Authorities;
- Self-attested Tax Residency Certificate (“**TRC**”) issued by the tax authorities of the country of which member is a resident, evidencing and certifying member’s tax residency status during the financial year 2022-23;
- Completed and duly signed self-declaration in Form 10F, draft format available on the website of the Company at <https://jmfl.com/investor-relations/form10f.pdf>;
- Self-declaration for the financial year 2022-23 in the prescribed format available on website of the Company at https://jmfl.com/investor-relations/Self_declaration_for_non_resident.docx;
- In case of Foreign Institutional Investors and Foreign Portfolio investors, certified true copy of the SEBI registration certificate.
- In case, non-resident members provide certificate under Section 195 or 197 of the IT Act, for lower/Nil withholding of taxes, rate specified in the said certificate shall be considered, upon submission of self-attested copy of the same.
- The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the concerned non-resident member.

Deduction of tax at higher rate

- Under Section 206AA of the IT Act, where the PAN is either not available or is invalid, tax shall be deducted at the rate specified in the relevant provisions of the IT Act or at the rates for the time being in force or 20%, whichever is higher.
- Under Section 206AB of the IT Act, tax is required to be deducted at the higher of following:
 - Twice the rates specified in the relevant provisions of the IT Act; or
 - Twice the rates in force; or
 - 5% on payments made to a ‘specified person’.

Notice (Contd.)

A 'specified person' means a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub section (1) of Section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years. The provisions of Section 206AB shall not apply to a non-resident payee who does not have a permanent establishment in India.

The 'specified person' shall be determined as per the database provided by the Income-tax Department and the above provisions shall be applied accordingly.

- c. Where the provisions of Section 206AA and 206AB of the IT Act are found to be applicable together, the higher of the two rates under the respective Sections shall be applicable for deduction of tax at source.

Other points for consideration

- a. According to Section 199 of the IT Act read with rule 37BA of the Income Tax Rules, 1962 (the "IT Rules"), if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then the deductee should file declaration with the Company in manner prescribed in the IT Rules. Such declaration should be provided on or before July 15, 2022. No declaration shall be considered thereafter.
- b. Members holding shares under multiple accounts having different status/category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in multiple accounts.

Kindly note that in order to enable the Company to determine and deduct appropriate TDS/withholding tax, the scanned copy of the duly signed documents as mentioned above are required to be emailed to the Company at ecommunication@jmfl.com or to its RTA, at einward.ris@kfintech.com on or before July 15, 2022.

For withholding of taxes, the residential status of the members will be considered as per the data available with the Company/RTA/the Depository Participants (the "DPs"). In case there is change in their status, then the members are requested to update their current status with the Company/RTA/the DPs on or before July 15, 2022.

Kindly note that in case the tax on the dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available to file the return of income and claim an appropriate refund, if eligible.

Kindly note that no claim shall lie against the Company for taxes deducted at source.

For any other information/clarification with regard to the above, kindly write to us at ecommunication@jmfl.com or our RTA at einward.ris@kfintech.com.

9. Members are requested to register/update/intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), signature, bank mandates, demat account details, nominations, etc., in following manner.

a. For shares held in electronic form, to their Depository Participants ("DPs")

b. For shares held in physical form, to the Company/RTA in prescribed Form ISR-1 and other forms pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/CIR/2021/655 dated November 3, 2021. All the prescribed forms can be downloaded from the Company's website at <https://jmfl.com/investor-relation/overview.html> under the category of Forms. The Company has sent communication to the members holding shares in physical form requesting them to furnish the required details.

In terms of the above SEBI Circular, the folios wherein certain details like PAN, nomination, mobile number, email address, specimen signature, bank details are not available, are required to be frozen with effect from April 1, 2023. Accordingly, members who have not yet submitted the said details are requested to kindly provide the same to the Company/RTA at the earliest but not later than March 31, 2023, failing which their folios shall be frozen.

10. As per the provisions of Section 72 of the Act and the SEBI Circular dated November 3, 2021, the facility for making the nomination, cancellation or variation of the nomination is available to the members holding the shares in physical form. Members are requested to furnish the following forms to the Company/RTA either through hard copy or email.

Particulars	Forms	Website Link for accessing the forms
Nomination Form	Form SH-13	https://jmfl.com/investor-relations/Form_No_SH13_Nomination_Form.pdf
Declaration to Opt-out of nomination	Form ISR-3	https://jmfl.com/investor-relations/Form_ISR-3_declaration_of_opting_out_of_nomination.pdf
Cancellation or variation of nomination	Form SH-14	https://jmfl.com/investor-relations/Form_No_SH14_cancellation_or_variation_of_nomination.pdf

For members holding the shares in demat mode, the above details can be submitted to their respective DPs.

11. All the service requests viz., issue of duplicate certificates/endorsement/sub-division/splitting/consolidation etc., shall be made by the members by submitting the duly filled and signed Form ISR-4, the format of which can be downloaded from the website of the Company at https://jmfl.com/investor-relations/Form_ISR-4_service_request_SEBI_Circular_25012022.pdf under the category of Forms. All the service requests shall be processed by the Company/RTA in dematerialized mode only, as mandated by SEBI.
12. Members who are still holding shares in physical form are requested to dematerialise their shares by approaching any of the registered DPs, to eliminate all risks associated with physical shares.
13. Dividend will be directly credited to the members' respective bank accounts. In case, if the details of the bank accounts are not available, then the Company shall dispatch the dividend demand drafts/pay orders to such members by post at their latest address available with the Company or its RTA.
14. Members, who have not yet claimed their final dividend for the financial year 2014-15 and/or for any subsequent financial years, are requested to immediately claim the same from the Company or its RTA, as the unclaimed dividend for the financial year 2014-15 is due for transfer to the Investor Education and Protection Fund (the "IEPF") in August 2022.
- Details of the members whose dividend has remained unclaimed up to the financial year 2019-20 as on the date of the 36th AGM held on July 28, 2021, has been uploaded on the website of the IEPF at www.iepf.gov.in and also under "Investor Relations" Section on the website of the Company at <https://jmfl.com/investor-relation/unclaimed-dividend.html>.
15. The shares, in respect of which the dividend has remained unclaimed for seven (7) consecutive years are being/shall be transferred by the Company in the

name of IEPF Authority by way of credit to the Demat Account established by the IEPF Authority, pursuant to the applicable Rules.

The shares in respect of which the dividend has not been claimed for seven (7) consecutive years from the financial year 2014-15, (barring the shares that have already been transferred by the Company to IEPF Authority in August 2021 and March 2022) are due to be transferred by the Company in the name of IEPF Authority in August, 2022.

The Company has been sending periodic reminders to the members to claim their dividends, if any, remaining unclaimed. In accordance with the IEPF Rules, the Company has sent notices to those members whose shares were due for transfer to IEPF Authority and simultaneously published a general notice by way of an advertisement in the newspapers.

Members whose unclaimed dividend/shares have already been transferred to IEPF/IEPF Authority may claim back such dividend and shares including all benefits, if any, accruing on such dividend/shares from IEPF/IEPF Authority by following the procedure prescribed in the IEPF Rule.

In case of any queries/clarification for claiming the dividend/shares from IEPF/IEPF Authority, members may contact the nodal officer, viz., Mr. Prashant Choksi, Group Head - Compliance, Legal & Company Secretary of the Company at prashant.choksi@jmfl.com.

The details pertaining to the amount of unclaimed dividend for last seven (7) years are given in the General Shareholders' Information Section forming part the Annual Report.

16. In compliance with the applicable Circulars, Notice of AGM along with the Annual Report for the financial year 2021-22 is being sent by the Company in electronic mode to those members whose email addresses are registered with their DPs/the Company/RTA. Members, who have not registered their email addresses so far, are requested to promptly intimate the same to their respective DPs or to the Company/its RTA, as the case may be, as per directions stated in point no. 9 above.

Notice convening the 37th AGM along with the Annual Report for the financial year 2021-22 will also be available on the Company's website at <https://jmfl.com/annual-report> and on the website of the stock exchanges i.e., BSE Limited (the "BSE") at www.bseindia.com and National Stock Exchange of India Limited (the "NSE") at www.nseindia.com.

17. Certificate from secretarial auditors confirming that the Company's Employees' Stock Options Scheme is in accordance with the applicable SEBI regulations and other statutory documents for inspection, as required under the Act, will also be made available for online inspection.

Notice (Contd.)

18. The Company has paid the annual listing fees to BSE and NSE, for the financial year 2022-23.
19. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
20. The instructions to members for remote e-voting, e-voting during the AGM and to join/attend the AGM are:
- In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of the Listing Regulations, the Company has provided to its members, the facility to exercise their right to vote on resolutions proposed to be passed at the 37th AGM by electronic means (the “**AGM**”) and the business may be transacted through e-voting process. The Company has engaged the services of National Securities Depository Limited (the “**NSDL**”) for providing the facility of casting the votes by the members using the electronic voting system (the “**remote e-voting**”) and e-voting system (the “**e-voting**”) at the AGM.
 - Members casting their votes through remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their votes again.
 - Members who have not cast their votes on the resolutions through remote e-voting, will be able to vote at the meeting through the online e-voting facility which shall be made available by NSDL at the AGM.
 - Only those members/shareholders, who are present at the AGM through VC/OAVM facility and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
 - Once the vote on a resolution is cast by a member through e-voting, the concerned member shall not be allowed to change it subsequently or cast the votes again.
 - A person who is not a member as on the cut-off date should treat this Notice of AGM for information purpose only.
 - The remote e-voting period commences on **Friday, July 29, 2022 (9:00 am)** and ends on **Monday, August 1, 2022 (5.00 pm)**. During this period, the members of the Company holding shares either in dematerialised form or in physical form (as on the cut-off date of Tuesday, July 26, 2022) may cast their votes by remote e-voting. The remote e-voting

module shall be disabled by NSDL for voting thereafter.

- The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. **Tuesday, July 26, 2022.**
- Any person holding shares in physical form and non-individual members who become a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e., Tuesday, July 26, 2022, may obtain the Login Id and password by sending a request at evoting@nsdl.co.in. However, if member is already registered with NSDL for remote e-voting, then he/she can use his/her existing user id and password for casting his/her vote.
- The details of the process and manner for remote e-voting, e-voting during the AGM and to join the AGM are explained below.

If he/she has forgotten his/her password, he/she can reset the password by using “Forgot User Details/ Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30.

In case of individual members holding securities in demat mode may follow steps mentioned in the Notice of the AGM under “**Access to NSDL e-Voting system**”.

NSDL e-voting system consists of “**Two Steps**” which are mentioned below:

Step 1: Access to NSDL e-voting system; and

Step 2: Cast vote electronically and join the AGM on NSDL e-voting system.

STEP 1: LOGIN METHOD FOR E-VOTING

In terms of SEBI circular CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “**e-voting facility provided by Listed Companies**” individual members holding securities in demat mode are allowed to vote through their demat account maintained with depositories and depository participants. Members are advised to update their mobile number and email address in their demat accounts in order to access e-voting facility.

The login method for

- members holding shares in demat mode with depositories viz., NSDL and Central Depository Services Limited (the “**CDSL**”) and depository participants; and
- non-individual members holding shares in demat mode and members holding shares in physical form.

LOGIN METHOD FOR INDIVIDUAL MEMBERS HOLDING SHARES IN DEMAT MODE					Depository Participant (DP)	LOGIN METHOD FOR MEMBERS OTHER THAN INDIVIDUAL MEMBERS HOLDING SHARES IN DEMAT MODE AND MEMBERS HOLDING SHARES IN PHYSICAL MODE						
NSDL	CDSL	NSDL	CDSL	NSDL								
<p>Point (i) - Already registered for IDEAS e-Services</p> <p>a) Visit URL: https://eservices.nsdl.com.</p> <p>b) Click on the “Beneficial Owner” icon under “Login” which is available under “IDEAS” section.</p> <p>c) On the new page, enter the user id and password. Post successful authentication, click on “Access to e-voting”.</p> <p>d) Click on company name or e-voting service provider i.e NSDL and he/she will be re-directed to NSDL e-voting website for casting his/her votes the during remote e-voting period, e-voting during the AGM or to join the AGM.</p>	<p>Point (ii) - Not registered for IDEAS e-Services</p> <p>a) Visit URL: https://eservices.nsdl.com to register.</p> <p>b) Select “Register Online for IDEAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>c) Proceed with completing the required fields.</p> <p>d) After successful registration, please follow steps given in Point No. (i) to cast the vote.</p>	<p>Point (iii) – Direct access the e-voting module of NSDL</p> <p>a) Visit URL: https://www.evoting.nsdl.com.</p> <p>b) Click on the “Login” icon which is available under “Shareholder/Member” section.</p> <p>c) On the Login page, enter user id (i.e., the 16-character demat account number held with NSDL), password/one time password (the “OTP”) and a verification code as shown on the screen.</p> <p>d) After successful authentication, he/she will be redirected to evoting website of NSDL wherein he/she can see e-voting page. Click on company name or e-voting service provider i.e NSDL and he/she will be redirected to e-voting website of NSDL for casting his/her votes during remote e-voting period, e-voting during the AGM or to join the AGM.</p>	<p>Point (iv) - AI-ready registered for Easi/Easiest facility</p> <p>a) Visit URL: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>b) After successful login of Easi/Easiest he/she will be able to see the e-voting menu. The menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast his/her votes.</p>	<p>Point (v) - Not registered for Easi/Easiest facility</p> <p>a) Visit URL: https://web.cdslindia.com/myeasi/Registration/EasiRegistration to register.</p> <p>b) Alternatively, he/she can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page.</p> <p>c) The system will authenticate by sending the OTP on registered mobile number and email address as recorded in the demat account.</p> <p>d) After successful authentication, he/she will be provided links for the respective e-voting service provider (ESP) i.e. NSDL where the e-voting is in progress.</p>	<p>a) Login using the login credentials of his/her demat account through his/her DP registered with NSDL/CDSL for e-voting facility.</p> <p>b) After successful login click on “e-voting” option, he/she will be redirected to NSDL/CDSL Depository site after successful authentication, wherein he/she can see e-voting feature.</p> <p>c) Click on the Company name or e-voting service provider i.e NSDL and he/she will be re-directed to the e-voting website of NSDL to cast his/her vote during remote e-voting period, e-voting during the AGM or to join the AGM.</p>	<p>a) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a personal computer or on a mobile.</p> <p>b) Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholder/Member” section.</p> <p>c) A new screen will open. He/she will have to enter his/her user id, password/OTP and a verification code as shown on the screen.</p> <p>d) Alternatively, if he/she are registered for NSDL eservices i.e. IDEAS, he/she can log-in at https://eservices.nsdl.com/ with his/her existing IDEAS login. Once he/she log-in to NSDL eservices, click on e-voting and he/she can proceed to Step 2 i.e. Cast his/her votes electronically.</p> <p>e) His/her user id details as per the manner of holding the shares are given below :</p> <table border="1"> <thead> <tr> <th>NSDL</th> <th>CDSL</th> <th>Physical Form</th> </tr> </thead> <tbody> <tr> <td>8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user id is IN300***12*****.</td> <td>16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then user id is 12*****.</td> <td>EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user id is 101456001***</td> </tr> </tbody> </table>	NSDL	CDSL	Physical Form	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user id is IN300***12*****.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then user id is 12*****.	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<p>Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>App Store Google Play</p> 												

Notice (Contd.)

Important Note: Members who are unable to retrieve user id/password are advised to use Forget userid and forget password option available at above mentioned website.

Members holding securities in demat mode may contact at following helpdesk of NSDL and CDSL in case of any technical issues relating to login through respective depositories.

NSDL : mail on evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

CDSL : mail on helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Step 2: METHOD FOR CASTING VOTE ELECTRONICALLY ON NSDL E-VOTING SYSTEM

Method for casting the vote electronically on NSDL e-voting system	
	<ul style="list-style-type: none"> After successful login at Step 1, member will be able to see all the companies "EVEN" in which he/she is holding shares and whose voting cycle and General Meeting is in active status. Select "EVEN" of JM Financial Limited viz., 120274 to cast votes during the remote e-voting period and casting votes during the AGM. For joining the AGM, he/she need to click on "VC/OAVM" link placed under "Join General Meeting". Now he/she is ready for e-voting as the voting page opens. Cast the vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which members wish to cast his/her vote and click on "Submit" and also "Confirm" when prompted. Upon confirmation, the message "Vote cast successfully" will be displayed. Members can also take the printout of the votes cast by him/her by clicking on the print option on the confirmation page Once members confirm the vote on the resolution, he/she will not be allowed to modify his/her vote.

- k) Password details for members other than individual members are given below.
- If members are already registered for e-voting, then he/she can use his/her existing password to login and cast his/her votes.
 - If members are using NSDL e-voting system for the first time, he/she will need to retrieve the 'initial password' which was communicated to him/her. Once member retrieve the 'initial password', he/she need to enter the 'initial password' and the system will force him/her to change his/her password.
 - How to retrieve your 'initial password'?

If email address is registered in the member's demat account or with the company, the 'initial password' is communicated to the member on his/her email address. Member can trace the email sent to him/her by NSDL in his/her mailbox. Open the email and open the attachment i.e. 'a' .pdf file. The password to open the .pdf file is his/her 8-digit client Id for NSDL account, last 8 digits of client Id for CDSL account or folio number for shares held in physical form. The .pdf file contains his/her 'user id' and his/her 'initial password'

If member's email address is not registered, please follow steps mentioned in 'process for those members whose email addresses are not registered'.
- l) If a member is unable to retrieve or have not received the "initial password" or have forgotten his/her password:
- Click on "Forgot User Details/Password?" (If member is holding shares in the demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - "Physical User Reset Password?" (If member is holding shares in physical mode) option available on www.evoting.nsdl.com
 - If a member is still unable to get the password by aforesaid two options, he/she can send a request at evoting@nsdl.co.in mentioning his/her demat account number/folio number, PAN, name and registered address, etc.
 - Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.
- m) After entering the password, tick on agree to "Terms and Conditions" by selecting on the check box.
- n) Now, member will have to click on "Login" button.
- o) After clicking on the "Login" button, Home page of e-Voting will open.
- p) **Process for those members whose email addresses are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:**
- In case shares are held in physical mode please provide folio no., name of member, scanned copy of the share certificate (front and back), self-attested

scanned copy of PAN card, self-attested scanned copy of Aadhar card by email to ecommunication@jmfl.com

- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar card to ecommunication@jmfl.com. If he/she is an individual member holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-voting and joining virtual meeting for Individual members holding securities in demat mode.**
 - Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
21. Instructions to members for attending the AGM through VC/OAVM are as under.
- Members may access by following the steps mentioned in point no. 20 (j) for **Access to NSDL e-voting system.**
 - After successful login, click the link of "VC/OAVM link" placed under "Join meeting" menu against company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company viz., 120274 will be displayed.
 - Facility for joining the AGM through VC/OAVM shall be opened thirty (30) minutes before the time scheduled for the AGM and shall be kept opened throughout the proceedings of AGM. This does not include large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the audit committee, nomination and remuneration committee and stakeholders' relationship committee, auditors, etc., who are allowed to attend the AGM without restrictions.
 - Members who do not have the user id and password for e-voting or have forgotten the user id and password may retrieve the same by following the e-voting instructions mentioned in the notice to avoid last minute rush.
 - Members will be allowed to attend the AGM through VC/OAVM on first come first serve basis.
 - Members are encouraged to join the AGM through laptops with Google Chrome for better experience.
 - Members will be required to allow "camera" and use internet with a good speed to avoid any disturbance during the meeting.
22. Sending questions prior to AGM and Speaker registration during AGM session:
- Members are encouraged to express their views/send their queries in advance mentioning their name, demat account number (DP ID & CLIENT ID)/Folio number, e-mail id and mobile number to the Company at ecommunication@jmfl.com;
 - Members who would like to express their views/ask questions during the AGM may send their request for registration as a speaker mentioning their name, demat account number (DP ID & CLIENT ID)/Folio number, city, e-mail id and mobile number to the Company at ecommunication@jmfl.com.
- Members shall note that the period for sending the question(s)/speaker registration will commence on **Monday, July 25, 2022 at (9.00 am)** and close on **Friday, July 29, 2022 at (5.00 pm)**.
23. General Instructions/Other Information:
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 - Mobile devices, tablets or laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to the members to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.
 - In case of any queries/grievances pertaining to remote e-voting or e-voting during the AGM or any assistance required on or before the AGM, members may refer frequently asked questions (FAQs) and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on toll free number i.e., 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or may contact the authorised representative of NSDL, viz., Mr. Amit Vishal, Assistant Vice President or Mr. Sanjeev Yadav, Assistant Manager, at the designated e-mail ids: amity@nsdl.co.in or sanjeevy@nsdl.co.in.
 - Ms. Jayshree S Joshi, Company Secretary (Membership No. FCS 1451), Proprietor of Jayshree

Notice (Contd.)

Dagli & Associates, Company Secretaries, Mumbai, is appointed by the Board of the Company to scrutinise the e-voting (both remote e-voting and e-voting) in a fair and transparent manner.

- v. Scrutiniser shall, immediately, after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or the Vice Chairman or in their absence any other director or the Company Secretary of the Company, or any other persons authorized by the Chairman or by the Vice Chairman, who shall countersign the same.
- vi. The voting results declared along with the report of the Scrutiniser shall be placed on the website of the Company at <https://jmfl.com/investor-relation/agm-egm.html> and on the website of NSDL immediately after the declaration of result by the Chairman or by a person, duly authorised for the purpose. The results shall also be forwarded to the BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed within the prescribed timelines and will also be displayed at the Registered Office of the Company.

Subject to receipt of requisite number of votes, the resolutions as stated in this Notice shall be deemed to have been passed on the date of the AGM i.e., Tuesday, August 2, 2022.

Information/disclosures as required under Regulation 36 of the Listing Regulations pertaining to the following items.

Item no. 4

Pursuant to the applicable provisions of Section 152 of the Act, Mr. Nimesh Kampani retires at the 37th AGM and being eligible, seeks re-appointment.

Financial year	Board meeting	Nomination and Remuneration Committee meeting	Stakeholders' Relationship Committee meeting	Corporate Social Responsibility Committee meeting	Allotment Committee Meeting	AGM
2021-22	6 out of 6	7 out of 7	4 out of 4	2 out of 2	6 out of 6	Yes
2020-21	6 out of 6	2 out of 2	4 out of 4	2 out of 2	4 out of 4	Yes
2019-20	6 out of 6	1 out of 1	4 out of 4	1 out of 1	5 out of 5	Yes

Profile of Mr. Nimesh Kampani

Mr. Nimesh Kampani is a commerce graduate from Sydenham College, Mumbai and a fellow member of the Institute of Chartered Accountants of India ("ICAI").

Mr. Nimesh Kampani is the founder and the Chairman of the JM Financial Group, one of India's leading players in the financial services sector. The Group is presently engaged in various businesses such as investment banking, institutional equity sales, trading, research and broking, private and corporate wealth management, equity broking, portfolio management, asset management, commodity broking, fixed income, non-banking financial services, private equity and asset reconstruction.

In his career spanning over four decades, Mr. Kampani has made pioneering contributions to the development of the Indian capital markets and has advised several corporates on their strategic and financial needs, especially, capital raising, mergers & acquisitions, regulators and law makers on progressive regulations for development of financial markets and corporate activities.

Mr. Kampani has served as a member of several important committees constituted by the Ministry of Finance, Government of India, Reserve Bank of India (the "RBI"), Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Confederation of Indian Industry, Federation of Indian Chambers of Commerce and Industry and ICAI.

Mr. Kampani was a member of the High Powered Expert Committee constituted by the Ministry of Finance on making Mumbai an International Finance Centre and also a member of the Advisory Panel on Financial Regulation and Supervision constituted by RBI Committee on Financial Sector Assessment. He was a member of the Bloomberg Asia Pacific Advisory Board and also a member of the Governing Board of Centre for Policy Research.

Details of Mr. Kampani's attendance at the following meetings of the Company held during the last three financial years are given below.

Mr. Nimesh Kampani is not disqualified/debarred under the Section 164 of the Act/by any other statutory authority. For additional information, as required under Regulation 36(3) of the Listing Regulations, please refer to the **Annexure A** forming part of this Notice.

Item no. 5

Appointment of the Statutory Auditors

BSR & Co. LLP, Chartered Accountants (Firm registration no. 101248W/W-100022), Mumbai, were appointed as the Statutory Auditors of the Company, vide the resolution passed by the members through postal ballot on December 14, 2021. Their appointment was made to fill in the casual vacancy caused by the resignation of Deloitte Haskins & Sells LLP, (the "Deloitte") as the statutory auditors in view of the RBI Guidelines issued vide Circular No. RBI/2021-22/25, Reference No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (the "RBI Guidelines"). BSR holds office up to the conclusion of the 37th AGM of the Company.

Considering the industry experience, competency of the audit team, independence, audit fees, etc., the audit committee and the Board at their respective meetings held on May 24, 2022, have approved the appointment of BSR as the Statutory Auditors of the Company for a period of five (5) consecutive years with effect from the conclusion of the 37th AGM until the conclusion of the 42nd AGM of the Company to be held in the financial year 2027-28 and have recommended their appointment for approval of the members of the Company.

Additionally, approval of the members has also been sought to give authority to the Board to decide on the amount of remuneration to be paid to the Statutory Auditors.

BSR has provided its consent for the appointment as the Statutory Auditors of the Company along with a confirmation that their appointment, if made, would be within the limits prescribed under the Act. They have also confirmed that they do not have any financial interest in, or association with the Company which may lead to conflict of interest situations.

The audit fees including the limited review fees (plus out of pocket expenses) to BSR for the financial year ended March 31, 2022 is ₹ 0.35 Crore. Additionally, the aggregate

audit fees including limited review fees (plus out of pocket expenses) of the subsidiaries of the Company, whose Statutory Auditors are BSR is ₹ 0.51 Crore.

Besides the audit services, the Company has not availed any other services from BSR or its network partners.

Brief Profile of BSR

BSR & Co. was constituted on March 27, 1990 as a partnership firm having firm registration no. as 101248W. It was converted into limited liability partnership i.e. BSR & Co. LLP on October 14, 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai - 400 063.

BSR is a member entity of BSR & Affiliates, a network registered with the Institute of Chartered Accountants of India. BSR is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi. BSR has over 3000 staff and 100+ Partners. BSR audits various companies listed on stock exchanges in India including companies in the financial services sector.

Brief profile of Mr. Kapil Goenka, engagement partner of BSR & Co. LLP.

Mr. Kapil Goenka holds the degree of Bachelor in commerce and is a member of the Institute of Chartered Accountant of India since 2004. He holds diploma in Information System Audit. Mr. Goenka has extensive experience of 17 years across a broad range of clients and specialises in audit and other assurance based services to financial services sector and possesses deep knowledge of the financial services industries. He has deep experience of working on Insurance broker, SEBI Brokers and Funds in India along with having international experience. He also has significant experience on working of Indian GAAP, IND AS, IFRS and US GAAP financial statements. Mr. Goenka is currently auditing ICICI Prudential Life Insurance, Franklin Templeton Mutual Fund, ICICI Primary Dealer, DSP Merrill Lynch Limited and Incred Financial Services. Mr. Goenka was involved in implementation of Ind AS for entire Aditya Birla Group.

Annexure to Notice

Statement to be annexed to the Notice pursuant to Section 102 of the Companies Act, 2013 (the "Act")

Item no. 6

The nomination and remuneration committee (the "NRC"), after following the process laid out in the Policy on Selection and Appointment of Directors of the Company, recommended the appointment of Mr. Sumit Bose (DIN: 03340616) as an additional (independent) director of the Company to the Board. Based on the recommendation of the NRC, the Board at its meeting held on May 24, 2022, appointed Mr. Bose as an additional (independent) director of the Company. Mr. Bose's appointment is for a term of five (5) consecutive years with effect from May 24, 2022 to May 23, 2027 (both the days inclusive) and is subject to the approval of the members of the Company. During his tenure as an independent director, Mr. Bose is not liable to retire by rotation.

In terms of the applicable provisions of the Act, Mr. Bose holds office up to the date of the 37th AGM.

As per the applicable provisions of Section 161 of the Act and Regulation 17(1)(C) of the Listing Regulations, the appointment of a director of a listed company is required to be approved by the members thereof at the next general meeting or within a period of three months from the date of appointment, whichever is earlier.

Brief Profile:

Mr. Sumit Bose holds a degree of Master of Science in Social Policy and Planning from the London School of Economics and Master of Arts (History) from University of Delhi.

Mr. Sumit Bose joined Indian Administrative Service in 1976, Mr. Bose has served various positions with the Government of Madhya Pradesh and the Government of India, before retiring as the Union Finance Secretary, Government of India. In the Finance Ministry, he served as Secretary (Department of Revenue), Secretary (Expenditure) and Secretary (Disinvestment) as well as Secretary in the Thirteenth Finance Commission. Post retirement, he was a member of the Expenditure Management Commission and the Committee to Review the Fiscal Responsibility Legislation. He also chaired number of committees of the Ministry of Rural Development and the Ministry of Defense of Government of India. He also served on the Board of Oil and Natural Gas Corporation Limited and BSE Limited.

He holds directorships/memberships in the following companies as an independent director.

Sr. No.	Name of Companies	Committee membership
1.	Coromandel International Limited	a. Audit Committee b. Nomination and Remuneration Committee
2.	J.B. Chemicals & Pharmaceuticals Limited	a. Audit Committee b. Nomination and Remuneration Committee c. Stakeholders Relationship Committee d. Corporate Social Responsibility Committee e. Compensation Committee
3.	HDFC Life Insurance Company Limited	a. Audit Committee b. Risk Management Committee c. With Profits Committee
4.	Tata AIG General Insurance Company Limited	a. Audit Committee b. Corporate Social Responsibility Committee c. Nomination & Remuneration Committee d. Risk Management Committee
5.	HDFC Pension Management Company Limited	a. Audit Committee b. Investment Committee
6.	Madhya Pradesh Jal Nigam Maryadit	-

Additionally, he is associated as a director with following non-profit organisations.

Sr. No.	Name of companies
1.	Foundation to Educate Girls Globally
2.	Jal Seva Charitable Foundation
3.	Vidhi Centre For Legal Policy

Details of Mr. Bose, in terms of Regulation 36(3) of the Listing Regulations has been provided in the **Annexure A** hereto and forming part of this Notice.

Mr. Bose is eligible to be appointed as an independent director of the Company. The Company, pursuant to Section 160(1) of the Act, has received a notice in writing from a member proposing the candidature of Mr. Bose for the office of a director of the Company.

Mr. Bose has accorded his consent to act as a director of the Company and has submitted the declaration of independence, pursuant to Section 149(7) of the Act stating that he meets the criteria of independence as prescribed under Section 149(6) of the Act read with the applicable rules thereunder

and Regulations 16(1)(b) and 26 of the Listing Regulations. He has further confirmed that he is not disqualified from being appointed as a director in terms of Section 164 of the Act. Additionally, the Company has obtained a confirmation in writing from a practicing company secretary that Mr. Bose is not disqualified/debarred under the said Section/by any other statutory authority.

The Board has assessed the veracity of the above declarations and other documents furnished by Mr. Bose. Basis the confirmations/declarations provided by Mr. Bose, the Board is of the opinion that he fulfils the conditions/criteria specified under the Act, the Rules and the Listing Regulations in relation to his appointment as an independent director of the Company. Mr. Bose is independent of the management of the Company. Considering Mr. Bose's following skill sets coupled with his vast and varied experience, the Board is of the view that it is desirable to appoint him as an independent director of the Company.

- Strategic planning and analytical skills;
- Collaborative leader with strong influential skills; and
- Finance, Governance and Risk Management skills.

Mr. Bose is enrolled in the online databank of independent directors maintained by the Indian Institute of Corporate Affairs, Government of India.

The Board is of the view that his appointment as an independent director will be in the best interests of the Company. The Company would immensely benefit from his appointment as such. The Board commends passing of the special resolution in accordance with Regulation 25(2A) of the Listing Regulations proposed at item no. 6 of the Notice.

Copy of the letter of appointment as issued to Mr. Bose setting out all the terms and conditions of his appointment as an independent director is available on the website of the Company at <https://jmfl.com/investor-relation/board-directors.html>.

Mr. Bose, in his capacity as an independent director, will be entitled to sitting fees and reimbursement of expenses for attending the meetings of the Board and its committees, if any, as well as profit related commission, as may be permissible under the applicable provisions of the Act, from time to time.

Mr. Bose is not related to any director or key managerial personnel of the Company.

Except Mr. Bose, none of the directors, key managerial personnel of the Company, or their relatives is, in any way, concerned or interested, financially or otherwise in the special resolution set out at item no. 6 of the Notice.

Item nos. 7 to 9

Pursuant to the applicable provisions of Regulation 23 of the Listing Regulations, all material related party transactions require prior approval of the shareholders of a company through passing of ordinary resolutions, notwithstanding whether such transactions are on arm's length basis and in the ordinary course of business or not.

Pursuant to the amended Listing Regulations, effective from April 1, 2022, transactions with a related party shall be considered material if the transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1,000 Crore, or 10% of the annual consolidated turnover as per the last audited financial statements of a listed entity, whichever is lower.

As per the amended clause (zc) of Regulation 2(1) read with the proviso to Regulation 23(1) of the Listing Regulations, transactions involving transfer of resources, services or obligations between a listed company or any of its subsidiaries on one hand and a related party of a listed company or any of its subsidiaries on the other hand will be considered as "related party transactions".

As the members are aware, the Company has made investments in its material subsidiaries and may continue to make further investments and/or lend funds to such material subsidiaries from time to time. The material subsidiaries as referred above are JM Financial Credit Solutions Limited ("JM Financial Credit Solutions/JMFCSL"), JM Financial Asset Reconstruction Company Limited ("JM Financial ARC/JMFARCL") and JM Financial Products Limited ("JM Financial Products/JMFPL"). The funds may be lent to such subsidiaries, to the extent required by them to carry out their business operations and maximizing their growth and performance. Similarly, further investments in their securities may also be made as may be required.

For information of the members, brief particulars of the above mentioned subsidiaries including their registration and main line of business are given below.

- **JM Financial Credit Solutions** is systemically important non-deposit taking non-banking financial company registered with RBI. It is engaged in wholesale lending activities with primary focus on real estate financing which includes loan against commercial real estates/properties. As on March 31, 2022, the Company held 46.68% equity stake in JM Financial Credit Solutions. The Company continues to have control of JM Financial Credit Solutions pursuant to Section 2(87)(i) of the Act through its right to appoint majority directors of JM Financial Credit Solutions by virtue of which it is considered as a subsidiary of the Company.

Annexure to Notice (Contd.)

- **JM Financial ARC** is an Asset Reconstruction Company registered with the RBI under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002. It is engaged in acquisition of non-performing and distressed assets from banks and financial institutions and resolving them. As on March 31, 2022, the Company held 59.25% equity stake in JM Financial ARC.

- **JM Financial Products** is systemically important non-deposit taking non-banking financial company registered with RBI. JM Financial Products is focused on offering a broad suite of loan products which are customized to suit the needs of the corporates, institutions, SMEs and individuals. It broadly operates under the following verticals viz., (i) Bespoke Financing; (ii) Real Estate Financing; (iii) Capital Market Financing; (iv) Retail Mortgage Financing; and (v) Financial Institution Financing. In addition to the above, JM Financial Products has also ventured into digital led real estate broking/consulting business under the brand name "Dwello". As on March 31, 2022 the Company held 99.65% equity stake in JM Financial Products.

Members may note that the Company had sought their approval at the 36th AGM to enter into various transactions with each of the above material subsidiaries. The aggregate amount approved by the members at the last AGM is given in the table below.

Sr. No.	Name of the related party	Amount
1.	JM Financial Credit Solutions	₹ 500 Crore
2.	JM Financial ARC	₹ 500 Crore
3.	JM Financial Products	₹ 500 Crore

The aggregate value of transactions, to be entered into by the Company with each of the aforesaid material subsidiaries during the financial year 2022-23 including and up to the annual general meeting of the Company to be held in the financial year 2023-24 is expected to exceed the applicable materiality threshold mentioned in the Listing Regulations. Considering this, approval of the members is being sought to enter into any or all such transactions/contracts/arrangements (whether by way of an individual transaction or transactions taken together) as stated in the ordinary resolutions at item nos. 7 to 9 of the accompanying Notice.

The transactions to be entered into will be in the ordinary course of business of the Company and on an arm's length basis and as such shall be exempt from the provisions of Section 188(1) of the Act and the rules made thereunder. As a matter of abundant caution, however, approval under the said Section 188 and rules thereunder is also being sought from the members.

The aggregate value of all the proposed transactions/contracts/arrangement remaining outstanding during the financial year 2022-23 including and upto the annual general meeting of the Company to be held in the financial year 2023-24, shall not, at any point of time, exceed the limits as mentioned in the below table.

Sr. No.	Name of the related party	Amount
1.	JM Financial Credit Solutions	₹ 500 Crore
2.	JM Financial ARC	₹ 750 Crore
3.	JM Financial Products	₹ 750 Crore

The above limits are interchangeable within the nature transactions mentioned in ordinary resolutions.

Justification for the transactions with the above mentioned subsidiaries is stated below.

- a. *Making of loans and advances, including inter corporate deposits (the "ICDs") and/or giving of guarantees and/or providing of securities*

The Company gives the ICDs to its material subsidiaries amongst other subsidiaries in the group, on a need basis. The ICDs carry a rate of interest up to 1% over and above the cost of funds to the Company and/or to its subsidiaries. The rate of interest could also be similar to the cost of borrowings of the material subsidiaries, if such material subsidiaries borrow from the third parties based on its credit rating, provided the same is in the best interests of the Company.

The tenure of making loans and advances including ICDs and/or giving guarantees and/or providing of securities is on short term basis, mainly to provide support to the material subsidiaries for meeting their short term fund requirements, if any, and to the extent required.

- b. *Investment/purchase/sale of the securities of the material subsidiaries.*

As a part of the overall Group strategy, the Company may invest/purchase/sale the securities of the material subsidiary companies either at its book value or at such other fair value, which again is in the best interests of the Company.

- c. *Managing and marketing of public issues of Non-Convertible Securities issued by the subsidiaries.*

For managing the public issues/private placements of the non-convertible securities of material subsidiaries, the Company may charge fees to them which shall be similar to the fees charged to its unrelated clients with other terms and conditions remaining the same.

- d. *Recovery of expenses such as travelling, conveyance, etc., from the clients for managing the public issues/private placement of non-convertible securities by the Company and reimbursing the same to the material subsidiaries on actual basis for marketing such issues by them and for other allied services.*

The expenses as above are recovered by the Company from the concerned clients as part of its engagement/mandate and the same are then reimbursed to the material subsidiaries on actual basis.

- e. *Recovery of the costs for the support services provided by the Company to its material subsidiaries*

The Company recovers the costs/fees for providing the support services to its material subsidiaries from time to time. The fees are charged by the Company for providing these support services which is commensurate with the nature of services being provided, taking into consideration the qualitative and quantitative aspects of the services, which, *inter alia*, includes providing advice, guidance, suggestions on various matters including, the matters pertaining to risks, controllers, compliance, human resources, etc.

- f. *Charging of rating support fees to JM Financial ARC & JM Financial Credit Solutions*

Above subsidiaries obtain rating from some of the rating agencies for which the rating agencies take into account the credentials of the Company. In consideration of this, the rating support fees will be charged at 0.25% of the amount borrowed by each the above related parties.

- g. *Recovery of expenses incurred by the Company in granting the stock options to the employees of material subsidiaries.*

Basis the requests received from the material subsidiaries, the NRC of the Company grants the equity stock options to the employees of these subsidiaries on an on-going basis. Any expenses incurred by the Company in respect of these grants including the difference between the exercise price and actual price on the day of grant of options are recovered from the said material subsidiaries.

- h. *Usage of office space of JM Financial ARC by the Company*

The Company reimburses the actual expenses incurred by JM Financial ARC towards sharing of office space situated at New Delhi. The charges for usage of premises, as being charged is agreed between the Company and JM Financial ARC.

- i. *Purchase from and/or sale to material subsidiaries of any securities of the other group companies for the purpose of internal group restructuring.*

- j. *Recovery of actual expenses incurred by the Company from its material subsidiaries on telephone lines, courier charges, insurance premium, etc., which are billed in the name of the Company.*

- k. *Acquisition/transfer of fixed assets/liabilities pertaining to the employees, if any, are transferred to/from the Company/its material subsidiaries.*

- l. *Providing/availing of any services by the Company to/from material subsidiaries.*

The above transactions along with their estimated value are unanimously approved by the audit committee (audit committee presently consists of all independent directors) of the Company while granting its omnibus approval.

The details of transactions/contracts/arrangement entered into by the Company with these material subsidiaries during the last three financial years i.e., 2021-22, 2020-21 and 2019-20 is attached in **Annexure B** forming part of this Notice.

The information, required to be disclosed under Regulation 23(4) of the Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are disclosed in **Annexure C** forming part of this Notice.

The Board commends passing of the ordinary resolutions set out at item nos. 7, 8 and 9 of the Notice pertaining to the related party transactions with JM Financial Credit Solutions, JM Financial ARC and JM Financial Products respectively.

Following directors of the Company are also directors of the material subsidiaries and hence they may be deemed to be concerned or interested in the ordinary resolutions at item nos. 7, 8 and 9.

Name of the material subsidiaries/related parties	Name of the Company's Directors
JM Financial Credit Solutions	Mr. Vishal Kampani
JM Financial ARC	Dr. Vijay Kelkar Mr. Adi Patel Mr. Vishal Kampani
JM Financial Products	Mr. Vishal Kampani Mr. E A Kshirsagar Mr. Atul Mehra Ms. Roshini Bakshi

Annexure to Notice (Contd.)

None of the directors other than as disclosed above, key managerial personnel of the Company or their relatives (except Mr. Nimesh Kampani, a relative of Mr. Vishal Kampani) is, in any way concerned or interested, financially or otherwise, in the ordinary resolutions proposed at item nos. 7, 8 and 9 respectively.

The members may note that in terms of the applicable provisions of the Listing Regulations, the related parties falling within the purview of such Regulations, whether such related parties, is a party to the transactions described as above or not, shall not vote on the respective ordinary resolutions at item nos. 7, 8 and 9.

Item no. 10

Pursuant to Sections 23, 42, 71 and other applicable provisions of the Act, if any, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and pursuant to the applicable provisions of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, a company shall not make a private placement or public issue of its securities unless the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the members of a company by a special resolution.

The Company had obtained the approval of members by way of special resolution passed at the 36th AGM held on July 28, 2021 for raising of funds up to ₹ 1,000 Crore (Rupees One thousand Crore only) by way of issue of Non-Convertible Debentures in one or more tranches. Pursuant to the said approval, the Company has not raised any amount by way of issue of NCDs. In order to facilitate raising of funds, if any and to the extent required, through the issue of NCDs, the Board, has decided to obtain the enabling approval of the members to raise an amount aggregating up to ₹ 1,000 Crore.

As mentioned earlier, the special resolution proposed at item no. 10 of the Notice is to seek enabling approval from the members. If the NCDs are issued in pursuance of this resolution, the proceeds thereof would be utilized by the Company, inter alia, to meet its own business requirements and also to provide financial support/assistance to its subsidiaries and/or group companies for their business activity purposes to the extent permissible under the applicable laws. Accordingly, consent of the members is sought for issuing the NCDs aggregating up to ₹ 1,000 Crore (Rupees One Thousand Crore only) on private placement basis and/or through public offer, by passing the special resolution set out at item no. 10 of the Notice. This resolution will enable the Board of the Company to raise monies through the issue of secured/unsecured, listed/unlisted, rated/unrated redeemable NCDs, as and when required and approved by the Board.

The Board commends passing of the special resolution set out at item no. 10 of the Notice.

None of the directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise (except to the extent of the NCDs, that may be subscribed and allotted to them, if any) in the special resolution set out at item no. 10 of the Notice.

By Order of the Board

Prashant Choksi
Group Head - Compliance, Legal
& Company Secretary

Place: Mumbai
Date: June 24, 2022

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

Annexure A

Additional information of directors seeking appointment/re-appointment at the 37th Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of secretarial standard on general meetings issued by the Institute of Company Secretaries of India.

Name of the Director	Mr. Nimesh Kampani (DIN: 00009071)	Mr. Sumit Bose (DIN: 03340616)
Date of birth	September 30, 1946	March 29, 1954
Date of first appointment	June 12, 1987	May 24, 2022 (appointment as an additional (independent) director on the Board)
Date of last re-appointment	July 28, 2021	Not Applicable
Qualification(s)	B. Com, Chartered Accountant	a. Master of Science (Social Policy and Planning), London School of Economics, 1993. b. Master of Arts (History), St. Stephen's College, University of Delhi, 1976 c. Indian School Certificate, The Doon School, Dehradun, 1970
Brief profile	Please refer to item no. 4 of the notes under the head Information/disclosures to members as required under Regulation 36 of the Listing Regulations.	Please refer to item no. 6 of the explanatory statement.
Relationship with other directors, manager and key managerial personnel (KMP)	Mr. Vishal Kampani, Non-executive Director of the Company is a relative (son) of Mr. Nimesh Kampani.	None
Expertise in specific functional areas	Mr. Nimesh Kampani's expertise is in the areas of financial advisory including investment banking, Mergers, Acquisitions & Restructuring, Corporate Finance and Capital Markets.	Mr. Sumit Bose's expertise is in the areas of Governance, Strategic planning, Finance and Risk Management.
Shares held in the Company along with the % of shareholding as on March 31, 2022	Mr. Nimesh Kampani held 12,57,50,000 equity shares of the Company (including 12,50,000 shares held in Nimesh Kampani HUF). Mr. Kampani beneficially owns an aggregate of 55.42% of the total paid up share capital of the Company.	None
Directorships held in other listed companies* excluding foreign companies	None	a. Coromandel International Limited b. J.B. Chemicals & Pharmaceuticals Limited c. HDFC Life Insurance Company Limited d. Tata AIG General Insurance Company Limited
Directorships held in other bodies corporate (apart from the equity listed entities)	a. Kampani Consultants Limited b. Kampani Properties & Holdings Limited c. Capital Market Publishers India Private Limited d. J.M. Financial & Investment Consultancy Services Private Limited	a. Madhya Pradesh Jal Nigam Maryadit b. HDFC Pension Management Company Limited c. Foundation to Educate Girls Globally d. Jal Seva Charitable Foundation e. Vidhi Centre For Legal Policy
Details of resignation from a listed companies* in past three years	a. Apollo Tyres Limited (Ceased w.e.f. August 5, 2019) b. Deepak Nitrite Limited (Ceased w.e.f. August 8, 2019) c. Britannia Industries Limited (Ceased w.e.f. August 12, 2019) d. Chambal Fertilisers and Chemicals Limited (Ceased w.e.f. September 15, 2020)	a. Oil and Natural Gas Corporation Limited (Ceased w.e.f. January 30, 2020) b. BSE Limited (Ceased w.e.f. May 18, 2022)

Annexure to Notice (Contd.)

Memberships/Chairmanships of committees in other listed companies**	None	<p>Memberships</p> <p>Audit Committee</p> <p>a. Coromandel International Limited</p> <p>b. J.B. Chemicals & Pharmaceuticals Limited</p> <p>c. TATA AIG General Insurance Company Limited</p> <p>d. HDFC Life Insurance Company Limited</p> <p>Stakeholders Relationship Committee</p> <p>a. J.B. Chemicals & Pharmaceuticals Limited</p> <p>Chairmanships</p> <p>Audit Committee</p> <p>a. Coromandel International Limited</p> <p>b. Tata AIG General Insurance Company Limited</p> <p>Stakeholders Relationship Committee</p> <p>a. J.B. Chemicals & Pharmaceuticals Limited</p>
Details of remuneration paid during the financial year 2021-22	No remuneration in form of sitting fees and/or commission has been paid to Mr. Nimesh Kampani during financial year 2021-22, as has been voluntarily declined by him.	Not applicable for the financial year 2021-22.
Remuneration sought to be paid	No remuneration is sought to be paid to Mr. Nimesh Kampani as he has voluntarily declined to receive any remuneration in the form of commission or sitting fees from the Company.	He shall be paid remuneration by way of sitting fees for attending meetings of the Board or committees thereof, if any, as may be decided by the Board, reimbursement of expenses, if any, incurred by him for attending the Board/committee meetings and profit related commission subject to the limits prescribed under the applicable provisions of the Act and the Listing Regulations.
Terms and conditions of appointment	Re-appointment as a non-executive director of the Company liable to retire by rotation to comply with the applicable provisions of Section 152 of the Act.	Appointment as an independent director of the Company as per the terms and conditions contained in the letter of appointment issued to him.
Number of board meetings attended during the financial year 2021-22	6/6	Not applicable since Mr. Bose joined the Board on May 24, 2022.

* Only equity listed entities are considered.

** Only audit committee and stakeholders' relationship committee memberships/chairmanships in equity listed entities have been considered.

Annexure B

Details of transactions/contracts/arrangement entered into by the Company with its following related parties during the last three financial years.

(₹ in Crore)

Sr. No	Nature of Transactions	FY 2021-22			FY 2020-21			FY 2019-20		
		JMFCSL	JMFARCL	JMFPL	JMFCSL	JMFARCL	JMFPL	JMFCSL	JMFARCL	JMFPL
1	Recovery of common expenses from the related parties such as telephone line(s), courier charges, insurance premium, etc.	0.08	0.05	0.12	0.02	0.02	0.02	0.03	0.03	0.02
2	Reimbursement/ Payment of expenses in relation to stock options granted to the employees of the related parties.	(0.06)	#	0.39	0.61	0.13	1.14	0.67	0.33	1.85
3	Rating support fees received from the related parties.	2.40	1.70	-	3.19	2.24	-	5.93	2.98	-
4	Common/group support services by the Company e.g. controllers, compliance, legal, management, etc. from time to time.	1.98	2.50	-	1.98	1.98	-	1.98	1.98	-
5	Reimbursement of expenses for usage of office premises by the Company situated at New Delhi.	-	0.25	-	-	0.22	-	-	0.11	-
6	Fees charged to related parties for acting as lead manager towards issuance of Non- Convertible Debentures.	-	-	0.10	-	-	-	-	-	0.30
7	Inter Corporate Deposits (ICDs) given to related parties.	-	370.00	500.00	-	515.00	-	-	40.00	-
8	ICDs repaid by related parties.	-	282.30	500.00	-	163.00	-	-	40.00	-
9	Renewal of ICDs.	-	170.00	-	-	-	-	-	-	-
10	Employee related transfers e.g. Gratuity, etc.	-	-	-	-	-	-	-	-	0.10
11	Sale of Compulsorily Convertible Debentures by the Company.	178.44	-	-	-	-	-	-	-	-
12	Investment in Compulsorily Convertible Debentures by the Company.	-	-	-	-	-	-	-	183.37	-
13	Employees related transfers.	0.26	-	-	-	-	-	-	-	-
14	Reimbursement of expenses incurred by the related party.	-	-	-	-	-	-	-	-	0.01

denotes to amount less than ₹ 50,000/-

Note : The maximum amount of transactions remaining outstanding at any given point in time with any of the above related parties during the last three financial years has not exceeded ₹ 500 Crore.

Annexure to Notice (Contd.)

Annexure C**Disclosure of the details of the proposed transactions with related parties as required under SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021.****1. JM Financial Credit Solutions Limited**

Sr. No	Description	Particulars
1	Name of the related party	JM Financial Credit Solutions Limited (the "JMFCSL")
2	Nature of relationship	Material subsidiary company
3	Concern or interest of the related party (financial/otherwise)	Financial
4	Type of the proposed transaction	a) Making of loans including the ICDs to, and/or giving of guarantees or providing securities on behalf of JMFCSL b) Making of any investments in the securities of JMFCSL c) Purchase from and/or sale of any securities d) Providing/availing of any services by the Company to/from JMFCSL e) Such other transactions/contracts/arrangement, inter alia, including below. <ul style="list-style-type: none"> - Recovery of common expenses from JMFCSL such as telephone line(s), courier charges, insurance premium etc.; - Reimbursement/Payment of expenses in relation to stock options granted to the employees of JMFCSL; - Rating support fees received from JMFCSL; - Common/group support services by the Company to JMFCSL such as controllers, compliance, legal, management, etc. from time to time; - Managing/marketing the public issues of NCDs, if any, made by JMFCSL from time to time; and - Acquisition/transfer of fixed assets, furniture and all other liabilities at the value appearing in the books of account of JMFCSL/Company.
5	Nature, material terms, and particulars of transactions/contracts/arrangement	As mentioned in the justification paragraph in the explanatory statement.
6	Tenure of the transaction	Will be decided at the time of entering into such transactions.
7	Value of the proposed transactions	The aggregate value of all such transactions/contracts/arrangement remaining outstanding shall not, at any point of time, exceed ₹ 500 crore (Rupees Five Hundred Crore only) during the financial year 2022-23 including and up to the annual general meeting of the Company to be held in 2023-24. The above limit is interchangeable for the transactions as mentioned above.
8	Percentage of value of transaction/ Company's annual consolidated turnover for immediately preceding financial year (Based on consolidated turnover of financial year 2021-22)	13.29 %
9	Percentage calculated on the basis of the JMFCSL's annual turnover on a standalone basis (Based on turnover of financial year 2021-22)	44.01%
10	A copy of the valuation or other external party report, if any such report has been relied upon	Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.

11	Source of funds in connection with Loans/ICDs/Advances/Investments	Majorly out of owned funds, however, in case of business exigencies where the surplus funds are not available, the funding could be out of the short term borrowings of the Company. Other details as required to be disclosed as per SEBI Circular are								
		<table border="1"> <thead> <tr> <th>Interest rate and repayment schedule</th> <th>Whether secured or unsecured</th> <th>If secured, the nature of security; and</th> <th>Purpose of utilization of funds by the ultimate beneficiary</th> </tr> </thead> <tbody> <tr> <td>To be decided at the time of entering into the contract subject to benchmarking with the market rate at that point in time.</td> <td>Unsecured</td> <td>Not applicable</td> <td>Business purpose</td> </tr> </tbody> </table>	Interest rate and repayment schedule	Whether secured or unsecured	If secured, the nature of security; and	Purpose of utilization of funds by the ultimate beneficiary	To be decided at the time of entering into the contract subject to benchmarking with the market rate at that point in time.	Unsecured	Not applicable	Business purpose
Interest rate and repayment schedule	Whether secured or unsecured	If secured, the nature of security; and	Purpose of utilization of funds by the ultimate beneficiary							
To be decided at the time of entering into the contract subject to benchmarking with the market rate at that point in time.	Unsecured	Not applicable	Business purpose							

2. JM Financial Asset Reconstruction Company Limited

Sr. No	Description	Particulars
1	Name of the related party	JM Financial Asset Reconstruction Company Limited (the "JMFARCL")
2	Nature of relationship	Material subsidiary company
3	Concern or interest of the related party (financial/otherwise)	Financial
4	Type of the proposed transaction	a) Making of loans including the ICDs to, and/or giving of guarantees or providing securities on behalf of JMFARCL b) Making of any investments in the securities of JMFARCL c) Purchase from and/or sale of any securities d) Providing/availing of any services by the Company to/from JMFARCL e) Such other transactions/contracts/arrangement, inter alia, including below:- <ul style="list-style-type: none"> - Recovery of common expenses from JMFARCL such as telephone line(s), courier charges, insurance premium etc.; - Reimbursement/ Payment of expenses in relation to stock options granted to the employees of JMFARCL; - Rating support fees received from JMFARCL; - Common/group support services by the Company to such as controllers, compliance, legal, management, etc. from time to time; - Reimbursement of expenses for usage of office premises of JMFARCL by the Company situated at New Delhi; - Advisory service fees in relation to proposed fund raising , if any, made by JMFARCL; and - Acquisition/transfer of fixed assets, furniture and all other liabilities at the value appearing in the books of account of JMFARCL/Company.
5	Nature, material terms, and particulars of transactions/contracts/arrangement	As mentioned in the justification paragraph in the explanatory statement.
6	Tenure of the transaction	Will be decided at the time of entering into the transactions.
7	Value of the proposed transactions	The total aggregate value of all such transactions/contracts/arrangement and remaining outstanding at any point of time shall not exceed ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore only) during the financial year 2022-23 and upto the next annual general meeting of the Company to be held in 2023-24. The above limit is interchangeable for the transactions as mentioned above.
8	Percentage of value of transaction/ Company's annual consolidated turnover for immediately preceding financial year (Based on consolidated turnover of financial year 2021-22)	19.93%
9	Percentage calculated on the basis of the JMFARCL's annual turnover on a standalone basis (Based on turnover of financial year 2021-22)	146.77%

Annexure to Notice (Contd.)

10	A copy of the valuation or other external party report, if any such report has been relied upon	Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.								
11	Source of funds in connection with Loans/ICDs/Advances/Investments	Majorly out of owned funds, however, in case of business exigencies where the surplus funds are not available, the funding could be out of the short term borrowings of the Company. Other details as required to be disclosed as per SEBI Circular are								
		<table border="1"> <thead> <tr> <th>Interest rate and repayment schedule</th> <th>Whether secured or unsecured</th> <th>If secured, the nature of security; and</th> <th>Purpose of utilization of funds by the ultimate beneficiary</th> </tr> </thead> <tbody> <tr> <td>To be decided at the time of entering into the contract subject to benchmarking with the market rate at that point in time.</td> <td>Unsecured</td> <td>Not applicable</td> <td>Business purpose</td> </tr> </tbody> </table>	Interest rate and repayment schedule	Whether secured or unsecured	If secured, the nature of security; and	Purpose of utilization of funds by the ultimate beneficiary	To be decided at the time of entering into the contract subject to benchmarking with the market rate at that point in time.	Unsecured	Not applicable	Business purpose
Interest rate and repayment schedule	Whether secured or unsecured	If secured, the nature of security; and	Purpose of utilization of funds by the ultimate beneficiary							
To be decided at the time of entering into the contract subject to benchmarking with the market rate at that point in time.	Unsecured	Not applicable	Business purpose							

3. JM Financial Products Limited

Sr. No	Description	Particulars
1	Name of the related party	JM Financial Products Limited (the "JMFPPL")
2	Nature of relationship	Material subsidiary company
3	Concern or interest of the related party (financial/otherwise)	Financial
4	Type of the proposed transaction	<p>a) Making of loans including the ICDs to, and/or giving of guarantees or providing securities on behalf of JMFPPL</p> <p>b) Making of any investments in the securities of JMFPPL</p> <p>c) Purchase from and/or sale of any securities</p> <p>d) Providing/availing of any services by the Company to/from JMFPPL</p> <p>e) Such other transactions/contracts/arrangement, inter alia, including below:-</p> <ul style="list-style-type: none"> - Recovery of common expenses from JMFPPL such as telephone line(s), courier charges, insurance premium etc.; - Reimbursement/ Payment of expenses in relation to stock options granted to the employees of JMFPPL; - Common/group support services by the Company to such as controllers, compliance, legal, management, etc. from time to time; - Managing/marketing the public issues of NCDs, if any, made by JMFPPL from time to time; - In respect of management of public and other (debt) issues by the Company, assistance is provided by the fixed income employees of JMFPPL in marketing and other allied services for which they incur expenses such as travelling, conveyance, etc.; and - Acquisition/transfer of fixed assets, furniture and all other liabilities at the value appearing in the books of account of JMFPPL/Company.
5	Nature, material terms, and particulars of transactions/contracts/arrangement	As mentioned in the justification paragraph in the explanatory statement.
6	Tenure of the transaction	Will be decided at the time of entering into the transactions.
7	Value of the proposed transactions	The total aggregate value of all such transactions/contracts/arrangement and remaining outstanding at any point of time shall not exceed ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore only) during the financial year 2022-23 and upto the next annual general meeting of the Company to be held in 2023-24. The above limit is interchangeable for the transactions as mentioned in the resolutions.
8	Percentage of value of transaction/ Company's annual consolidated turnover for immediately preceding financial year (Based on consolidated turnover of financial year 2021-22)	19.93%

Sr. No	Description	Particulars								
9	Percentage calculated on the basis of the JMFPPL's annual turnover on a standalone basis (Based on turnover of financial year 2021-22)	110.56%								
10	A copy of the valuation or other external party report, if any such report has been relied upon	Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.								
11	Source of funds in connection with Loans/ICDs/Advances/Investments	Majorly out of owned funds, however, in case of business exigencies where the surplus funds are not available, the funding could be out of the short term borrowings of the Company. Other details as required to be disclosed as per SEBI Circular are								
		<table border="1"> <thead> <tr> <th>Interest rate and repayment schedule</th> <th>Whether secured or unsecured</th> <th>If secured, the nature of security; and</th> <th>Purpose of utilization of funds by the ultimate beneficiary</th> </tr> </thead> <tbody> <tr> <td>To be decided at the time of entering into the contract subject to benchmarking with the market rate at that point in time.</td> <td>Unsecured</td> <td>Not applicable</td> <td>Business purpose</td> </tr> </tbody> </table>	Interest rate and repayment schedule	Whether secured or unsecured	If secured, the nature of security; and	Purpose of utilization of funds by the ultimate beneficiary	To be decided at the time of entering into the contract subject to benchmarking with the market rate at that point in time.	Unsecured	Not applicable	Business purpose
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To be decided at the time of entering into the contract subject to benchmarking with the market rate at that point in time.	Unsecured	Not applicable	Business purpose							

Directors' Report

Dear Members,

The Board of Directors (the "Board") is pleased to present the Company's 37th Annual Report together with the audited standalone and consolidated financial statements for the financial year ended March 31, 2022. This report read with the Corporate Governance Report and Management Discussion and Analysis Report includes details of the macro-economic scenario, governance philosophy, financial & business performance of the Company and various initiatives taken by it.

This Report shall be uploaded on the website of the Company at www.jmfl.com.

Financial Performance

The summary of the consolidated and standalone financial results of the Company are given below.

Particulars	(₹ in Crore)			
	Consolidated		Standalone	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Gross income	3,763.28	3,226.63	619.63	374.41
Profit before depreciation and amortisation expense, finance costs and tax expenses	2,467.55	2,217.47	433.35	235.99
Less: Depreciation and amortisation expense	37.78	39.75	10.69	11.92
Finance costs	1,081.73	1,110.87	6.76	7.24
Profit before tax	1,348.04	1,066.85	415.90	216.83
Current tax	415.46	313.59	77.50	42.40
Deferred tax	(60.24)	(52.73)	10.62	(0.90)
Tax adjustments of earlier years (net)	0.45	(0.07)	-	0.10
Net Profit after tax but before share in profit of associate	992.37	806.06	327.78	175.23
Add: Share in profit of associate	0.02	2.11	-	-
Net Profit after tax and share in profit of associate	992.39	808.17	327.78	175.23
Other Comprehensive Income	4.27	(0.69)	0.08	0.16
Total Comprehensive Income	996.66	807.48	327.86	175.39
Net Profit attributable to				
Owners of the Company	773.16	590.14	-	-
Non-Controlling Interests	219.23	218.03	-	-
Total Comprehensive Income attributable to				
Owners of the Company	777.50	589.33	-	-
Non-Controlling Interests	219.16	218.15	-	-

Appropriations

The following appropriations have been made from the available profits of the Company for the financial year ended March 31, 2022.

Particulars	(₹ in Crore)			
	Consolidated		Standalone	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Net Profit	773.16	590.14	327.78	175.23
Add: Other Comprehensive Income	0.68	1.93	0.08	0.16
Add: Balance profit brought forward from previous year	3,400.28	2,943.00	1,084.29	925.72
Profit available for appropriation	4,174.12	3,535.07	1,412.15	1,101.11
Less: Appropriations				
Final Dividend pertaining to the previous year paid during the year	47.64	16.82	47.64	16.82
Interim Dividend paid during the year	47.70	-	47.70	-
Transfer to Statutory reserve – I	86.37	102.90	-	-
Transfer to Statutory reserve – II	0.87	0.64	-	-
Transfer to Impairment reserve	93.67	14.43	-	-
Surplus carried to balance sheet	3,897.87	3,400.28	1,316.81	1,084.29

Key highlights of Consolidated Financial Performance

- Gross income increased by 16.6% to ₹ 3,763.28 Crore as compared to ₹ 3,226.63 Crore in the financial year 2020-21;
- Profit before tax for the year increased by 26.4% to ₹ 1,348.04 Crore as compared to ₹ 1,066.85 Crore in the financial year 2020-21; and
- Profit after tax (post non-controlling interest) for the year increased by 31.0% to ₹ 773.16 Crore as compared to ₹ 590.14 Crore in the financial year 2020-21.

Considering the prudence, we have provided an incremental gross impairment provision of ₹ 143.90 Crore on account of the Covid-19 pandemic in the statement of profit and loss for the financial year 2021-22. The aggregate impairment provision (net of reversals) and fair value loss on account of Covid-19 pandemic stood at ₹ 450.23 Crore as of March 31, 2022.

Consolidated financial statements for the financial year ended March 31, 2022 have been prepared in accordance with Section 133 of the Companies Act, 2013 (the "Act") read with the rules made thereunder and Indian Accounting Standards (the "Ind AS") 110. The consolidated financials reflect the cumulative performance of the Company together with its various subsidiaries and an associate company.

Key highlights of Standalone Financial Performance

- Gross income of the Company was higher at ₹ 619.63 Crore for the year ended March 31, 2022 as against ₹ 374.41 Crore in the previous year, registering an increase of 65.5%;
- Net profit of the Company was ₹ 327.78 Crore for the year ended March 31, 2022 as compared to the net profit of ₹ 175.23 Crore in the previous year, registering an increase of 87.1%;
- The higher income and corresponding increase in the net profit is attributable to: (1) increase in the fee income from ₹ 229.10 Crore in the previous year to ₹ 349.01 Crore in the year under review due to higher deal closures in investment banking business (2) increase in net gain on fair value changes from ₹ 65.27 Crore in the previous year to ₹ 117.06 Crore in the year under review due to treasury activities and proceeds from the funds of QIP issue temporarily deployed in liquid mutual funds and interest bearing instruments.

For the detailed analysis on financial & business performance of the Company, please refer to the Management Discussion and Analysis Report forming part of this Report.

Members may note that the Annual Report of the Company for the financial year 2021-22, containing, inter alia, its standalone and consolidated financial statements, together with the relevant documents and audited financial statements for each of its subsidiaries, pursuant to the provisions of Section 136 of the Act, are available on the website of the Company at <https://jmfl.com/investor-relation/financial-results.html>.

Covid-19

During the financial year 2021-22, the country succeeded in managing the challenges posed by the first wave of Covid-19 pandemic, however, it was still combatting the second wave of Covid-19. Impact of the pandemic has been largely disruptive in terms of economic activity as well as loss of human lives. With most sectors adversely affected, the economy witnessed a contraction of 7.3% during 2020-21. The Group, operating in the financial services sector, has also witnessed decline in financial and operating performance, reduced disbursements, collection and increased provisioning due to the impact of Covid-19.

With the situation slowly easing, the Company continued to ensure smooth functioning of operations by adopting hybrid mode of working for its employees in a calibrated manner. All precautionary measures were duly followed by the Company and all its employees have started attending the office in person. JM Financial Group continued to issue multiple advisories to its employees and the crisis management team was active for health-related assistance required during this period. Several precautionary measures like fumigation of office premises, temperature checks, supplying and wearing of masks and use of sanitizers, among others continued and has now become a regular operational practice.

Dividend

The Board has recommended a final dividend of ₹ 1.15 per share of the face value of ₹ 1/- each for the financial year 2021-22. The amount of final dividend, on its declaration, will be paid to those members

- whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of the business hours on Friday, July 8, 2022 in respect of shares held by them in dematerialised form; and
- whose names appear in the register of members at the close of business hours on Friday, July 8, 2022 in respect of shares held by them in physical form.

The Company had also paid an interim dividend of ₹ 0.50 per equity share of the face value of ₹ 1/- each in March 2022 on its declaration by the Board of Directors.

Final dividend is subject to deduction of income tax at source. The said dividend, if declared by the members at the 37th Annual General Meeting, along with the interim dividend shall result in total cash outflow of ₹ 157.45 Crore as compared to outflow of ₹ 47.64 Crore in the previous financial year.

Directors' Report (Contd.)

The dividend recommended is in accordance with the Company's Dividend Distribution Policy.

Policy for Dividend Distribution

The Company had formulated a Policy for Dividend Distribution pursuant to the provisions of Regulation 43A of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The policy is available on the website of the Company at https://jmfl.com/investor-relations/Policy_for_Dividend_Distribution.pdf.

The details about the unclaimed dividend amount lying in separate dedicated account and liable to be transferred to the Investor Education Protection Fund is mentioned in General Shareholders' Information forming part of Corporate Governance Report which forms part of this Report.

Share capital

The issued, subscribed and paid-up equity share capital of the Company, as on March 31, 2022, stood at ₹ 95,40,55,533 (comprising 95,40,55,533 equity shares of the face value of ₹ 1/- each) as against ₹ 95,27,22,711 (comprising 95,27,22,711 equity shares of the face value of ₹ 1/- each) at the end of the previous financial year.

The increase in the paid up capital as above is on account of allotment of 13,32,822 equity shares to the eligible employees exercising the stock options granted to, and vested in them, under the Company's Employees' Stock Option Scheme – Series 8 to Series 13.

Employees' Stock Option Scheme

During the year under review, no options were granted to eligible employees under the Company's Employees' Stock Option Scheme (the "Scheme").

The Scheme is in compliance with applicable SEBI Regulations and SEBI circulars issued from time to time concerning the said Regulations.

The secretarial auditors of the Company have certified that the Scheme has been implemented in accordance with the applicable SEBI Regulations.

The disclosure of the Scheme, as required under the applicable SEBI Regulations is appended to this report as **Annexure A** and also uploaded on the Company's website at <https://jmfl.com/annual-report>. Additionally, the relevant disclosures in terms of the Ind AS 102 relating to share based payment, forms part of note 31 of the notes to the standalone financial statements and note 44 of the notes to the consolidated financial statements of the Company.

During the current financial year, the nomination and remuneration committee (the "NRC") of the Board, at its meeting held on May 5, 2022, has granted an aggregate of 90,015 stock options to the eligible employees of the Company and its subsidiary under Employees' Stock Option Scheme – Series 14 and Series 15.

On May 18, 2022, the allotment committee of the Board, has allotted 3,23,952 equity shares to the eligible employees who had exercised the stock options granted to and vested in them. With this allotment, the total paid up equity share capital of the Company as on the date of this Report stands at ₹ 95,43,79,485 (comprising 95,43,79,485 equity shares of the face value of ₹ 1/- each).

Subsidiaries, Associate and Partnership Firm

The Company has following subsidiaries (including step down subsidiaries) and associate company.

Subsidiaries

1. JM Financial Institutional Securities Limited
2. JM Financial Services Limited
3. JM Financial Capital Limited
4. JM Financial Commtrade Limited
5. JM Financial Overseas Holdings Private Limited (Mauritius)
6. JM Financial Singapore Pte Limited (Singapore)
7. JM Financial Securities, Inc. (Delaware - United States of America)
8. Infinite India Investment Management Limited
9. JM Financial Properties and Holdings Limited
10. CR Retail Malls (India) Limited
11. JM Financial Products Limited
12. JM Financial Credit Solutions Limited
13. JM Financial Home Loans Limited
14. JM Financial Asset Reconstruction Company Limited
15. JM Financial Asset Management Limited

Associate

JM Financial Trustee Company Private Limited

Partnership Firm

Astute Investments, a partnership firm, is having two partners, viz., JM Financial Services Limited and JM Financial Properties and Holdings Limited. Both the partners are the wholly owned subsidiaries of the Company.

There has been no material change in the nature of the business of the above subsidiaries. From the quarter ended June 30, 2021, the business segments of the Company and its subsidiaries have however been reclassified. The purpose of the said reclassification of business segments was primarily to create a client-aligned business structure to enable deeper focus, faster growth and a seamless execution of the organization's strategy. Accordingly, the reclassified business segments of the Group are Investment Bank, Mortgage Lending, Alternative and Distressed Credit and Asset management, Wealth management and Securities business (Platform AWS). The segment wise business activities of the subsidiaries, their performance and financial position are described in detail in the Management Discussion and Analysis Report which forms part of this Report.

A report on the performance and financial position of each of the subsidiaries and associate company is included in the consolidated financial statements and their contribution to the overall performance of the Company is provided in Form AOC-1 which forms part of the Annual Report for the financial year 2021-22.

The Company's policy for determination of material subsidiary, as adopted by the Board is available on the Company's website at https://jmfl.com/investor-relations/Policy_on_Material_Subsidiaries.pdf.

Scheme of Arrangement

The Board of Directors has approved the scheme of demerger of the undertaking (the "Scheme") comprising Private Wealth and Portfolio Management Services (the "PMS") (catering to large clients) along with the investment in JM Financial Institutional Securities Limited (which houses the institutional equities business) from its wholly owned subsidiary, viz., JM Financial Services Limited to the Company. The Scheme shall be subject to regulatory and other approvals. Accordingly, once demerged upon receipt of all approvals, the Private Wealth and PMS divisions shall be classified under the Investment Bank segment.

Awards and Recognition

The Great Place to Work Institute India's Best Companies To Work For, 2021 (June 2021)	JM Financial Home Loans Limited has been recognized as India's Top 50 Great Mid- Sized Workplaces 2021.
The Great Place to Work (July 2021)	JM Financial Limited (Institutional Business), JM Financial Asset Management Limited, and JM Financial Services Limited have been recognised as 'Commitment to Being a Great Place to Work'.

Board of Directors and key managerial personnel**Appointment/re-appointment of Directors****Mr. Nimesh Kampani**

In accordance with the applicable provisions of Section 152 of the Act, Mr. Nimesh Kampani (DIN: 00009071), a non-executive director of the Company, retires by rotation at the forthcoming annual general meeting of the Company. Being eligible, Mr. Kampani has offered himself for re-appointment as a director.

Brief particulars of Mr. Nimesh Kampani as required under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and Regulation 36 of the Listing Regulations is being provided in the Notice convening the 37th Annual General Meeting of the Company.

Mr. Atul Mehra

Based on the recommendation of the NRC, the Board approved the appointment of Mr. Atul Mehra (DIN: 00095542) as an additional director, pursuant to Section 161 of the Act and Article 132 of the Articles of Association of the Company. Mr. Mehra was also appointed as a Joint Managing Director of the Company pursuant to Sections 196, 197 and 203 of the Act for a period of three (3) years with effect from October 1, 2021. The members of the Company have also approved his appointment as a Joint Managing Director by passing the special resolution with requisite majority through the Postal Ballot process on December 14, 2021. Mr. Mehra is liable to retire by rotation.

Mr. Adi Patel

Based on the recommendation of the NRC, the Board approved the appointment of Mr. Adi Patel (DIN: 02307863) as an additional director, pursuant to Section 161 of the Act and Article 132 of the Articles of Association of the Company. Mr. Patel was also appointed as a Joint Managing Director of the Company pursuant to Sections 196, 197 and 203 of the Act for a period of three (3) years with effect from October 1, 2021. The members of the Company have also approved his appointment as a Joint Managing Director by passing the special resolution with requisite majority through the Postal Ballot process on December 14, 2021. Mr. Patel is liable to retire by rotation.

Mr. Navroz Udawadia

Based on the recommendation of the NRC, the Board approved the appointment of Mr. Navroz Udawadia (DIN: 08355220) as an additional (independent) director, pursuant to Section 161 of the Act and Article 132 of the Articles of Association of the Company. Mr. Udawadia was appointed as

Directors' Report (Contd.)

an Independent Director of the Company pursuant to Section 149 of the Act, to hold office for a term not exceeding five (5) consecutive years commencing from December 9, 2021 and ending on December 8, 2026 (both the days inclusive) by the members of the Company by passing the special resolution with requisite majority through the Postal Ballot process on March 23, 2022.

Ms. Roshini Bakshi

Based on the recommendation of the NRC, the Board approved the appointment of Ms. Roshini Bakshi (DIN: 01832163) as an additional (independent) director, pursuant to Section 161 of the Act and Article 132 of the Articles of Association of the Company. Ms. Bakshi was appointed as an Independent Director of the Company pursuant to Section 149 of the Act, to hold office for a term not exceeding five (5) consecutive years commencing from December 9, 2021 and ending on December 8, 2026 (both the days inclusive) by the members of the Company by passing the special resolution with requisite majority through the Postal Ballot process on March 23, 2022.

Mr. Pradip Kanakia

Based on the recommendation of the NRC, the Board approved the appointment of Mr. Pradip Kanakia (DIN: 00770347) as an additional (independent) director, pursuant to Section 161 of the Act and Article 132 of the Articles of Association of the Company. Mr. Kanakia was appointed as an Independent Director of the Company pursuant to Section 149 of the Act, to hold office for a term not exceeding five (5) consecutive years commencing from February 7, 2022 and ending on February 6, 2027 (both the days inclusive) by the members of the Company by passing the special resolution with requisite majority through the Postal Ballot process on March 23, 2022.

Mr. Sumit Bose

Based on the recommendation of the NRC, the Board pursuant to Section 161 of the Act and Article 132 of the Articles of Association of the Company, has appointed Mr. Sumit Bose (DIN: 03340616) as an additional (independent) director of the Company with effect from May 24, 2022, subject to the approval of the members of the Company. The required resolution commending the appointment of Mr. Bose is included in the Notice convening the 37th Annual General Meeting of the Company. The initial term of Mr. Bose as an independent director shall be five (5) consecutive years commencing from May 24, 2022 and ending on May 23, 2027 (both the days inclusive).

The Board is of the opinion that the Company will immensely benefit from the appointment of Mr. Bose considering his vast and varied knowledge and experience. As can be seen from Mr. Bose's profile forming part of the Notice of Annual General Meeting, he is a person of integrity with high level of ethical standards.

The Company is in receipt of a notice from a member signifying his intention to propose the candidature of Mr. Bose for the office of a Director.

Brief profile of Mr. Bose is given in the Notice convening the 37th Annual General Meeting of the Company.

Resignation of an Independent Director**Mr. Darius E Udwardia**

Mr. Darius E Udwardia (DIN: 00009755) ceased to be an independent director of the Company consequent upon his resignation as such director with effect from close of business hours of October 20, 2021.

Following the above, Mr. Udwardia has also ceased to be a member of the audit committee, nomination and remuneration committee, risk management committee and allotment committee of the Board effective from the close of business hours on October 20, 2021. The Board has placed on record its deep appreciation for the valuable contribution made by Mr. Udwardia and services rendered by him during his tenure as an independent director of the Company.

Key Managerial Personnel

Upon completion of the first term of five (5) consecutive years on September 30, 2021 as the Managing Director of the Company, Mr. Vishal Kampani (DIN: 00009079) has been appointed as the Non-Executive Vice Chairman of the Company with effect from October 1, 2021.

The Board appointed Mr. Atul Mehra and Mr. Adi Patel as the Joint Managing Directors of the Company with effect from October 1, 2021 for a period of three (3) years. The members of the Company, have approved their appointments as the Joint Managing Directors, by passing the special resolutions with requisite majority on December 14, 2021 through postal ballot process.

Other than above, there are no changes in the key managerial personnel of the Company. Mr. Prashant Choksi, Company Secretary and Mr. Manish Sheth, Chief Financial Officer continues to be the key managerial personnel within the meaning of Section 2(51) read with Section 203(1) of the Act.

Declaration by Independent Directors

All the independent directors of the Company have submitted their declaration that each of them meets the criteria of independence as provided under Section 149(6) of the Act read with the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as independent directors. During the financial year 2021-22, the independent directors had no pecuniary relationships or transactions with the Company, except as disclosed in the Corporate Governance Report which forms part of this Report.

Basis the declaration received from the independent directors and the disclosures made by them, the Board, acknowledging the veracity of the same, has confirmed that the independent directors are the persons of integrity and qualify to be independent and that they are independent of the management of the Company.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the names of all the independent directors of the Company are forming part of the data bank maintained by the Indian Institute of Corporate Affairs (the "ICA").

Board Meetings

During the financial year 2021-22, six (6) meetings of the Board were held in accordance with and in the manner as specified by Ministry of Corporate Affairs and the SEBI in their respective circulars issued in view of the Covid-19 pandemic. As per the said circulars, companies were provided a relaxation from the requirement of having intervening gap of one hundred and twenty (120) days between any two (2) meetings of the Board. Notwithstanding this, the Board meetings of the Company were held at regular intervals and the gap between the two (2) meetings was not more than one hundred and twenty (120) days.

Details about the Board and committee meetings are given at length in the Corporate Governance Report which forms part of this Report.

Policies on Appointment of Directors and their Remuneration

The Company has adopted policies on selection and appointment of directors and also on performance evaluation and remuneration of directors, pursuant to Section 178(3) of the Act and Regulation 19(4) of the Listing Regulations. The details of remuneration and other matters have been disclosed at length in the Corporate Governance Report which forms part of this Report.

In accordance with the applicable provisions of the Act and the Listing Regulations, these policies are uploaded on the website of the Company at https://jmfl.com/investor-relations/Policy_on_Selection_and_Appointment_of_Directors.pdf and https://jmfl.com/investor-relations/Policy_on_Performance_Evaluation_and_Remuneration_of_the_Directors.pdf.

Evaluation of Board of Directors

The Board has carried out an annual evaluation of its own performance, the Board committees and individual directors pursuant to the Act and the Listing Regulations. Through a digital structured questionnaire, feedback from directors was obtained as a part of performance evaluation. This questionnaire and criteria of performance was broadly based on the Company's policy on performance evaluation and guidance note on the Board evaluation issued by SEBI on January 5, 2017.

Basis the feedback received from the directors, the Board and the NRC reviewed the performance of the individual directors, the Chairman, the Joint Managing Directors including various committees established by the Board at their respective meetings.

The performance evaluation of the individual directors including the Chairman, the Vice-Chairman and the Joint Managing Directors, inter alia, was done based on the criteria such as professional conduct, roles and functions, discharge of duties, their contribution to board/committees/senior management, preparedness on the issues to be discussed, contribution to the decision making, etc.

The performance evaluation of the Board as a whole and its committees was made after seeking inputs from the directors/committee members on various criteria such as structure and composition, effectiveness of the board process, information, roles and responsibilities, professional development, functioning of the board and its committees, establishment and determination of responsibilities of committees, and the quality of relationship between the board and the management.

The performance evaluation of the non-independent directors viz., the Chairman, the Vice-Chairman, the Joint Managing Directors and the board as a whole was also carried out by the independent directors at their separate meeting held on March 29, 2022, considering the views of the executive and the non-executive directors.

Directors' Report (Contd.)

Board Committees

The Board has established the following Committees:

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

Details of all the committees along with their composition, terms of reference and meetings held during the year are provided in the Corporate Governance Report which forms part of this Report.

Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure has been made in following the same;
- b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Statutory Auditors

During the financial year 2021-22, the Company had appointed BSR & Co. LLP, Chartered Accountants (Firm registration no. 101248W/W-100022) (the "BSR"), as the statutory auditors of the Company in place of Deloitte Haskins & Sells LLP, Chartered Accountants, (the "DHS") to fill in the casual vacancy caused

due to the resignation of DHS following the guidelines issued by Reserve Bank of India (the "RBI") vide its Circular No. RBI/2021-22/25 Reference No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021. BSR holds the office as Statutory Auditors till the conclusion of the 37th Annual General Meeting of the Company.

The above appointment of BSR was also approved by the members of the Company with requisite majority through Postal Ballot process on December 14, 2021.

As the term of the office of BSR will complete post conclusion of the 37th Annual General Meeting of the Company, the Board on May 24, 2022, on the basis of recommendation of the audit committee, has approved the appointment of BSR as the Statutory Auditors of the Company for a period of five (5) consecutive years from the conclusion of the 37th Annual General Meeting of the Company to 42nd Annual General Meeting to be held in the financial year 2027-28. This appointment is subject to the approval of the members at the general meeting.

The necessary resolution seeking the members' approval for the appointment of BSR as the Statutory Auditors is included in the Notice convening the 37th Annual General Meeting of the Company.

Auditor's Report

The Statutory Auditors have issued their unmodified opinion, both on standalone and consolidated financial statements, for the year ended March 31, 2022. They have not highlighted any qualifications, reservations, adverse remarks or disclaimers. The Statutory Auditors have not reported any incident of fraud to the audit committee of the Company during the financial year 2021-22. The notes to the accounts referred to in the auditor's report are self-explanatory and therefore do not call for any further explanation and comments.

Secretarial Audit

Makarand M. Joshi & Co., Company Secretaries, were appointed as the Secretarial Auditors for conducting the secretarial audit of the Company for the financial year 2021-22.

The secretarial audit report as issued by the aforesaid Secretarial Auditors for the financial year ended March 31, 2022, is appended to this Report as **Annexure B**.

There are no qualifications, reservations, adverse remarks or disclaimers in the above secretarial audit report.

Secretarial audit of material unlisted Indian subsidiary

JM Financial Services Limited, the material unlisted subsidiary of the Company, has got the secretarial audit conducted for financial year 2021-22 pursuant to Section 204 of the Act, a copy of the report of which is appended to this Report as **Annexure B1**.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Corporate Social Responsibility

As mentioned earlier, the Corporate Social Responsibility Committee (the "CSR committee") is established by the Board in accordance with Section 135 of the Act.

The CSR committee has approved and adopted the CSR policy in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, (the "CSR Rules").

The CSR policy outlines the activities that can be undertaken or supported by the Company within the applicable provisions of the Act and alignment of such activities as per the sustainable development goals principles. Apart from the composition requirements of the CSR committee, the CSR policy, inter alia, lays down the criteria for selection of projects & areas, annual allocation, modalities of execution/implementation of activities, monitoring mechanism of CSR activities/projects including the formulation of annual action plan.

Pursuant to the amended CSR Rules, the Chief Financial Officer of the Company has certified that the funds disbursed basis the annual action plan for the financial year 2021-22 have been utilised for the purpose and in the manner as per approved by the Board.

The details of CSR activities as required under Rule 8 of CSR Rules in the prescribed format is appended to this Report as **Annexure C**.

Risk Management

Risk management forms an integral part of the Company's business operations and monitoring activities. The Company and its subsidiaries are exposed to a variety of risks, including liquidity risk, interest rate risk, market risk, credit risk, technology risk, operational risk, regulatory and compliance risk, reputational risk, business continuity risk, risk emanating from cyber security, legal risk, competition risk, risks pertaining to Covid-19 pandemic, among others. The Company has formulated comprehensive risk management policy and processes to identify, assess, evaluate, manage

and mitigate the risks that are encountered during the conduct of business activities, which may pose significant loss or threat to the Company.

The risk management committee as established by the Board, frames, implements and monitors the risk management plan including functions relating to cyber security, assessment of various risks, formulation of measures to mitigate such risks. The Board reviews the effectiveness of risk management systems in place and ensures that the risks are effectively managed. The audit committee has additional oversight in the area of financial risks and controls.

The robust risk management framework has helped the Company to bounce back to pre-covid levels in the risk metrics.

Details about development and implementation of risk management policy have been covered at length in the Management Discussion and Analysis Report which forms part of this Report.

Internal financial control systems and its adequacy

The Board has adopted accounting policies which are in accordance with Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. It provides reasonable assurance in respect of financial and operational information, compliance with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and also ensuring compliance with the Company's policies. The audit committee monitors this system and ensures adequacy of the same. The Statutory Auditors and the Internal Auditors of the Company also provide their confirmation that the internal financial controls framework is robust and they work effectively.

During the year, no material or serious observations have been highlighted for inefficiency or inadequacy of such controls. The details of adequacy of internal financial controls are given at length in the Management Discussion and Analysis Report which forms part of this Report.

Deposits

The Company has neither invited nor accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public, in terms of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, was outstanding as on the date of the balance sheet.

Directors' Report (Contd.)

Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

Change in nature of business

During the financial year 2021-22, there has been no change in the nature of the Company's business.

Significant and material orders

During the financial year 2021-22, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operations.

Report on Corporate Governance

Report on Corporate Governance for the financial year 2021-22 along with the certificate from the Secretarial Auditors of the Company confirming the compliance with the regulations of corporate governance under the Listing Regulations forms part of this Report.

Management Discussion and Analysis Report

In terms of the provisions of Regulation 34 of the Listing Regulations, Management Discussion and Analysis Report forms part of this Report.

Business Responsibility Report

Pursuant to Regulation 34(2) of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Report.

Particulars of employees and related information

The requisite disclosures in terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the "Rules") is appended to this Report as **Annexure D**.

As per the provisions of Section 136(1) of the Act, the reports and accounts are being sent to the members of the Company excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the said Rules. Any member interested in obtaining such information may write to the Company Secretary at ecommunication@jmfi.com and the same will be furnished on such request.

Particulars of loans, guarantees or investments

Particulars, if any, of investments made, loans and guarantees given and securities provided are given in the note 37 of notes to the standalone financial statements.

Credit rating

Brief details of the ratings received from credit rating agencies by the Company is given in General Shareholders' Information which forms part of Corporate Governance Report.

Particulars of contracts or arrangements with related parties

In compliance with the amendments made by SEBI vide notification dated November 9, 2021 in the existing provisions pertaining to the related parties and related party transactions, the policy on dealing with related party transactions of the Company has been suitably amended and approved by the audit committee and the Board of the Company. The said policy is uploaded on the website of the Company at https://jmfi.com/investor-relations/Policy_on_dealing_with_related_party_transactions.pdf.

All Related Party Transactions entered during the year were in ordinary course of the business and at arm's length basis. Further, the particulars of contracts or arrangements with related parties which fall within the purview of Section 188(1) of the Act, are mentioned in Form AOC - 2 appended to this Report as **Annexure E**.

Annual return

In accordance with the requirements under Section 92(3) and Section 134(3)(a) of the Act and the applicable rules, the annual return as on March 31, 2022 is available on the website of the Company at <https://jmfi.com/annual-report>

Conservation of energy, technology absorption, foreign exchange earnings and outgo

As the Company is engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy as stated in the Business Responsibility Report.

During the financial year 2021-22, the Company's foreign exchange earnings was ₹ 69.64 Crore and expenditure was ₹ 0.47 Crore.

The details of the transactions in foreign exchange are provided in notes 40 and 41 of notes to the standalone financial statements.

Vigil Mechanism/Whistle Blower Policy

The vigil mechanism as envisaged in the Act, the rules prescribed thereunder and the Listing Regulations, is implemented through the Company's Whistle Blower Policy to enable the directors and employees of the Company to report genuine concerns, to provide for adequate safeguards against victimisation and make provision for direct access to the chairman of the audit committee. Details of vigil mechanism/whistle blower are included in the Corporate Governance Report, forming part of this Report.

During the financial year 2021-22, no cases under this mechanism have been reported.

Maintenance of cost records

The cost records as specified by the Central Government under Section 148(1) of the Act are not required to be maintained by the Company.

Policy for prevention, prohibition and redressal of sexual harassment of women at workplace

The Company has a detailed policy in place in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH"). Internal Complaints Committees (the "ICC") has been set up to redress complaints, if any, received regarding sexual harassment and the Company has complied with provisions relating to the constitution of ICC under the POSH. All employees, permanent, contractual, temporary and trainees are covered under this policy. The provisions related to prevention of sexual harassment are also imbibed in the Company's Code of Conduct as applicable to the employees.

During the financial year 2021-22, no complaints were received from any of the employees.

Certificate from the Joint Managing Directors and Chief Financial Officer

The certificate received from Mr. Atul Mehra, Mr. Adi Patel, the Joint Managing Directors and Mr. Manish Sheth, the Chief Financial Officer with respect to the financial statements and other matters as required under Part B of Schedule II to the Listing Regulations forms part of Corporate Governance Report, which forms part of this Report.

Acknowledgements

The Board of Directors take this opportunity to place on record their sincere thanks to SEBI, RBI, MCA, National Housing Bank, Stock Exchanges including Commodity Exchanges, customers, vendors, investors, banks, financial institutions, business associates, shareholders and all other stakeholders for their continued co-operation and support. Your Directors also recognise the support and co-operation extended by the Government of India, State Governments, Overseas Regulatory Authorities and their agencies.

The Board regrets the loss of life due to Covid-19 pandemic. The Board of Directors are deeply grateful and have immense respect for every person risking their life and safety to fight this pandemic.

The Board also places on record its sincere gratitude and appreciation for the employees of the Company and the Group at all levels, for their hardwork, sincerity and efficiency.

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman

DIN – 00009071

Place: Mumbai
Date: May 24, 2022

Directors' Report (Contd.)

Annexure A

Details of the Employees' Stock Option Scheme as required under the applicable SEBI regulations

1. Options granted during the financial year 2021-22	:	Nil		
2. Pricing formula	:	As determined by the Nomination and Remuneration Committee		
3. Options vested during financial year 2021-22	:	11,49,390		
4. Options exercised during financial year 2021-22	:	13,32,822		
5. Total number of shares arising as a result of exercise of options during financial year 2021-22	:	13,32,822		
6. Options lapsed during financial year 2021-22	:	1,42,547		
7. Variation of terms of options	:	None		
8. Money realised from the employees by exercise of options during financial year 2021-22	:	₹ 13,32,822 *		
9. Total options granted and outstanding as on March 31, 2022	:	20,23,075		
10. Employee wise details of options granted to:				
(i) senior managerial personnel	:	None		
(ii) any other employee who received a grant in any one year of option amounting to 5% or more Options granted during that year	:	None		
(iii) identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	:	None		
11. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard (Ind AS) - 33 'Earnings Per Share' issued by the Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time.	:	Standalone – ₹ 3.43 Consolidated – ₹ 8.09		
12. Weighted-average exercise prices and weighted average fair values of options for options whose exercise price is either equal to or exceeds or is less than the market price of the stock options.	:	Not applicable		
13. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	:	Black and Scholes Model		
i. Risk-free interest rate	:			
ii. Life of options	:			
iii. Expected volatility	:	Not applicable	Not applicable	Not applicable
iv. Expected dividend yield	:			
v. The price of the underlying share in market at the time of Option grant	:			

*In addition to ₹ 13,32,822 received from eligible employees of subsidiaries an aggregate amount of ₹1,12,79,107 being the difference between the exercise price and fair value of options has been reimbursed by such subsidiary companies with which the eligible employees are/were employed/associated.

As regards, to the exercise of options by the eligible employees (whether existing or former) of the Company, an aggregate amount of ₹ 1,93,67,543, being the difference between the exercise price and fair value of options has been charged to the statement of profit and loss of the Company.

Note:- Further, the relevant disclosures in terms of the Ind AS 102 relating to share based payment, forms part of note 31 of the notes to the standalone financial statements and note 44 of the notes to the consolidated financial statements of the Company.

Annexure B

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
JM Financial Limited,
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai, 400025

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

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with the applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; **(External Commercial Borrowings is not applicable to the Company during the Audit Period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Directors' Report (Contd.)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)** All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**")

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

We further report that having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- ▶ Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- ▶ Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

We further report that

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has

1. Approved for issuance of secured/unsecured, listed/unlisted, rated/unrated redeemable Non-Convertible Debentures (the "NCDs"), in one or more series/tranches, aggregating up to ₹ 1,000 Crore on a private placement basis and/or through public offer in the Annual General Meeting held on July 28, 2021.
2. Allotted 13,32,822 Equity Shares of face value of ₹ 1/- each against exercise of equivalent number of stock options exercised by the employees in whom the stock options have been vested.

For Makarand M. Joshi & Co.
Company Secretaries

Kumudini Bhalerao
Partner
FCS No. F6667
CP No. 6690
UDIN: F006667D000374771
Peer Review No: 640/2019

Place: Mumbai
Date: May 24, 2022

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

Annexure

To,
The Members,
JM Financial Limited,
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai, 400025

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.

Company Secretaries

Kumudini Bhalerao
Partner
FCS No. F6667
CP No. 6690
UDIN: F006667D000374771
Peer Review No: 640/2019

Place: Mumbai
Date: May 24, 2022

Directors' Report (Contd.)

Annexure B1

FORM MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JM Financial Services Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment

and External Commercial Borrowings (during the period under review not applicable to the Company);

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the period under review not applicable to the Company);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the Company);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (during the period under review not applicable to the Company);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the period under review not applicable to the Company);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);
- (vi) The Securities and Exchange Board of India (Stock-Brokers and Sub-Brokers) Regulations, 1992;
- (vii) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;

(viii) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;

(ix) The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;

We have examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

We further report that:

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

Adequate notices are given to all Directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except one Board Meeting which was held on a shorter notice with the consent of all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during audit period, the Company had the following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. **The Board of Director of the Company at their meeting held on April 29, 2021 declared a final dividend of INR 8 per equity share and @6% on the 75,00,000 compulsorily convertible preference shares;**
2. **The Non- Convertible Debentures of the company which were listed on BSE was redeemed on October 26, 2021 and December 24, 2021 respectively.**

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No: 3667
CP No: 23905

Place: Mumbai
Date: May 13, 2022
UDIN: F003667D000313394

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE**' and forms an integral part of this report.

Directors' Report (Contd.)

Annexure

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

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

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred in Secretarial Audit Report in Form MR-3, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
- 7) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No: 3667
CP No: 23905

Place: Mumbai
Date: May 13, 2022
UDIN: F003667D000313394

Annexure C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy:**

Corporate Social Responsibility (the "CSR") is implemented to create and support sustainable, equitable opportunities for the growth of the underserved with an intent to create long-term impact.

In accordance with Section 135 of the Companies Act, 2013 (the "Act") and Schedule VII thereto read with the Company's CSR policy, the CSR obligation of the Company for the financial year 2021-22 was ₹ 2.01 Crore. During the year, the CSR committee and the Board of the Company have approved the CSR project viz., *JM Financial Shiksha Samarthan* in the manner as stated at point no. 8(b) of this Report.

2. Composition of the CSR committee as on March 31, 2022:

Sr. No.	Name of Member	Designation/Nature of directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1	Mr. Nimesh Kampani	Chairman-Non-Executive Director	2	2
2	Mr. Paul Zuckerman	Independent Director	2	2
3	Mr. Keki Dadiseth	Independent Director	2	2

3. Provide the web-link where composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company:

Details of composition of CSR committee	https://jmfl.com/investor-relation/board-directors.html
CSR policy	https://jmfl.com/investor-relations/CSR_Policy.pdf
CSR projects	https://jmfl.com/giving-csr/projects

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not applicable.**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable since no amount is available for set off.**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Not applicable	

6. Average net profit of the Company as per section 135(5): ₹ 100.1 Crore

7. (a) **Two percent of average net profit of the company as per section 135(5): ₹ 2.01 Crore**
- (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years: None**
- (c) **Amount required to be set off for the financial year, if any: None**
- (d) **Total CSR obligation for the financial year (7a+7b-7c) : ₹ 2.01 Crore**

Directors' Report (Contd.)

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR account as per section 135(6)	Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5)			
	Amount.	Date of transfer	Name of the fund	Amount	Date of transfer
₹ 2.01 Crore	Not applicable since no unspent amount			Not applicable	

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project. State District	Project duration*	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to unspent CSR account for the project as per section 135(6) (in ₹).	Mode of implementation - direct (Yes/No)	Mode of implementation - through implementing agency Name CSR Registration number
1	JM Financial Shiksha Samarthan	Item no. (ii)	No	Pan-India	1 year	2.01 Crore	2.01 Crore	Not applicable	No	JM Financial Foundation CSR Registration No: CSR00005269

*As per the annual action plan, the CSR expenditure of ₹ 2.01 Crore had been budgeted to be spent over three years till financial year 2024-25. However, considering the project progression said amount was fully disbursed and utilised in the current financial year 2021-22 itself.

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not applicable since none

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project (in ₹)	Mode of implementation - direct (Yes/No)	Mode of implementation - through implementing agency Name CSR Registration Number
							Not applicable

(d) Amount spent in Administrative Overheads: None

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 2.01 Crore

(g) Excess amount for set off, if any: Nil

Sr. No	Particular	Amount (in ₹)
i.	Two percent of average net profit of the Company as per section 135(5)	2.01 Crore
ii.	Total amount spent for the financial year	2.01 Crore
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of unspent CSR amount for the preceding three financial years: Not applicable

Sr. No	Preceding financial year	Amount transferred to unspent CSR account under section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years (in ₹)	
				Name of the fund	Amount (in ₹)	Date of transfer
Not applicable						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project - completed / ongoing
Not applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). Not applicable since no capital asset acquired.

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable.

For and on behalf of JM Financial Limited and the CSR Committee

Place : Mumbai
Date : May 24, 2022

Atul Mehra
Joint Managing Director
DIN: 00095542

Adi Patel
Joint Managing Director
DIN: 02307863

Nimesh Kampani
Chairman of the CSR Committee
DIN: 00009071

Directors' Report (Contd.)

Annexure D**Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****a. Ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2021-22 is as follows.**

Sr. No.	Name of the Director	Ratio of remuneration of Director to the median remuneration*
1.	Mr. Nimesh Kampani	-
2.	Mr. Vishal Kampani [^]	4.04
3.	Mr. E A Kshirsagar	1.15
4.	Mr. Darius E Udawadia (Up to October 20, 2021)	0.75
5.	Dr. Vijay Kelkar	1.07
6.	Mr. Paul Zuckerman	0.96
7.	Mr. Keki Dadiseth	0.92
8.	Ms. Jagi Mangat Panda	0.88
9.	Mr. P S Jayakumar	0.86
10.	Mr. Navroz Udawadia (With effect from December 9, 2021)	-
11.	Ms. Roshini Bakshi (With effect from December 9, 2021)	0.06
12.	Mr. Pradip Kanakia (With effect from February 7, 2022)	0.06
13.	Mr. Atul Mehra (With effect from October 1, 2021)	18.2
14.	Mr. Adi Patel (With effect from October 1, 2021)	18.9

* Remuneration of Directors has been compared to actual median remuneration for all 146 employees who were on rolls of the Company as on March 31, 2022. Remuneration is annualised for employees who were there for part of the year.

[^] Mr. Vishal Kampani has ceased to be the Managing Director of the Company from the close of business hours on September 30, 2021 upon completion of his five year term as such. He has been appointed as the non-executive Vice Chairman of the Company.

b. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22, is as follows.

Sr. No.	Name of the Director	Designation	Increase/ (Decrease) (%)
1.	Mr. Nimesh Kampani	Non-executive Chairman	*
2.	Mr. Vishal Kampani [^]	Non-executive Vice Chairman (With effect from October 1, 2021)	(18.2)
3.	Mr. E A Kshirsagar	Non-executive Independent Director	2.6
4.	Mr. Darius E Udawadia (Up to October 20, 2021)	Non-executive Independent Director	(49.5)
5.	Dr. Vijay Kelkar	Non-executive Independent Director	1.8
6.	Mr. Paul Zuckerman	Non-executive Independent Director	2.0
7.	Mr. Keki Dadiseth	Non-executive Independent Director	10.2
8.	Ms. Jagi Mangat Panda	Non-executive Independent Director	3.8
9.	Mr. P S Jayakumar	Non-executive Independent Director	3.8
10.	Mr. Navroz Udawadia (With effect from December 9, 2021)	Non-executive Independent Director	-
11.	Ms. Roshini Bakshi (With effect from December 9, 2021)	Non-executive Independent Director	-

Sr. No.	Name of the Director	Designation	Increase/ (Decrease) (%)
12.	Mr. Pradip Kanakia (With effect from February 7, 2022)	Non-executive Independent Director	-
13.	Mr. Atul Mehra (With effect from October 1, 2021)	Joint Managing Director	37.1
14.	Mr. Adi Patel (With effect from October 1, 2021)	Joint Managing Director	33.4
15.	Mr. Manish Sheth	Chief Financial Officer	33.0
16.	Mr. Prashant Choksi	Company Secretary	27.1

* Not applicable, since no remuneration in the form of sitting fees and/or commission has been paid to Mr. Nimesh Kampani during the financial year 2021-22, as has been voluntarily declined by him.

[^] For the period April 1, 2021 to September 30, 2021, Mr. Vishal Kampani was paid remuneration in the form of salary and perquisites as the Managing Director of the Company. During the period October 1, 2021 to March 31, 2022, he was paid sitting fees for attending the Board/committee meetings since he did not hold any executive position in the Company. Additionally, the Board of Directors has also decided to pay profit related commission of ₹ 10,00,000 for the period October 1, 2021 to March 31, 2022 to him.

c. Percentage increase in the median remuneration of employees in the financial year 2021-22:** 41.3%

** Increase in the median remuneration has been computed and compared for employees who were on rolls of the Company in financial year 2020-21 and financial year 2021-22. Remuneration is annualised for employees who were there for part of the year.

d. Number of permanent employees on the rolls of Company at the end of March 31, 2022.

Particulars	As at March 31, 2022	As at March 31, 2021
Number of permanent employees on the rolls of the Company	146	136

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration*:**

The average salaries of the employees other than the key managerial personnel have increased by 34.1% during the financial year 2021-22 as compared to the previous year.

Average salary of key managerial personnel has increased by 33.7%.

*** The above has been computed and compared for employees who were on rolls of the Company in financial year 2020-21 and financial year 2021-22. Remuneration is annualised for employees who were there for part of the year.

f. Affirmation:

We hereby affirm that the remuneration paid to the employees including key managerial personnel is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman
DIN: 00009071

Place: Mumbai
Date: May 24, 2022

Directors' Report (Contd.)

Annexure E

Form AOC – 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of Companies Act, 2013 (the "Act") read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date(s) of approval by the Board, if any.	Amount paid as advances, if any.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
Not applicable since none							

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

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any.	Amount paid as advances, if any.
JM Financial Credit Solutions Limited (the "JMFCSL") (Subsidiary Company)	Sale of Compulsorily Convertible Debentures ('CCDs') of a subsidiary viz., JM Financial Asset Reconstruction Company Limited (the "JMARC") to JMFCSL, which is a related party.	It was a one time transaction wherein CCDs were sold against the receipt of consideration therefor.	Sale of 39,79,272, 12% Compulsorily Convertible Debentures of face value/issue price of ₹ 373/- of JMARC at an aggregate consideration of ₹ 178,44,24,943, based on the valuation report obtained from an independent chartered accountant.	None, since approval of the Board was not required under the applicable provisions of the Act.	None

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 24, 2022

Nimesh Kampani
Chairman
DIN: 00009071

Management Discussion and Analysis

Global growth prospects looks moderated

Outlook for the global economy has dampened due to the impact of the on-going geopolitical disturbances arising from the Russia-Ukraine war and the renewed pandemic related lockdowns in China emanating primarily from its zero Covid policy. These events have accentuated supply shortages and inflationary trends across the world. The IMF has scaled down global GDP growth for 2022 by 80bp to 3.6%. Likewise, the WTO has scaled down projection of world trade growth for 2022 by 170bp to 3.0%. IMF notes that the medium-term outlook is revised downwards for all groups, except commodity exporters who benefit from the surge in energy and food prices.

Indian Economy

In Q4FY22, the Indian economy witnessed a recovery from the third wave of Covid-19 as the restrictions eased out. It reflected in a revival in urban economy even as rural saw some slackness. Recently, the effect of rising agri commodity prices induced by global disturbances, would have a rub off effect on revival of rural economy. Exports growth continues to remain robust and imports have also surged, thus translating into a monthly trade deficit of USD 18-20bn. There has been some revival in household consumption and investments intents have shown early signs of improvement.

The outlook appears to be impacted by global spill over effects reflecting in rising inflation and hardening in interest rates. RBI has scaled down FY23 GDP growth forecast to 7.2% while inflation is projected higher at 5.7%. But the latest data show that the inflation has already edged higher at 7% in Mar'22 and core inflation at 6.4%.

Monetary conditions

RBI has shifted its monetary policy direction from being very accommodative to being hawkish with the out of turn 40bp hike in reverse repo rate to 4.4% and increase in CRR by 50bp to 4.5%, which implies that the central bank is on the path of liquidity normalisation. Given the upside surprises on inflation, the RBI is leaning more towards its objective of inflation control rather than continued focus on reviving demand and growth.

During the month of April liquidity in the banking system has remained in excess, averaging at ₹ 7.5 tn. The large liquidity overhang in the form of daily surplus funds parked under the SDF (average of ₹ 2.0 trn resulted in average overnight call rate dipping below the SDF rate at 3.75%). With the 50bp hike in CRR the RBI will be sucking out ₹ 870bn of surplus liquidity. Higher than projected inflation will likely see further rate hike, and liquidity withdrawal to counter weakening impulses on the Indian rupee, arising from a stronger US dollar.

External economy

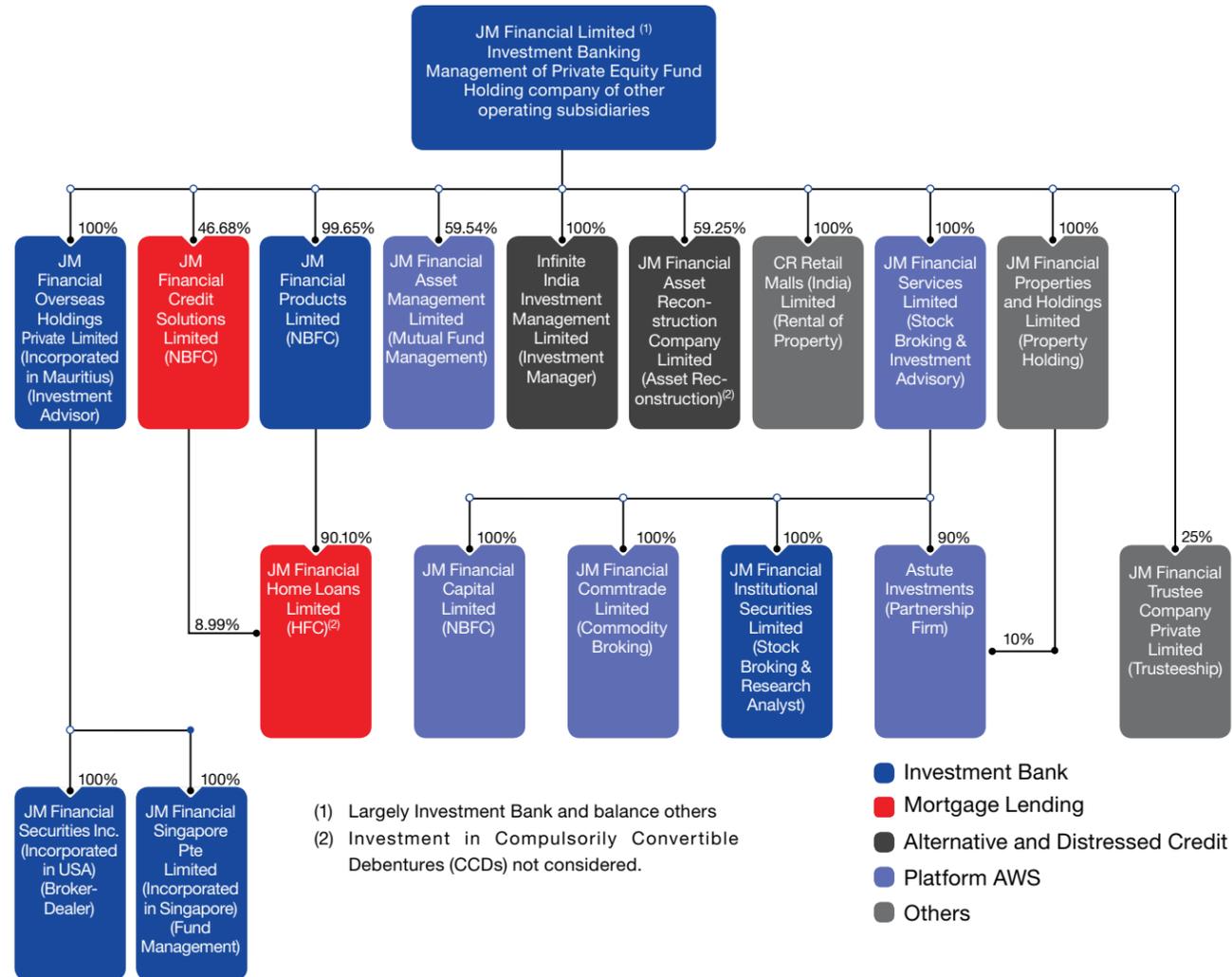
The external sector has remained resilient despite the global headwinds. India exports at USD 422bn surpassed the USD 400 bn export target for FY22, significantly driven by rise in global commodity prices and post Covid revival in global trade. However, with global crude prices rising to over USD 100/bbl, imports at USD 612bn surpassed revival in exports. Overall, exports grew by 45% YoY in FY22 while imports expanded by 56%. Thus, trade deficit stood at USD190bn or 6% of GDP. Net services exports, led by IT services rebounded by 20% to over USD 100bn in FY22 which is counterbalancing the widening trade deficit and moderating external capital flows. Net FDI flows have remained robust and long term flows such as ECB also remain stable. India's foreign exchange reserves at USD 598bn remain sizeable and provides a strong buffer against global disturbances.

Source: International Monetary Fund, Reserve Bank of India

Management Discussion and Analysis (Contd.)

Discussion on Businesses and Operational Performance

The corporate structure of JM Financial Group (the “Group”) as of March 31, 2022 is presented below:



(1) Largely Investment Bank and balance others
(2) Investment in Compulsorily Convertible Debentures (CCDs) not considered.

JM Financial Limited (the “Company”) is the only entity in the Group whose equity shares are listed on the stock exchanges. In view of the above structure, the way to understand the business performance of the Company is to analyse the standalone businesses and the businesses of its Group Entities. The core business area of the Group remains financial services. During the year, the underlying businesses of the reportable segments have been reclassified. The purpose of the said reclassification of business segments is primarily to create a client-aligned business structure to enable deeper focus, faster growth and a seamless execution of the organization’s digital strategy. Accordingly, our business segments are as follows:

- **Investment Bank (IB):** Our Group has evolved over a period of time to a leading diversified financial services firm. We have a wide range of product offerings and cater to several customer segments. The IB segment caters to Institutional, Corporate, Government and Ultra High Networth clients and includes investment banking, institutional equities and research, private equity funds, fixed income, syndication and finance.
- **Mortgage Lending:** Our mortgage lending segment includes wholesale mortgage and retail mortgage as follows:
 - Wholesale mortgage which includes commercial real estate lending to real estate developers

- Retail mortgage which includes housing finance business and loan against property (LAP) and education institutions lending (“EIL”).
- **Alternative and Distressed Credit** comprises the asset reconstruction business and alternative credit funds and
- **Asset management, Wealth management and Securities business (Platform AWS)** provides an integrated investment platform to individual clients and comprises wealth management business, broking, PMS and mutual fund business.

meetings, as well as closure of non-essential services, universities, schools, stores, restaurants and other key service providers. Globally these measures have also impacted supply chains and resulted in inflation. These measures led to volatility, uncertainty and impacted economic activities. Any instability or prolonged periods of unfavourable market or economic conditions as a result of the Covid-19 pandemic could lead to a significant decrease in the volume and value of our IB products and services.

Investment Banking Business

The Board of Directors has approved the scheme of demerger of the undertaking (“Scheme”) comprising of Private Wealth and Portfolio Management Services (“PMS”) (catering to large clients) along with the investment in JM Financial Institutional Securities Limited (which houses the institutional equities business) from its wholly owned subsidiary, JM Financial Services Limited to the Company. The Scheme shall be subject to regulatory and other approvals. Accordingly, once demerged the Private Wealth and PMS divisions shall be classified under the Investment Bank segment.

Investment banking business is amongst the oldest businesses within the JM Financial group. We are a full service investment banking franchise present across products viz. equity capital markets, debt capital markets, mergers and acquisitions and private equity syndication with a strong track record of over four decades. We have deep relationships into large and emerging corporates in India and have acted as their advisors for decades. These relationships have strengthened over time and have enabled us to be the advisor of choice for managing marquee clients. Our expertise and relationships have helped us handle some of the most complex, innovative, challenging and largest transactions in India.

Our business segments are discussed in detail below:

Investment Bank (IB)

Impact of Covid-19 on the IB segment

During the financial year 2021-22, the world was hit with the second and third waves of Covid-19 led by the Delta and the Omicron variants respectively. Governments and municipalities instituted measures in an effort to control the spread of Covid-19, including restrictions on international and local travel, public gatherings and participation in physical

We shall leverage our relationships and expertise built through our investment banking platform and we shall continue to provide solutions to our clients. We shall strive to deliver the entire firm to our clients and look to have a larger wallet share. Our pipeline of transactions is extremely healthy and subject to market conditions, we would look to execute the same over the course of FY 2022-23.

Market Environment

Primary Market

The breakup of funds raised in public markets during FY 2021-22 as compared to the FY 2020-21 is as follows:

Capital market	FY 2021 - 22		FY 2020-21		FY 2021-22 v/s FY 2020-21
	No.	₹ in Crore	No.	₹ in Crore	In %
Initial Public Offering (“IPO”)	53	1,11,547	30	31,267	257%
IPO on the SME Platform	69	953	28	244	291%
FPO	1	4,300	1	15,000	(71%)
SME FPO	1	14	1	28	(50%)
InvIT	6	15,442	1	25,215	(39%)
REIT	-	-	2	8,300	-
Rights Issue	10	25,301	20	64,256	(61%)
Qualified Institutions Placement (“QIP”)	29	28,532	32	81,731	(65%)
Offer for Sale (“OFS”)	22	14,530	35	28,428	(49%)
Total Equity Raised	191	2,00,619	150	2,54,469	(21%)
Total Debt raised through Public issue	27	10,492	18	10,488	0%
Total Amount Raised	218	2,11,111	168	2,64,957	(20%)

(Source: Prime Database as on April 1, 2022)

Management Discussion and Analysis (Contd.)

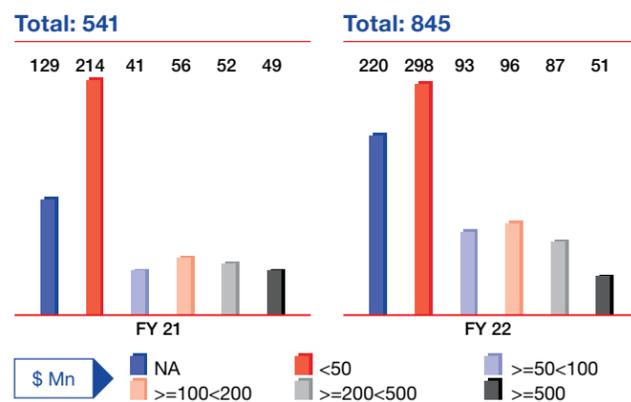
Equity capital markets in India witnessed another year of strong momentum especially with corporates tapping public markets through IPOs. 53 corporates raised over ₹ 1 lakh Crore through IPOs in FY22 as compared to 30 corporates that raised a total of ~ ₹ 31,000 Crore in FY21, an increase of over 250% in one year.

JM Financial also continued its dominance in Equity Capital Markets, successfully executing over 50 transactions in the financial year. Our commitment and deep understanding of the Indian markets have helped us achieve our clients' goals. We expect the capital markets to remain volatile in FY 2022-23. We would look at opportune windows to consummate our transactions.

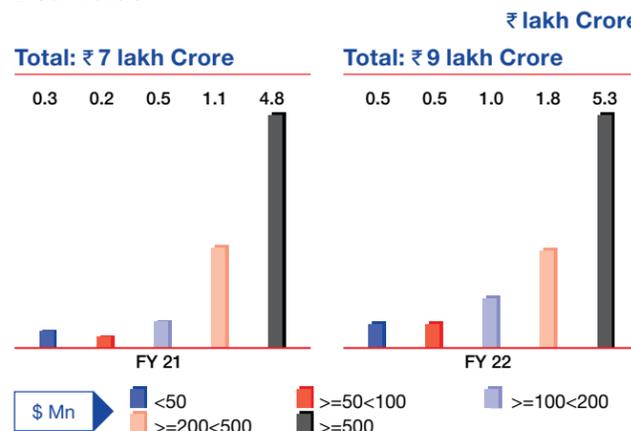
Mergers and Acquisition

During FY 2021-22, 845 deals were announced as compared to 541 deals in FY 2020-21. The total value of the deals announced was ₹ 9 lakh Crore for FY 2021-22 (this does not include 220 deals for which deal values were not available) as against ₹ 7 lakh Crore for FY 2020-21 (this does not include 129 deals for which deal values were not available).

**Deal Value
No. of Deals**



Deal Value



(Source: Mergermarket as on April 5, 2022)

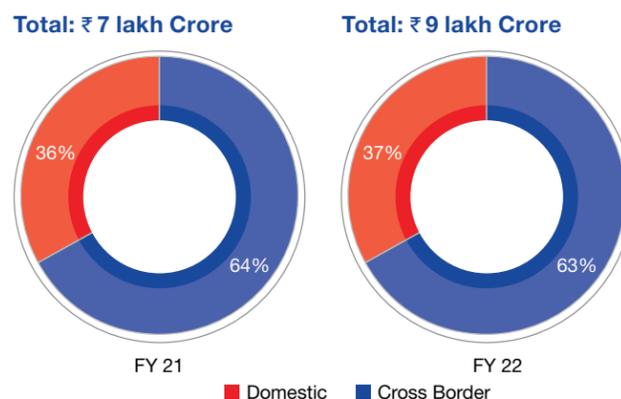
Notes

1. Deals are considered based on announcement date (excluding lapsed/ withdrawn bids).
2. Deals where both target and bidder are outside India are not considered.
3. Deal values are converted from USD to INR based on the average exchange rates for FY 2020-21 and FY 2021-22 FBIL website i.e. <https://fbil.org.in/>

Domestic v/s Cross-Border Activity

During FY 2021-22, domestic transactions contributed 37% to the overall M&A activity with deal value aggregating ₹ 3.3 lakh Crore compared to 36% in FY 2020-21 and a deal value aggregating ₹ 2.5 lakh Crore.

Domestic Vs Cross Border



(Source: Mergermarket as on April 5, 2022)

Notes

1. Deals are considered based on announcement date (excluding lapsed/withdrawn bids).
2. Deals where both target and bidder are outside India are not considered.
3. Deal values are converted from USD to INR based on the average exchange rates for FY 2020-21 and FY 2021-22 FBIL website i.e. <https://fbil.org.in/>

Private Equity

In FY 2021-22, private equity deals worth ₹ 5,55,963 Crore were announced compared to ₹ 2,72,097 Crore in FY 2020-21 (Source: JM Financial Estimates)

The sectors that experienced the maximum interest from private equity investors include IT/ITES, Consumer Tech and Financial Services.

Operational Performance of Investment Banking Business

During FY 2022, we concluded the following equity capital market transactions:

Book Running Lead Manager to the IPO of:

- Sona BLW Precision Forgings – ₹ 5,550 Crore
- FSN E-Commerce Ventures – ₹ 5,350 Crore
- Aditya Birla Sun Life AMC – ₹ 2,768 Crore
- Macrotech Developers - ₹ 2,500 Crore
- Sapphire Foods India – ₹ 2,073 Crore
- Clean Science & Technology – ₹ 1,546 Crore
- Krsnaa Diagnostics – ₹ 1,213 Crore
- CMS Info Systems – ₹ 1,100 Crore
- C.E. Infosystems – ₹ 1,040 Crore
- Go Fashion (India) – ₹ 1,014 Crore
- Shyam Metalics and Energy – ₹ 909 Crore
- India Pesticides – ₹ 800 Crore
- Rolex Rings – ₹ 713 Crore
- AGS Transact – ₹ 680 Crore
- Data Patterns (India) – ₹ 650 Crore
- Tega Industries – ₹ 620 Crore
- Tatva Chintan Pharma Chem – ₹ 500 Crore

Advisors to the Private Placement in:

- API Holdings – ₹ 2,600 Crore
- Gupshup Technologies – ₹ 1,800 Crore
- Car Dekho – ₹ 1,500 Crore

Managers to the OFS & Block Deals in:

- TVS Motor – ₹ 1,506 Crore & ₹ 605 Crore
- MTAR Technologies – ₹ 526 Crore
- National Stock Exchange of India – ₹ 485 Crore
- Accelya Solutions India – ₹ 248 Crore
- Suprajit Engineering – ₹ 237 Crore
- Go Fashion (India) – ₹ 180 Crore
- Orchid Pharma - ₹ 160 Crore
- Stove Kraft - ₹ 160 Crore & ₹ 75 Crore
- Metropolis Healthcare - ₹ 135 Crore

Book Running Lead Managers to the QIP by:

- IDFC First Bank – ₹ 3,000 Crore
- Bank of India – ₹ 2,550 Crore
- Canara Bank – ₹ 2,500 Crore
- Route Mobile – ₹ 867 Crore
- Saregama India – ₹ 750 Crore
- HFCL – ₹ 600 Crore
- Gokaldas Exports – ₹ 300 Crore

Book Running Lead Managers to the Rights Issues by:

- Bharti Airtel – ₹ 20,987 Crore
- Sundaram Finance Holdings – ₹ 355 Crore

Buyback:

- Tata Consultancy Services – ₹ 18,000 Crore
- NIIT – ₹ 237 Crore
- Insecticides India – ₹ 60 Crore

Delisting:

- Prabhat Dairy – ₹ 492 Crore

Mergers & Acquisitions and Private Equity Syndication

JM Financial continued its momentum as one of the most successful investment banks in the Indian M&A space having announced 14 M&A transactions with a total deal value of ~ ₹ 71,545 Crore during FY 2021-22.

(Source: Mergermarket as on April 5, 2022).

Some of the marquee M&A transactions where JM Financial was an advisor during FY 2021-22 include:

- Financial Advisor in connection with the family arrangement involving the TVS Group;
- Lead M&A Advisor to API Holdings and Docon Technologies, and Manager to the Open Offer to the shareholders of Thyrocare Technologies;
- Financial Advisor to Heineken for acquisition of 14.99% stake in United Breweries;
- Exclusive Financial Advisor to the TVS Group on acquisition of ZF Friedrichshafen AG's 49% shareholding in Brakes India;
- Financial advisor to Escorts on strategic investment from Kubota Corporation, Japan in Escorts;
- Financial and Transaction Advisor to IL&FS Group on sale of stake in IL&FS Environmental Infrastructure & Services and its subsidiaries to EverEnviro Resource Management;

Management Discussion and Analysis (Contd.)

- Advisor and Manager in relation to the ongoing open offer to the shareholders of Eveready Industries;
- Exclusive Financial Advisor to Sundaram Asset Management Company for the purchase of the Indian asset management businesses of Principal Group, USA;
- Financial and Transaction Advisor to IL&FS on sale of stake in TerraCIS Technologies;
- Exclusive advisor to GMR Infrastructure (GIL) on its strategic group restructuring involving vertical split demerger of its Non-Airport Business (Energy, EPC, Urban Infrastructure, etc.) into GMR Power and Urban Infra;
- Exclusive Manager to the Open Offer to the public shareholders of Mphasis Limited by BCP Topco IX Pte. Ltd.;
- Financial Advisor in connection with a scheme of arrangement involving Orient Refractories and certain group companies;
- Financial and Transaction Advisor to the IL&FS on sale of IL&FS stake in ONGC Tripura Power Company;
- Transaction Advisor and Manager to the Open Offer to the public shareholders of Just Dial;
- Exclusive Financial Advisor to the Open Offer to the equity shareholders of Timex Group India;
- Financial Consultant to Vini Cosmetics on Sale of majority stake to KKR;
- Exclusive Financial Advisor to Calibre Chemicals and its promoters on controlling stake sale to Everstone Capital;
- Financial Advisor to Blackstone on stake sale in S H Kelkar to Firmenich;
- Financial Advisor to Honasa Consumer Private Limited for acquisition of Bblunt;
- Fairness Opinion to the board of HDFC Life Insurance Company for 100% acquisition of Exide Life Insurance Company;
- Fairness Opinion to the board of Shriram City Union Finance (SCUF) for the merger of SCUF with Shriram Transport Finance Company;
- Fairness Opinion to the board of Equitas Holdings w.r.t the proposed amalgamation with Equitas Small Finance Bank;
- Fairness opinion to the board of Saurashtra Cement (SCL) on amalgamation of Gujarat Sidhee Cement with SCL;
- Fairness Opinion on share exchange ratio on amalgamation of Gangavaram Port with Adani Ports and Special Economic Zone;
- Fairness opinion to the board of Kalpataru Power Transmission (KPTL) on amalgamation of JMC Projects into KPTL.

Institutional Equities

Our Institutional Equities business offers broking services in both cash and derivatives segments to Indian and global institutional clientele. We strive to provide research with a focus on new stock ideas, intensive client servicing and efficient trade execution, complemented by post trade settlement.

The performance of our Institutional Equities business was primarily achieved through years of investment in the appropriate talent across sales, trading, research, operations, compliance and technology functions.

Equity markets rebounded in a very short time following a very steep fall in March 2020. Volumes increased sharply across the board and primary market activity gained significant momentum during the year. Institutional Equities business participated very strongly in this rise. This was primarily achieved through years of investment in the appropriate talent across sales, trading, research, operations, compliance and technology functions. Stable talent pool, consistent higher levels of servicing provided to its institutional clientele, strong customer focus, differentiated service offerings combined; enhanced the Firm's rankings amongst many of its top tier institutional customers.

Judicious investments in fixed assets and regular enhancements of technology platforms across the value chain, enabled the firm's institutional clientele to receive best in class service.

Yields continued to trend lower - a function of a) the highly competitive nature of institutional equities business and b) global active asset managers consistently losing assets under management to passive asset managers, profitability was enhanced due to judicious management of costs and extracting better operating leverage out of the talent pool and technology platforms.

Despite some impact of lockdowns and restricted movements during the year, technology helped the team to work seamlessly and efficiently even from home. Accelerated use of technology in the day-to-day functional areas helped 90% of the staff to operate from home during lockdowns and restrictions; with only the essential sales trading and execution personnel needing to physically attend the work places. It is heartening to mention that all the efforts resulted in the business operating (anecdotally) at near 100% productivity as compared to the normal. It is further important to mention that the institutional equities group stood up to the occasion with its single-minded purpose "being there and available" for the Firm's customers, and ensuring they get all the assistance and service required in unprecedented times like these.

Indian Equity markets have been volatile given concerns around rising inflation, hence rising interest rates, supply side constraints given sporadic lockdown in China, Russia-Ukraine conflict endangering global trade, however we expect Indian markets to do relatively better, given the domestic household liquidity. Equity Inflows in mutual funds have averaged ₹ 250bn/month, with SIP inflows at ₹ 120bn/month and we expect the same to remain stable.

Leverage Products

Our portfolio under this segment can be broadly classified into the following: (i) Capital markets lending; (ii) Bespoke finance; (iii) Wholesale mortgage (overflow) lending; and (iv) Financial institutional financing (v) Retail Mortgage (including purchase of pool of assets and retail mortgage lending).

Capital Markets lending

Our Capital Market Lending group offers margin-funding, loans against shares, and other securities to meet the fund requirements of various categories of clients inter-alia Retail, High networth individuals, Hindu Undivided Families and Corporate entities. The group also provides finance for investment in primary market issues as well as ESOP and mutual fund schemes.

Loans under this segment are typically in the nature of short-term advances and primarily cater to the funding requirements of clients under the broking and wealth management businesses. The strong synergies within our businesses enable cross-selling of these financial products.

The third wave of the pandemic, though more widespread, did not lead to a proportionate increase in hospitalizations and hence did not have a material impact on demand drivers. Vaccination coverage remains crucial to containing the severity of future surges in infections. We managed to ensure smooth banking, risk and other capital market related operations with help of digitalization and support from banking partners and offices have resumed with the setting in of normalcy.

The capital market loan book for March 31, 2022 stood at ₹ 834 Crore as compared to ₹ 851 Crore as at March 31, 2021.

Bespoke Finance

Our Bespoke finance business provides customized financing solutions to corporates and promoters under the following broad categories:

Structured Finance Lending: We offer comprehensive financing solutions to operating businesses to refinance existing debt, top-up working capital funding, general corporate purposes and for funding growth capital expenditure. We offer efficient financing structures to companies for short tenures structured as a bridge to IPO or private equity infusion;

alternatively, structured debt financing can be a medium-term solution for such companies to raise capital without equity dilution.

Promoter Financing: We offer financing to promoter holding companies against listed securities or mortgage of properties to meet their strategic requirements, such as equity funding for acquisitions or capital expenditure, increase of shareholding in group companies, investments, buying out of private equity investors and promoter debt refinancing.

Acquisition Financing: We offer rupee funding solutions to companies acquiring domestic assets through the share purchase route, where banks are restricted by regulation from providing financing for the equity investment.

Mezzanine Financing: We also offer subordinated debt or preferred equity instruments that represent a claim on a company's assets.

The Bespoke finance book as at March 31, 2022 stood at ₹4,287 Crore as compared to ₹ 2,092 Crore as at March 31, 2021. During FY2021-22, the Group focused on profitable short-term transactions and deployment of capital to support franchise clients.

Going forward, we seek to drive business through sustained engagement with clients and expect that there will be more opportunities to grow the lending business on the back of the investment banking franchise in the next few quarters and we particularly stand to benefit given our overall low leverage and strong balance sheet position.

Financial Institutional Financing (FIF)

Our Financial Institution finance business provides customized credit facilities to Financial Institutions (FIs). FIF specializes in underwriting loans to FIs towards their onward lending program, such credit facilities are provided to NBFIs, who are rated between BBB and AA-. The strategy is to partner with firms which have high-quality investor's part of their cap table with strong management team and proven business model. We are intending to build a healthy loan book and a diversified approach.

The FIF loan book as at March 31, 2022 stood at ₹ 440 Crore as compared to ₹ 9 Crore as at March 31, 2021.

Real Estate Consultancy Services (Dwello)

Dwello is a technology based real estate consulting division that operates within the primary residential real estate space. We enable the team of professionals and trained consultants, through our cutting edge technology and analytics, to assist customers in making right decisions at every step from initiation to completion of their home buying journey. Our

Management Discussion and Analysis (Contd.)

scientific approach towards helping the customers in their home buying decision is making Dwello a popular choice among them.

We are present in almost all the micro-markets in Mumbai and Pune. We have recently begun our Bangalore and NCR operations. In all the regions, where we are present, we are serving different stakeholders of the real estate market through different models. While our consulting model is oriented towards fulfilling the requirements of the customers, the mandate model is focused on achieving top line targets for the developers while optimizing the sales and marketing costs. Both the models share our customer centric approach.

Our operations through both the models are carried out through data driven approach. We mine multiple data points across sales and marketing functions. Since we track millions of data points continuously, our experience so far combined with our approach has allowed us to offer better experience to our customers and the developers associated with us. As we expand to different markets, we expect to turn them around even faster since we have learnt various lessons on achieving efficiencies faster in both the models.

Private Equity Fund Management

Private Equity Fund

Market Environment

In FY 2021-22, as per our estimate, the Private Equity (PE) investments were ₹ 5,55,963 Crore (1,137 deals) as compared to ₹ 2,72,097 Crore (843 deals) during FY 2020-21.

Year	Private Equity Investment (₹ in Crore)	Number of Deals	Average Deal Size (₹ in Crore)	Top Sectors where PE investments were made
FY 2021-22	555,963	1,137	535	IT/ITES, Consumer Tech and Financial Services
FY 2020-21	272,097	843	399	IT/ITES, Telecom and Retail

IT/ITES accounted for 35% of the total PE investments in FY 2021-22. Other sectors which witnessed high activity in terms of deal value were Consumer Tech and Financial Services accounting for 31% and 8% respectively of the total PE investments.

Total PE exits were ₹ 2,33,535 Crore (167 deals) in FY 2021-22 as compared to ₹ 44,743 Crore (123 deals) in FY 2020-21. Strategic and PE to PE transactions for unlisted companies, and secondary market transactions for listed companies were the preferred exit routes for PE Investors.

(Source: JM Financial estimates)

Operational Performance

JM Financial India Fund II ("Fund II") is a 2019 vintage (i.e., Final Close) private equity fund established as a trust under the Indian Trust Act, 1882 and registered with the Securities and Exchange Board of India (the "SEBI") under the SEBI (Alternative Investment Funds) Regulations 2012, as a Category II AIF.

Fund II is an India-focused, sector-agnostic private equity fund, with the primary objective to achieve superior risk-adjusted returns by investing growth capital in dynamic and fast-growing, small to mid-market Indian companies. We believe that the small to mid-market opportunity is relatively less crowded, allowing attractive investment opportunities in early to growth stage companies that are in their early phase of expansion.

Key sectors of interest include financial services, consumer, manufacturing, technology and others (logistics, agri-allied sectors etc.). Fund II has finalized ten investments and is fully deployed. In addition, Fund II has completed a partial divestment from one of its portfolio companies.

During December 2021, **JM Financial India Growth Fund III ("Fund III")** completed its first closing. As of March 31, 2022, Fund III has finalized three investments, API Holdings Private Limited, Aarman Solutions Private Limited, and BigHaat Agro Private Limited and continues to evaluate a strong pipeline of investment opportunities in its target segment. Similar to Fund II, Fund III is an India-focused, sector-agnostic private equity fund, with the primary objective to achieve superior risk-adjusted returns by investing growth capital in dynamic and fast-growing, small to mid-market Indian companies.

In addition to the two operating Funds, JM Financial also managed the **JM Financial India Fund ("Fund I")**, a 2006 vintage (i.e. Final Close) India focused private equity fund. This Fund raised capital of ₹ 952 Crore and has successfully exited from all of its portfolio companies (including one partial exit) and has distributed / appropriated an aggregate of 203% in INR terms (before income tax related retentions and reserves), of the capital contribution.

Our Private Equity fund business may face challenges in terms of our ability to raise funds and being able to exit portfolio companies at desired valuations. Further, our portfolio investments are subject to business specific and macro-economic threats.

Investment Grade, Debt Trading and syndication

The Investment Grade Group ("**IGG**") is a young business within the Group. It focuses on raising debt resources for corporate clients, investment advisory and active dealing in corporate bonds. In its second year of operations, the key developments for the desk along with focus areas are as follows:

- Public Issues of NCDs:** In the public issue space, the team worked in higher-rated corporates across both the private and public sector. The desk was ranked #3 for the FY21-22 in the Prime Database League Table. The total volume of issuances managed by the desk in the public issue space was ₹ 4,000 Crore and achieved a market share of 35%.
- Private Placement:** In the private placement space, the team worked extensively in top rated corporates. The desk arranged ~ ₹ 55,853 Crore in the private placement space across 32 issuances.
- Sales and Distribution:** The IGG continued empanelment across a marquee list of investors and on-boarded 500+ investors during the FY 2021-2022. The desk actively traded and acted as a market maker in corporate bonds. The year saw OTC trade volume of ~ ₹ 22,668 Crore with ~ 774 counterparties and exchange traded volume stood at ~ ₹ 475 Crore. The credit team provides credit views and monitoring of the credits that the team offers to the markets both from debt capital markets and sales perspective.
- Market Making:** Additionally, the desk continued market making as an authorized market maker for the PSU Bond ETF, 'Bharat Bond' ETF managed by Edelweiss AMC. IGG provides two way quotes for both 3Y and 10Y ETFs on the exchange. Also, the AMC had launched two more ETFs during the year for 5 years and 11 years maturities. IGG has also been authorized as a market maker for SBI MF for its 10 year gilts scheme and in NIPPON INDIA ETF NIFTYCPSE BD PLUS SDL wherein it has been actively providing buy and sell quotes on the exchange. It was also appointed as the Designated Market Maker for ICICI Prudential Mutual Fund's ETF: ICICI Prudential 5 YEAR G-SEC ETF in FY22. The year saw trade volumes of ~ ₹ 2,073 Crore in ETF (market making) with ~ ₹ 931 Crore on the OTC platform and ~ ₹ 1,142 Crore on the exchange.

Bondskart

BondsKart is India's first intuitive investment platform that brings a rich variety of premium bonds and debentures to retail investors, in a matter of just a few clicks. BondsKart is available on both web and Android/ iOS apps. Our investors are offered exclusive access to our diverse portfolio that curates bonds with promising yields across large investor networks without compromising on the ease of buying and selling thereby ensures that our investors always have the edge. BondsKart's operational dynamics is based on relentless research, converting data into actionable insights for our investors, as it leverages our cutting edge analytics platform.

International Operations

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

Our IB segment is subject to threats which include

- Short term and long term impact of Covid-19 on the entire business segment;
- macro-economic factors such as inflation, abnormal monsoon, geopolitical tensions, global economic threats impacting the business, economic situation, liquidity situation in the market, cost effective availability of funding and capital market environment; and
- business specific threats such as increased intensity of competition from players across the industry creating downward pressure on yields fees, commissions and brokerages, regulatory challenges, technology innovations, amongst others.

Financial Performance of Investment Bank Segment

Particulars	₹ in Crore	
	FY 2021-22	FY 2020-21
Gross Income	1,272.56	1,083.79
Profit before tax	472.81	374.91
Profit after tax before non-controlling interest	352.90	288.65
Profit after tax after non-controlling interest	352.40	287.83
Segment Capital Employed	2,498.72	2,499.81

Mortgage Lending

The mortgage lending business is divided into two parts (i) Wholesale Mortgage Lending (ii) Retail Mortgage Lending.

Wholesale Mortgage Lending

The Wholesale Mortgage Lending business is focused on offering a solution based approach to the clients in the real estate sector by catering to their various financing requirements and by keeping in mind the typical nature of the industry. We consider our clients as partners and aspire to have significant mind share of our clients when it comes to financing requirements/solutions.

- Project Loans:** Our wholesale mortgage financing business is primarily focused on providing project specific funding for ongoing residential and commercial projects which have received key regulatory approvals.
- Loans against Land:** We offer loans to customers for land acquisition or against land parcels to be used for projects that are not expected to be launched in the near-term. At

Management Discussion and Analysis (Contd.)

the time of funding, these land parcels do not have any relevant approvals and the loan repayment is based on the borrower-group's cash flows.

- **Projects at Early Stage Loan:** This is offered for projects that are expected to be launched in the near-term. These projects are typically in the approval stage and may be raising funds for development and/or for seeking relevant approvals. These loans are typically advanced in part as a portion of a refinancing of existing loans and in part, as project related funding. Repayment of the loan is expected from project cash flows that will accrue during the loan tenure.
- **Loan against Property:** These loans are advanced against fully constructed residential and/ or commercial units that have been granted an occupation certificate. Repayment of the loan is expected from sale of the units.
- **Loan against Securities:** Clients may be granted these loan against a pledge of listed/unlisted securities of their companies to bridge the gap in the event the inventory of the developer is not being sold as expected, thereby offering cash flow to the developer until completion of the project. These loans are advanced to select borrower-groups with strong credit history in few cities. These loans are mainly provided for funding the clients' group activities and repayment of existing loans (secured and unsecured).

Impact of Covid-19 on Wholesale Mortgage Lending

The impact of Covid-19 on the wholesale mortgage segment was largely due to lockdowns faced in different geographies in different measures considering the severity of Covid-19 waves. During this period, there was a sharp fall in the footfalls in the projects impacting fresh sales. Further, it also led to delays in new project roll outs, movement of people, construction progress on sites due to labour shortage, valuation of collateral, potential impact on asset quality, moratorium to be provided and delay in commercial leasing decisions. The second and third wave also impacted the timeline involved in the resolution of some of the projects.

As on March 31, 2022, the total loan book for wholesale mortgage lending stood at ₹ 6,286 Crore as compared to ₹ 7,158 Crore as on March 31, 2021.

Rapid consolidation in the sector continues whereby the amount of sales done by top developers as a percentage of overall sales is increasing gradually. Given the reduction of the inventory overhang across geographies and the rise in demand, developers are looking at acquiring new projects and new launches are expected to increase. In Mumbai Metropolitan region, we anticipate new launches on the back of the premiums paid for development of properties. This is expected to increase the demand for construction finance. We have further strengthened our processes on origination and

monitoring of business based on learnings from experiences emanating out of the various uncertainties in the sector. We believe that these changes will further improve our business processes as we look to capitalise on the opportunities to grow our loan book.

Retail Mortgage Lending

Housing Finance Business and Loan against Property

Our housing finance business commenced operations in 2017 in order to expand group's presence in retail mortgage space with a focus on affordable housing finance. JM Financial Home Loans Limited (the "JMFHLL"), the group's housing finance entity, in its short history, has shown resilience and a tenacity to grow despite an unconducive operating environment. JMFHLL offers the whole gamut of housing finance products including various kinds of home loans and loans against residential property. It leverages its key competencies i.e. underwriting, service and speed along with technology to develop a successful business model.

FY22 was a year of two halves for the housing finance business. We started the year in the midst of a fierce Covid-19 wave leading to heightened uncertainty in the business environment. Not only did new disbursements slow down considerably, but also the collection efficiencies and bounce rates deteriorated materially. Credit growth was flat year on year for housing finance companies in Q1FY22. Further, unlike the first wave, RBI did not offer a blanket moratorium facility to all borrowers. Instead, RBI extended the one-time restructuring guidelines on account of Covid -19 related stress (Resolution Framework 2.0) to retail and MSME borrowers. Fortunately, second Covid -19 wave peaked early during the first quarter. In addition, increasing vaccination coverage meant the impact of second wave on the economic activity was relatively short-lived. Second half of the year on the other hand witnessed strong credit demand and improved collection efficiency.

Despite the uncertain operational environment in the first half, JMFHLL continued to expand its branch network, thus demonstrating its long term vision to grow in this segment. JMFHLL expanded its branch network from 31 to 50 during 1HFY22. The investment helped as the demand bounced back in 2HFY22. JMFHLL's monthly disbursement run-rate was more than 2 times in 2HFY22 versus a year ago. As a result, the loan book increased from ₹ 431 Crore as of March 31, 2021 to ₹ 819 Crore as of March 31, 2022. More importantly, JMFHLL was able to maintain a tight grip on the credit quality. Collection efficiency is back to 99% and GNPA is 0.71 % of the AUM.

Education Institution Loans

The year gone by continued to remain difficult for education institutions business following a tumultuous FY 2020-21. The year started with the devastating second wave of Covid-19 and

wiped out the school calendar until August 2021. Education Institutes slowly started to get back from September 2021 with higher grades resuming physical school. While things were starting to gain momentum, January 2022 saw the third wave of Covid-19 slowing down the pace of recovery of the education sector. However, both new disbursements and collections continued to show improvement due to the short-lived nature of the wave. With resumption to full capacity across all segments of the education sector pan India, collection efficiency of the portfolio improved to over 98% in March 2022.

Our experience of the past two years has demonstrated that much like any other sector of the economy larger institutions in the education sector have also gained at the behest of smaller ones. Going forward, larger education institutions are likely to gain greater enrolment not only due to closure of smaller institutes but also due to higher number of admissions in pre-primary and primary grades which anxious parents held back over last two years. The EIL business strategy is being realigned to reflect this shift by rebalancing the new business towards larger institutions to ride the next phase of growth.

Our mortgage lending segment is subject to threats which include:

- Short term and long term impact of Covid-19 on the entire business segment;
- Impact of Covid-19 on the reopening of schools and education institutions;
- Macro-economic factors such as inflation, geopolitical tensions, global economic threats impacting the business, economic situation, liquidity situation in the market, cost effective availability of funding;
- Business specific threats such as increased intensity of competition from players across the industry creating downward pressure on yields fees, commissions and brokerages, regulatory challenges, technology innovations, amongst others; and
- Regulatory changes and adverse sector changes including slowdown in the real estate sector and housing.

Financial performance of Mortgage Lending Segment

Particulars	₹ in Crore	
	FY 2021-22	FY 2020-21
Gross Income	1,191.04	1,217.72
Profit before tax	375.70	477.50
Profit after tax before non-controlling interest	270.94	356.27
Profit after tax after non-controlling interest	116.54	164.80
Segment Capital Employed	3,969.60	3,787.86

Alternative and Distressed Credit Business

Amidst persisting challenges impacting the ARC sector, Reserve Bank of India (RBI) announced Committee for Asset Reconstruction Companies (ARCs) to undertake a comprehensive review of the working of ARCs and recommend suitable measures to meet the growing requirements of the financial sector. The recommendations made by the Committee in its report is a welcome step towards strengthening and streamlining of ARC framework in India. The key recommendations of the Committee inter alia, are as follows:

- Acquisition of NPAs from all the regulated entities;
- Minimum requirement for SR holding by ARCs to be the higher of 15% of the lenders' investment in SRs or 2.5% of the total SRs issued;
- Removing obstacles of debt aggregation, if 66% of lenders (by value) decide to accept an offer by an ARC, the same may be binding on the remaining lenders and it must be implemented within 60 days of approval; and
- Allowing ARCs to use SEBI registered Alternative Investment Funds (AIFs) as an additional vehicle for facilitating additional funding and restructuring of debt acquired by them.

These recommendations, if implemented, will be instrumental in improving the positioning of the ARCs as an important tool for resolving the NPA situation.

The opportunity for ARCs and other distressed asset investors shall improve as Ministry of Finance has notified Housing Finance Companies (HFCs) registered under the National Housing Bank Act, 1987 and having assets worth ₹ 100 Crore and above as Financial Institution under the SARFAESI Act, 2002. This will allow ARCs to purchase NPAs from HFCs. With the recent RBI's circular for NBFCs (effective from October 1, 2022), it is stipulated to implement tighter NPAs norms which may lead to spike in NPAs for NBFCs. This will expand the market for ARCs.

Further, to increase investment in stressed assets, SEBI amended the AIF Regulations, to introduce Special Situation Funds (SSF), a sub-category under Category I AIF, which shall invest only in defined 'stressed assets' which includes SRs issued by ARCs.

The Government while recognizing the role of MSMEs and the challenges faced by them due to the pandemic, introduced Pre-packaged Insolvency Resolution Process for MSMEs with minimum threshold of ₹ 10 lakh up to Maximum ₹ 1 Crore. It is expected that this will facilitate speedy resolution process for the smaller NPAs as the entire process is likely to be completed within a period of 120 (one hundred and twenty) days from the commencement date.

Management Discussion and Analysis (Contd.)

We have a proven track record as one of the consistent top performers in the industry in terms of recovery, resolution and profitability. During the financial year 2021-22, Covid-19 impacted operating units under restructuring due to reasons including temporary closure of plants, additional burden of fixed costs during the lockdown period, cancellation of existing orders, low off take, etc. The lock down has also impacted resolution of assets. The delay in the cash flow of the underlying companies has impacted the cash flows of the distressed credit business. However, the focus on resolutions over growth in the FY 2021-22 yielded significant recoveries of ₹ 2,041 Crore through settlement, enforcement of security and CIRP process. These recoveries helped us to prudently manage our ALM by pre-paying external liabilities and deleveraging the balance sheet. Despite the challenges in funding ARCs, JM Financial Asset Reconstruction Company Limited (the “JMFARC”) raised an amount of ₹ 792 Crore through external borrowings.

We have a team of professionals from diverse backgrounds who are experienced in banking, corporate debt restructuring and bankruptcy. We work closely with diverse sector-specific professionals and sector-specialised firms for revival of the acquired units.

During the year, we acquired dues of ₹ 2,092 Crore including aggregation of debt of one large account. Our investment strategy is to acquire quality assets at the right price and limiting the downside risk by ensuring sufficient underlying security value. Our investment approach is based on a disciplined due diligence process that evaluates risks while also identifying various measures to increase value from our investments.

Till March 31, 2022, we have acquired total outstanding dues of ₹ 63,757 Crore at a gross consideration of ₹ 18,138 Crore. Security Receipts worth ₹ 760 Crore were redeemed during the year. The outstanding Security Receipts stood at ₹ 10,936 Crore as on March 31, 2022. The outstanding contribution of JM Financial Asset Reconstruction Company Limited stood at ₹ 3,160 Crore as on March 31, 2022. We have had 65 exits (trusts) spread across sectors which we believe has helped us in developing strong expertise in resolving distressed assets.

With normalcy approaching, we look forward to evaluate opportunities to grow our business and enter FY 2023 with a positive outlook. Our acquisition strategy has primarily been towards full cash acquisitions and going forward too, the focus will be on similar lines. However, the future acquisition focus will be more on a co-investment model with financial investors and strategic partners to ensure growth and at the same time ensuring sustainable and moderate level of leverage. In the coming year, we shall also focus on acquiring retail portfolios of optimal sizes at right prices.

Our alternative and distressed credit segment is subject to threats which include:

- short term and long term impact of Covid-19 on the entire business segment;
- macro-economic factors such as inflation, abnormal monsoon, geopolitical tensions, global economic threats impacting the business, economic situation, liquidity situation in the market, cost effective availability of funding;
- business specific threats such as increased intensity of competition from players across the industry creating downward pressure on yields, fees, amongst others; and
- regulatory changes, delays and adverse sector changes affecting the acquisition and resolution of assets.

Financial performance of Alternative and Distressed Credit Business

Particulars	₹ in Crore	
	FY 2021-22	FY 2020-21
Gross Income	522.09	388.83
Profit before tax	236.10	93.70
Profit after tax before non-controlling interest	177.39	73.11
Profit after tax after non-controlling interest	107.29	46.38
Segment Capital Employed*	1,854.95	1,651.31

* Includes non-controlling interest of Security receipts holders under distressed credit business

Asset management, Wealth management and Securities business (Platform AWS)

Impact of Covid-19

During the financial year 2021-22, the second and third waves of Covid-19 impacted local travel, public gatherings and participation in physical meetings, as well as closure of non-essential services. These measures led to volatility, uncertainty and impacted economic activities. The Covid-19 situation resulted in delays in account opening, slow-down in expansion of franchisee business and other business development activities.

Equity Brokerage Group

The Equity Brokerage Group offers research based equity advisory and trading services to high net-worth individuals, corporates and retail clients. The Equity Brokerage Group has its presence in 185 top cities in India through a network of 34 branches and 634 locations. The combination of branches and franchisees has helped us in achieving a de-risked business model and a widespread presence.

We shall continue to focus on strengthening our branch and franchisee network. We have expanded our reach and visibility by opening additional branches at Kolkata, Pune, Chennai

Ludhiana, etc., and are focusing on increasing our presence in eastern India. The group provides service to clients with 300+ sales team spread across the country. During FY 2021-22, 63% of its clientele volume was contributed through online trading.

We have made hires to strengthen our product and investment counselors team for in-house and third-party investment products through our broking channel.

The year on year comparative details of average daily turnover in the Cash and Derivative segments of BSE and NSE are given below:

Average Daily Volume	₹ in Crore	
	FY 2021-22	FY 2020-21
Cash Market	78,413	70,695
Derivative	71,02,062	27,25,616
Total	71,80,475	27,96,311

(Source: SEBI, NSE, BSE)

During FY 2021-22, our average daily volume has grown to ₹ 15,453 Crore as compared to ₹ 11,754 Crore in FY 2020-21. During Q4FY22, our average daily volume has crossed ₹ 20,000 Crore.

Digital Business Group

Digital Business Group (“DBG”) is a new age consumer internet business that digitally caters in the financial services. With an entrepreneurial and customer centric mind-set, our goal is to simplify the financial journey for everyone. DBG team believes that constant experimentation, strong execution and customer centric approach are the stepping stones for a successful business.

Our digital transformation journey combines the strength of data and intelligence for smart and innovative services keeping our focus on the clients. Our pipeline of digital initiatives are spread across broking, investments, advisory, lending and other financial products.

Wealth Management

The Wealth Management Group has been divided into three (1) Elite Wealth Management Group (2) Private Wealth Management Group and (3) Retail Wealth Group respectively. The Wealth Management verticals cater to both 1) Millennials, clients creating new wealth, young entrepreneurs, senior executives of corporates, tech-savvy professionals; and 2) ultra and high net-worth investors, corporates, banks, and institutions. These clients are serviced through separate teams.

The Elite Wealth Management division focuses on clients with a net worth in the range of ₹ 1 Crore - ₹ 100 Crore and is present in eight cities. The segment has a team of 92 wealth

relationship managers as of March 31, 2022. It caters to mass affluent HNIs looking for regular income and wealth preservation, first generation entrepreneurs who are looking to create alpha over their investments, top executives of corporates, millennials on their journey to create wealth, and tech savvy professionals.

Our endeavour is to be the second relationship manager to our clients next only to banks when it comes to their personal finances. The focus will be to cater to all investments and insurance-related needs, including exotic product variants across various asset classes through an open architecture model.

We intend to provide a robust online platform for client on-boarding, execution of transactions, and to have a unified view of all their investments with us. The Elite Wealth Management Group has AUM* of ₹ 1,030 Crore in the full year of operation.

Private Wealth Management Group is an arm exclusively focuses on Ultra HNI families, Corporates and Institutions. It has an open architecture with regards to products, manufacturers and ideas. The group has a strong team of wealth advisors, focused to meet client requirements by providing them unbiased investment solutions.

During FY 2021-22, the segment has mobilized ~ ₹ 15,000 Crore in various products like equity and debt mutual fund schemes, corporate fixed deposits and bonds. Private Wealth Management Group AUM* stands at ₹ 61,211 Crore as on March 31, 2022.

Retail Wealth Group has a network of over 7,300 active Independent Financial Distributors (“IFDs”) who distribute various financial products such as mutual funds, fixed deposits, IPOs, and bonds to retail and high net worth customers across the country. During FY 2021-22, the segment has mobilized more than ₹ 7,800 Crore in various corporate fixed deposits and bonds and over ₹ 1,600 Crore in various equity and debt mutual fund schemes. Retail Wealth Management Group AUM* stands at ₹ 20,202 Crore as on March 31, 2022, as compared to ₹ 16,521 Crore as on March 31, 2021. The segment added over 1,500 new partners, majority of them are qualified professionals like Chartered Accountants and senior bankers.

*Assets under Management (AUM) comprises distribution assets and advisory assets, as applicable

Asset Management

Under our asset management business, we offer a wide range of investment options that cover the entire risk spectrum, catering to the diverse needs of the Institutional and the Non-institutional Investors. The average assets under management (AAUM) of JM Financial Mutual Fund for FY 2021-22 were

Management Discussion and Analysis (Contd.)

₹ 2,139 Crore with Equity AAUM ₹ 555 Crore, Debt AAUM ₹ 227 Crore and Liquid AAUM ₹1,357 Crore.

In a bid to grow its AUM and folio base, we have on-boarded senior hires across functions such as the Investment Team, Products, Sales, Risk, Operations and Technology. The engagement efforts are picking pace and we have been rebuilding relationships with several key distributors.

Our Platform AWS business is subject to threats which include:

- Short term and long term impact of Covid-19 on the entire business segment;
- macro-economic factors such as inflation, abnormal monsoon, geopolitical tensions, global economic threats impacting the business, economic situation, liquidity situation in the market; and
- business specific threats such as increased competition affecting market share and fees, higher commissions to distributors, regulatory changes, threats from exchange traded funds, and passive funds and redemption pressures.

Financial performance of Platform AWS Business

Particulars	₹ in Crore	
	FY 2021-22	FY 2020-21
Gross Income	662.27	501.63
Profit before tax	128.38	66.10
Profit after tax before non-controlling interest	90.50	49.06
Profit after tax after non-controlling interest	96.27	50.06
Segment Capital Employed	767.08	718.16

Analysis of Financial Performance

Consolidated Financial Performance

The consolidated gross income of the Company stood at ₹ 3,763.28 Crore as against ₹ 3,226.63 Crore in the previous year, registering an increase of 16.63%. Profit before depreciation and amortisation expense, finance cost and tax expense during the year stood at ₹ 2,467.55 Crore as against ₹ 2,217.47 Crore in the previous year. Pre-Provision Operating Profit during the year stood at ₹ 1,696.40 Crore as against ₹ 1,323.61 Crore in the previous year, thereby registering an increase of 28.16%. The Profit before and after tax stood at ₹ 1,348.04 Crore and ₹ 773.16 Crore respectively as against ₹ 1,066.85 Crore and ₹ 590.14 Crore in the previous year. The profit in the current year increased by 31.01% to ₹ 773.16 Crore from ₹ 590.14 Crore in the previous year primarily due to increase in the performance of Investment Bank, Alternative and distressed credit and Platform AWS during the year.

The following table describes consolidated income during the year:

Particulars	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest Income	1,850.71	1,908.54
Fees and Commission Income	816.96	628.53
Brokerage Income	330.54	256.61
Net gain on fair value changes	588.59	311.91
Net gain on derecognition of financial instruments carried at amortised cost	0.05	6.60
Other Operating Income	120.31	85.28
Other Income	56.12	29.16
Total	3,763.28	3,226.63

Interest Income

Interest Income from lending activities continued to be a major contributor to the gross revenue at ₹ 1,850.71 Crore as against ₹ 1,908.54 Crore during the previous year, constituting around 49.18% of the total revenue. Decrease in interest income is on account of decline in yields due to change in loan book mix during the year. The decrease was partially offset by increase in interest income on account of higher IPO financing during the year.

Fees and Commission Income

Fees and commission earned during the year were ₹ 816.96 Crore as against ₹ 628.53 Crore during the previous year, constituting 21.71% of the total revenue. The increase is primarily on account of increase in fee income on account of increase in deal closures in investment banking during the year.

Brokerage Income

Brokerage income earned during the year was ₹ 330.54 Crore as against ₹ 256.61 Crore during the previous year, constituting around 8.78% of the total revenue. The increase in brokerage income is on account of increase in average daily turnover and block deals during the year.

Net gain on fair value changes

Net gain on fair value changes stood at ₹ 588.59 Crore as against ₹ 311.91 Crore during the previous year, constituting around 15.64% of the total revenue. This includes primarily realised gains on de-recognition as well as mark-to-market changes on account of fair value of investments in equity shares, bonds, mutual funds, security receipts and financial assets under distressed credit business during the year. The increase is primarily on account of increase in realised gains on de-recognition as well as fair value gains on investments in security receipts, equity shares and mutual funds during the year.

Net gain on de-recognition of financial instruments carried at amortised cost

Net gain on de-recognition of financial assets carried at amortised cost were ₹ 0.05 Crore as against ₹ 6.60 Crore during the previous year. This is primarily due to profit on de-recognition of a loan or a borrowing, which were carried at amortised cost during the year.

Other operating income and other income comprising revenue from treasury operations and other activities were ₹ 176.43 Crore as against ₹ 114.44 Crore during the previous year, constituting around 4.69% of the total revenue.

The following table describes consolidated expenditure during the year:

Particulars	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Finance costs	1,081.73	1,110.87
Impairment on Financial Instruments	348.36	256.76
Employee Benefits Expense	547.81	440.83
Depreciation and amortisation expense	37.78	39.75
Other expenses	399.56	311.57
Total	2,415.24	2,159.78

Finance Cost

The decrease in finance cost from ₹ 1,110.87 Crore in the previous year to ₹ 1,081.73 Crore in the current year is on account of decrease in the cost of borrowings which is partially off-set by increase in average borrowings during the year.

Impairment on Financial Instruments

Impairment on Financial Instruments stood at ₹ 348.36 Crore as against ₹ 256.76 Crore during the previous year. This is on account of provisioning based on expected credit loss model on the loans and trade receivables. The increase is primarily on account of additional provisioning due to uncertainties in the macro economic environment, impact of Covid-19 and due to increase in Stage 2 and Stage 3 assets as compared to previous year.

Employee Benefits Expense

The increase in employee cost by about 24.27% is mainly on account of increase in the head count and annual performance linked bonus of the employees in the current year as compared to previous year.

Depreciation and Amortisation Expenses

The decrease in depreciation and amortisation expenses by about 4.96% is on account of lower capital expenditure.

Other Expenses

Other expenses comprise sub-brokerage, fees and commission and administrative costs. The sub-brokerage, fees and commission mainly relates to secondary market and distribution business. These expenses increased by 44.08% in the current year because of corresponding increase in brokerage and fee income in the current year. Administrative costs mainly comprise establishment expenses. These expenses increased by 13.11% primarily attributable to increase in rates and taxes, travelling and conveyance expenses and advertisement expenses.

The break-up on a consolidated basis under key segments is as under:

	FY 2021-22		FY 2020-21	
	Amount	% to total	Amount	% to total
Segment Revenue				
Investment Bank (IB)	1,272.56	33.82%	1,083.79	33.59%
Mortgage Lending	1,191.04	31.65%	1,217.72	37.74%
Alternative & Distressed Credit	522.09	13.87%	388.83	12.05%
Asset Management, Wealth Management & Securities Business (Platform AWS)	662.27	17.60%	501.63	15.55%
Others	243.28	6.46%	136.85	4.24%
Total Segmental revenue	3,891.24	103.40%	3,328.82	103.17%
Less:- Inter segmental revenue	(127.96)	(3.40%)	(102.19)	(3.17%)
Total revenue	3,763.28	100.00%	3,226.63	100.00%
Segment Results (Profit Before Tax)				
Investment Bank (IB)	472.81	35.07%	374.91	35.14%
Mortgage Lending	375.70	27.87%	477.50	44.76%
Alternative & Distressed Credit	236.10	17.52%	93.70	8.78%
Asset Management, Wealth Management & Securities Business (Platform AWS)	128.38	9.52%	66.10	6.20%
Others	135.05	10.02%	54.64	5.12%
Total Results (Profit before tax)	1,348.04	100.00%	1,066.85	100.00%
Segment profit after tax (after non-controlling interest)				
Investment Bank (IB)	352.40	45.58%	287.83	48.77%
Mortgage Lending	116.54	15.07%	164.80	27.93%
Alternative & Distressed Credit	107.29	13.88%	46.38	7.86%
Asset Management, Wealth Management & Securities Business (Platform AWS)	96.27	12.45%	50.06	8.48%
Others	100.66	13.02%	41.07	6.96%
Total Segment profit after tax (after non-controlling interest)	773.16	100.00%	590.14	100.00%

Management Discussion and Analysis (Contd.)

Segment Capital Employed	March 31, 2022		March 31, 2021	
	Amount	% to total	Amount	% to total
	₹ in Crore			
Investment Bank (IB)	2,498.72	23.63%	2,499.81	25.98%
Mortgage Lending	3,969.60	37.55%	3,787.86	39.36%
Alternative & Distressed Credit	1,854.95	17.55%	1,651.31	17.16%
Asset Management, Wealth Management & Securities Business (Platform AWS)	767.08	7.25%	718.16	7.46%
Others	1,482.85	14.02%	966.47	10.04%
Total Capital Employed	10,573.20	100.00%	9,623.61	100.00%

Investment Bank (IB):

The Investment bank business registered revenue of ₹ 1,272.56 Crore as against ₹ 1,083.79 Crore in the previous year. During the year, the percentage of segment results to segment capital employed was 18.92% as against 15.00% in the previous year. This segment contributed 45.58% to our consolidated profit after tax.

Mortgage Lending:

This segment registered revenue of ₹ 1,191.04 Crore as against ₹ 1,217.72 Crore in the previous year. Percentage of segment results to segment capital employed in this segment was 9.46% as against 12.61% in the previous year. This segment contributed 15.07% to our consolidated profit after tax.

Alternative & Distressed Credit:

This segment registered revenue of ₹ 522.09 Crore as against ₹ 388.83 Crore in the previous year. Percentage of segment results to segment capital employed in this segment was 12.73% as against 5.67% in the previous year. This segment contributed 13.88% to our consolidated profit after tax.

Asset Management, Wealth Management & Securities Business (Platform AWS):

This segment registered revenue of ₹ 662.27 Crore as against ₹ 501.63 Crore in the previous year. During the year, the percentage of segment results to segment capital employed in the segment was 16.74% as against 9.20% in the previous year. This segment contributed 12.45% to our consolidated profit after tax.

Standalone Financial Performance:

On a standalone basis, gross income was higher at ₹ 619.63 Crore for the year ended March 31, 2022 as against 374.41 Crore in the previous year, registering an increase of 65.50%. The profit before tax was higher at ₹ 415.90 Crore as against ₹ 216.83 Crore in the previous year, registering an increase of

91.81% and the profit after tax was higher at ₹ 327.78 Crore as against ₹ 175.23 Crore in the previous year, registering an increase of 87.06%. The profit in the current year increased primarily on account of increase in fee income from ₹ 229.10 Crore in the previous year to ₹ 349.01 Crore in the current year due to increase in deal closures in investment banking during the year. Net gain on fair value changes also increased from ₹ 65.27 Crore in the previous year to ₹ 117.06 Crore because of treasury activities and proceeds from QIP issue temporarily deployed in liquid mutual funds. Dividend received from subsidiaries also increased from ₹ 16.43 Crore in the previous year to ₹ 46.14 Crore in the current year.

Key Financial Ratios:

Ratios	Consolidated		Standalone	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Interest Coverage Ratio	2.27	1.99	51.07	27.51
Current Ratio	2.06	1.91	15.09	13.27
Debt Equity Ratio	1.29	1.29	-	-
Net Debt Equity Ratio	0.94	0.73	-	-
Cost to Net Total Income Ratio	31.10%	32.59%	26.47%	34.13%
Net Profit Margin	26.37%	25.05%	52.90%	46.80%
Return on Equity (ROE)*	10.58%	9.17%	8.99%	5.42%
Return on Assets (ROA)*	4.24%	3.77%	8.32%	5.02%

*ROE and ROA for FY 2020-21 are calculated on weighted average basis taking into account the funds raised through QIP issue in JM Financial Limited.

Ratios where there has been significant change (i.e. change of 25% or more as compared to the immediately previous financial year) from FY 2020-21 to FY 2021-22:

Interest coverage ratio:

On a standalone basis, Interest coverage ratio as on March 31, 2022 stood at 51.07 as against 27.51 as on March 31, 2021. The increase is primarily on account of increase in profit after tax during the year. The profit after tax stood at ₹ 327.78 Crore as against ₹ 175.23 Crore in the previous year.

ROE and ROA:

On a standalone basis, the ROE and ROA for the year ended March 31, 2022 were 8.99% and 8.32% as against 5.42% and 5.02% respectively for the year ended March 31, 2021. The increase is primarily on account of increase in profit after tax during the year.

Net Debt Equity Ratio:

On a consolidated basis, the net debt equity ratio as on March 31, 2022 stood at 0.94 as against 0.73 as on March 31, 2021. The increase is primarily on account of decrease in cash and cash equivalents during the year. (Refer Note 49 of the Notes to the Consolidated Financial Statements)

Resource Mobilisation

The financial year, which started with the struggle of pandemic woes was marked towards the end, with escalating geopolitical situation in the Europe region. The lingering war and sanctions, elevated oil and commodity prices, prolonged supply chain disruptions, along with monetary policy shifts in major economies, and renewed waves of Covid-19 across countries, posed downside risks to the growth and upside risks to the inflation outlook.

With inflation turning out to be persistent and broad-based and well above targets, major advanced economies (AEs) quickened the pace of unwinding of their ultra-accommodative monetary policies. A number of emerging market economies (EMEs) have been in a tightening mode since 2021, and more are expected to follow. Sovereign bond yields in major AEs had hardened substantially in anticipation of a faster and steeper tightening of policy rates.

Consumer price index (CPI) inflation in India edged above the upper tolerance band in February – March 2022. RBI, in its last April MPC; sounded hawkish, although the stance was accommodative; it shifted its focus to inflation over growth. Post policy, market participants have started building up expectations of rate hikes in the June policy measures.

FY 2021-22 witnessed the benchmark 10 year G-Sec rates increase substantially year on year. The markets have witnessed a highly volatile movement in rate given micro and macro scenario's within and outside India.

Source: www.rbi.org.in, www.fpi.nsdcl.co.in, JM Financial Analysis, Others

The Group continued its focus on ALM and maintaining appropriate cash liquidity on its balance sheet. The Consolidated debt outstanding at the financial year ended March 31, 2022 stood at ₹ 13,458 Crore versus ₹ 12,366 Crore a year earlier (an increase of approximately ₹ 1,092 Crore). During the year, the Group continued the efforts of diversifying the sources and maturities for the borrowing profile at the consolidated level. The long-term borrowing stood at ₹ 9,952 Crore versus ₹ 9,618 Crore a year earlier. The Group's long term: short term ratio stood at 74:26. The Group's short-term borrowing as on March 31, 2022 stood at ₹ 3,506 Crore compared to ₹ 2,748 Crore as at the previous year end. As on March 31, 2022, the liquidity in the Group stood at ₹ 3,637 Crore. During the financial year ended March 31, 2022, the

Group raised ₹ 3,818 Crore as long term borrowings from banks, insurance and mutual funds, out of which ₹ 500 Crore were raised through public issue of NCDs. Respective companies in the Group have focused on maintaining righteous ALM, elongating maturities, reducing interest cost and maintaining necessary liquidity buffers.

The Group continues to explore variety of new avenues of financing to further diversify its borrowing profile.

Credit Rating

- The credit rating agencies included in their surveillance parameter severe stress test models and increased their surveillance during the year to measure the unprecedented and unimagined impact of the pandemic.
- The credit rating agencies have continued with their long term rating and outlook on all companies within the group as per the table below.
- The credit rating agencies have continued with their highest short-term rating of A1+ on all companies within the group.

Company	ICRA	CRISIL	India Ratings
JM Financial Limited	AA / Stable	AA / Stable	-
JM Financial Products Limited	AA / Stable	AA / Stable	-
JM Financial Credit Solutions Limited	AA / Stable	-	AA / Stable
JM Financial Home Loans Limited	AA / Stable	AA / Stable	-
JM Financial Services Limited	AA / Stable	-	-
JM Financial Institutional Securities Limited	AA / Stable	-	-
JM Financial Capital Limited	AA / Stable	-	-
JM Financial Properties & Holdings Limited	AA / Stable	-	-
JM Financial Asset Reconstruction Company Limited	AA- / Stable	AA- / Stable	-

Respective companies in the Group have taken dual rating for the Commercial Papers and Public issue of NCD (Non-Convertible Debenture) issuances. Dual ratings are also required by certain class of investors as part of their investment policies/charter.

Risk Management

Risk is an integral part of the business and almost every business decision requires the management to balance risk and reward. The ability to manage risks across geographies, products, asset classes, customer segments and functional

Management Discussion and Analysis (Contd.)

departments is of paramount importance for the hindrance free growth of every organisation.

Due to increasing globalisation, integration of world markets, newer and more complex products and transactions and an increasingly stringent regulatory framework, the financial services industry is subject to continuously evolving legislative and regulatory environment.

The Group provides a range of products and services in the financial services space. Its segments include (a) Investment Bank (IB); (b) Mortgage Lending; (c) Alternative and Distressed Credit; and (d) Asset management, Wealth management and Securities business (Platform AWS). Presence of JM Financial Group in several businesses, asset classes and geographies, exposes it to various risks. The risk also emanates from various businesses of the operating entities within the Group.

At JM Financial, risk management forms an integral part of the business operations and monitoring activities. The risk is managed through risk management framework approved by the Board of Directors, encompassing independent identification, measurement and management of risk across various businesses of the Group. The Company has formulated comprehensive risk management policies and processes to identify, evaluate, manage and mitigate the risks that are encountered during conduct of business activities in an effective manner. We have established a system of risk management and internal controls consisting of an organizational risk management framework, policies, risk management system tools and procedures that we consider to be appropriate for our business operations.

The Group is exposed to a variety of risks, including liquidity risk, interest rate risk, market credit risk, operational risk,

regulatory and compliance risk, reputation risk, business continuity risk, legal risk, cyber security risk, competition risk and risks pertaining to the Covid-19 pandemic.

A team of experienced and competent professionals, at business level as well as the group level, identify and monitor these risks on an on-going basis and evolve processes/ systems to monitor and control the same to keep the risks to minimum levels. On-going monitoring by our officials helps in identifying the risks at an early stage. There is a continuous focus on the maker-checker processes. Detailed regulatory as well as regular inspections also help test our processes and compliances.

The Board of Directors of the Company has constituted Risk Management Committee which frames, implements and monitors the risk management plan including functions relating to cyber security, assess the risks, decide the measures to mitigate the risks. The Board reviews the effectiveness of risk management systems in place and ensures that the risks are effectively managed. The Audit Committee has additional oversight in the area of financial risks and controls.

A risk event update report is periodically placed before the Risk Management Committee which includes, inter alia, the risk identification, risk classification, assessment of impact, risk mitigation/remedial action, risk status amongst others. The Committee reviews these reports along with the course of action taken or to be taken to manage and mitigate the risks. Additionally, independent internal audit firms have been appointed to review and report on the business processes and policies for all operating companies in the Group. The report of internal auditors on set processes is reviewed and discussed by the Audit Committee of the Company and respective operating companies.

Various risks associated with the businesses of JM Financial Group are discussed in detail below:

Key Risk	Description/Impact of Risk	Risk Mitigation
Credit Risk	The risk associated with the failure of the borrower to meet financial obligations to the lender in accordance with the agreed terms is known as Credit Risk. If any of our borrowers fail to discharge their obligations to us, it would result in financial loss. We are in the business of lending against mortgages and providing securities backed loans. Any material unexpected credit losses or failure of the borrowers to repay debt on time, may have an adverse and negative effect on our business.	A comprehensive review exercise is conducted for credit approvals, ensuring proper documentation, carrying out extensive credit appraisal, conducting periodic reviews etc., is done as a part of credit risk mitigation. Various norms for customer identification and evaluation procedure for prospective credit proposals have been stipulated as a part of risk mitigation. Regular portfolio risk analysis is done on various financial and policy parameters, for making required changes in the credit policy as a proactive approach to risk management.
Market Risk	Market risk is the risk arising from the adverse movements in market price of various securities, which may impact value of portfolio of investment in securities. The risk may pertain to interest bearing securities (interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk).	Our portfolios and collaterals/ securities are continuously monitored and also the usage of derivative instruments which minimises the impact of market risk.

Key Risk	Description/Impact of Risk	Risk Mitigation
	As a part of its operations, the Group makes investments in securities and other financial instruments from time to time. We are exposed to potential changes in the value of financial instruments held by us caused by above factors. Any decline in the price of investments in quoted securities may affect our financial performance and position.	
Liquidity Risk	Liquidity risk is the risk arising due to unavailability of adequate funds at appropriate prices or tenure. It also refers to the risk that arises from the difficulty of selling an asset without a high impact cost. Our liquidity is mainly dependent upon our timely access to, and costs associated with raising funds. Any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates. Our liquidity shall be affected due to severe liquidity crunch in the market or due to market disruptions where we cannot access public funds. Our clients may, due to certain circumstances not honour their commitments which would indirectly lead to our inability to meet the obligations.	We have a strong financial position and all our businesses are adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks. We also maintain a part of our capital in liquid assets to manage any sudden liquidity needs.
Operational Risk	Operational risks can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. Our businesses are dependent on people and processes. Shortcomings or failure in internal processes or systems may have material adverse impact on the financial position as well as affect its operation.	Well defined policies, operational processes and systems have been devised for our operations. Regular audits are done by internal auditors to monitor the adherence of policies and processes. We also get our systems audited periodically by competent external audit firms. A maker/checker mechanism has been put in place to ensure compliance with laid down systems and procedures in all areas of functioning. Also, the key management team consists of professionals with high level of commitment and the team is well versed in the key issues relevant to the holding company structure. They have a good understanding of all the group's businesses helping the group companies to grow in a compliant manner.
Reputation Risk	Reputation Risk is the current or prospective risk to business, earnings and capital arising from adverse perception of the organisation on the part of customers, counterparties, shareholders, investors or regulators. Reputation risk is a very high risk and can cause long term and sometime irreparable loss of business/ revenue.	We conduct our business with diligence keeping in mind the stakeholders and their needs. Adequate training is provided to employees to conduct their activities with utmost care and diligence keeping in mind the first class reputation and status enjoyed by the Company.
Regulatory and Compliance Risk	Most of our businesses as well as the Company itself operate in strongly regulated business segments. The risk arising out of a change in laws and regulation governing our business. It could also arise on account of inadequate addressal of regulatory requirements or differences in interpretation of regulations vis-à-vis the regulators. This risk is heightened in setting up global offices as familiarisation with global regulations and practices can take time as well as lead to risk of inadequate understanding. In recent times, these risks have spread to tax laws and unexpected demands being raised by various tax authorities. New laws or regulations or changes in the enforcement of existing laws and regulations may adversely affect the business/revenue/profits. Non-compliance with regulations may invite strictures, penalties and even punitive action from the Regulators.	We have a team of experienced professionals reporting to Group Head – Compliance, Legal & Company Secretary which takes care of compliance with applicable laws, rules, regulations and guidelines affecting our businesses. We also take external advice and appoint well qualified professionals in respective functions in various offices. All the new guidelines, circulars, notifications are complied with. Formulation of the policies as well as its implementation is taken due care of. Internal audit is carried out by external professional firms to monitor compliance with best practices, approved policies and applicable regulations. Our business team is strongly supported by our Corporate Functions team to quickly calibrate our actions in event of change in regulatory environment.

Management Discussion and Analysis (Contd.)

Key Risk	Description/Impact of Risk	Risk Mitigation
Competition Risk	<p>The industry in which the Company operates is growing at a rapid pace and is exposed to tremendous competition at the national as well as international level. Strong growth prospects combined with liberalization of financial services sector have prompted the entry of newer foreign and domestic financial services companies.</p> <p>We operate in a highly competitive market and face significant competition from other players in the financial services industry and from companies seeking to attract our customers' financial assets. Entry of new players has increased the competition faced by us. It may also lead to attrition of our key personnel.</p>	<p>Diversified and innovative product and services are offered to keep the customers and other stakeholders intact as well as continuous research and development helps in mitigating the competition risk.</p> <p>Fair and transparent practices help the entity gain competitive advantage over other entities. Our human resource policies and a healthy positive work environment help us attract and retain best talent on a continuous basis.</p>
Business Continuity Risk	<p>In the event of disruption in the conduct of business due to incidents like fire, natural calamity, breakdown of infrastructure, acts of terrorism etc., we are exposed to the risk of loss of data, clients and/or business that can adversely affect our financial results.</p>	<p>We have in place Business Continuity Plan ("BCP") to mitigate the impact of any such exigencies. We continuously test check the processes laid out under the BCP and review the same. The records with respect to confidential data are preserved and are secured.</p>
Cyber Security Risk	<p>Cyber risks include risks which could emanate from the failure or compromise of cyber resources / information technology. Cyber threats include phishing attacks, malware attacks, ransomware attacks etc. and can result in to loss of data, control over information systems and could result into adverse impact on the operations.</p>	<p>We have adopted measures to mitigate the cyber security risks including through appropriate firewalls, providing regular advisories, providing training to users, review of the information technology assets</p>
Risks pertaining to Covid-19 pandemic	<p>The Covid-19 pandemic represents the biggest test of the post-crisis financial system to date. The pandemic constitutes an unprecedented macro-economic shock, pushing the economy into a recession of uncertain magnitude and duration. The financial system faces the dual challenge to sustain the flow of credit amidst declining growth and to manage heightened risks. Covid-19 has increased the risk across the firm such as credit risk, market risk, liquidity risk, operational risk, competition risk, reputation risk, regulatory and compliance risk, business continuity risk.</p>	<p>We assess financial risks and vulnerabilities related to Covid-19 on an ongoing basis. JM Financial Group is holding regular calls of its senior committees to discuss these risks and to share experiences of members on the steps they are taking to address them.</p> <p>We are examining the potential financial stability risks that may lie ahead as the impact of Covid-19 on the economy unfolds. Going forward, we intend to monitor the resilience of the critical financial nodes so as to identify any emerging issues in a timely manner. We also intend to identify and assess in a forward-looking manner the specific vulnerabilities that may materialise during this major global economic downturn.</p> <p>From a medium-term perspective, we intend to examine how likely far-reaching changes in the financial system associated with the Covid-19 crisis may affect the nature of financial stability risks. We will focus on monitoring current risks to financial stability, and in particular the impact of Covid-19 on the resilience of the financial system.</p>

independence, the internal audit function has a reporting line to the Audit Committee of the Board.

Internal audit team is empowered to examine the adequacy of and compliance with policies, plans and statutory requirements.

The senior management regularly reviews the findings and recommendations of the internal auditors so as to continuously monitor and improve internal controls to match the organisation's pace of growth and increasing complexity of operations as well as to meet the changes in statutory and accounting requirements.

The Audit Committee of the Board of the respective companies reviews the performance of the audit and the adequacy of internal control systems and compliance with regulatory guidelines. Significant deviations are brought to the notice of the Audit Committee of the respective companies and corrective measures are recommended for implementation. The Audit Committee provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken. This system enables us to achieve efficiency and effectiveness of operations, reliability and completeness of financial and management information and compliance with applicable laws and regulations.

Internal Control Systems And Their Adequacy

We have adequate internal control systems to commensurate with the nature of business and size of operations for ensuring:

- orderly and efficient conduct of business,
- adherence to the Group's policies and procedures,
- safeguarding of all our assets against loss from unauthorised use or disposal,
- prevention and detection of frauds and errors,
- accuracy and completeness of accounting records,
- timely preparation of reliable financial information; and

- compliance with applicable laws and regulations.

Policies, guidelines and procedures are in place to ensure that all transactions are authorised, recorded and reported correctly as well as provide for adequate checks and balances.

Adherence to these processes is ensured through frequent internal audits. The internal control system is supplemented by an extensive program of internal audit and reviews by the senior management. We have appointed independent internal audit firms for the Company and all our operating subsidiary companies to assess and improve the effectiveness of risk management, control, operations and processes. To ensure

Management Discussion and Analysis (Contd.)

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND PHILANTHROPIC GIVING

Corporate Social Responsibility (CSR) for the JM Financial group of Companies has been rising – upwards and onwards. Through the year, our Integrated Rural Transformation Programme has deepened its roots in the states of Maharashtra and Bihar, while also branching out through support to causes that transcend state boundaries. The group’s CSR arm – JM Financial Foundation, set up in 2001, has evolved in strength and capacity, determined to bring about the desired transformation in Education, Sports, Health, Agriculture and Women Empowerment. The year went by, picking up pace once again with the communities and investing in creating measurable impact for the betterment of the lives led by lesser-privileged communities, near and far. The pandemic adversely impacted the CSR progression. However, the company, and the Group, patiently pursued and brought to fruition, the plans devised at the beginning of the year.

Our CSR initiatives, budgets and expenditures are administered by JM Financial Foundation as outlined in the CSR Policy, adopted by JM Financial Limited and all other JM Financial Group entities.

In conformity with our CSR Policy and considering the applicable provisions of the Companies Act 2013 and the amendments made thereunder from time to time, the CSR Committees of the JM Financial group entities have approved and allocated a total amount of ₹ 27 Crore in the Financial Year 2021-22, of which JM Financial Limited has approved and contributed an amount of

₹ 2.01 Crore. The entire amount for the year has been utilized for expenditure towards the project – JM Financial Shiksha Samarthan.

The subsequent sections highlight the projects undertaken during the year and the last, as per their respective Annual Action Plans, along with an update on the long-term projects initiated by the company and the group, prior to FY 2020-21.

Multi-year CSR project initiated and supported in FY 2021-22

JM Financial Shiksha Samarthan

The COVID-19 pandemic impacted everyone world-over in unprecedented ways, leading to a rapid loss of lives. While each of these losses has been a traumatic one, some have left an indelible mark on the minds and hearts of young children who have lost a parent or both. This loss has not just led to an emotional drain but also made them vulnerable to quitting their schools for want of an affordable life. JM Financial initiated Shiksha Samarthan with the objective of restoring continuity in education for children (up to grade 12), who have lost one or both parents to the pandemic. Under the project, we have supported 6,113 children for their annual academic fees. To this effect, JM Financial Foundation has inked agreements with the Social Justice and Empowerment Department (Government of Gujarat) and the Department of Women and Child Development (Government of Maharashtra). As a result, 2,502 private school students have been supported with direct fee remittance (up to ₹ 50,000/- annually) and 3,611 students have been supported for their ancillary education needs (up to ₹ 700/- per month per child).

The private school students supported under the project include 1,177 girls and 1,325 boys from 1,194 schools affiliated with the below-mentioned boards:

Education Board	Schools
• State Board	852
• CBSE (Central Board of Secondary Education)	276
• ICSE (Indian Council for Secondary Education)	29
• Other boards (International Baccalaureate - IB, Council for the Indian School Certificate Examinations - CISCE, International General Certificate of Secondary Education - IGCSE)	37



Hope in togetherness - meeting with families of Shiksha Samarthan beneficiary children at Mumbai



2,502 private school students across 17 states and 3 Union Territories

Sr. No.	State	Students
1	Maharashtra	1,408
2	Gujarat	669
3	Andhra Pradesh	113
4	Telangana	100
5	Karnataka	83
6	Madhya Pradesh	30
7	Rajasthan	21
8	Uttar Pradesh	21
9	Tamil Nadu	19
10	Haryana	7
11	Uttarakhand	6
12	Delhi	6
13	Assam	5
14	West Bengal	4
15	Odisha	3
16	Bihar	2
17	Punjab	2
18	Chhattisgarh	1
19	Jammu & Kashmir	1
20	Daman and Diu	1
	TOTAL	2,502

Multi-year projects initiated and supported in FY 2020-21

JM Financial Scholars Programme

The Company and the JM Financial group have supported scholarships for 58 students pursuing their undergraduate studies in Liberal Arts and Sciences at the esteemed Ashoka University in Sonapat, Haryana. Through this project, these JM Financial Scholars have received the last-mile support required to fulfil their aspirations of achieving an excellent education.

JMFF Digital Saksharta

The COVID-19 pandemic brought out starkly the digital divide in the country. While digital literacy was considered to be a choice and privilege in the past for the selective few, it manifested into a necessity in the last two years. The sudden onset of the pandemic in March 2020 had us hoping that the situation would be brief and that children would soon go back to school. However, the reality was hard-hitting. Students did not attend school physically for a prolonged period of time,

and those in the rural areas were the worst affected, with no access or affordability to learn virtually.

Given this backdrop, JM Financial Foundation conceptualized the JMFF Digital Saksharta project to be implemented in Mokhada block of Palghar district, Maharashtra and in Sikandra block of Jamui district, Bihar. In both geographies, the objective is to bridge the digital divide in rural areas, by imparting computer literacy to children and professional IT certificate courses to youth for enhanced employability and life skills.

In Jamui district, Bihar, the project is implemented by way of a hub and spokes model, where the hub is located at a central location, i.e. village Lachhwar in Sikandra block. It is equipped with 15 computers and helps to impart advanced IT and fundamental communication skills to 120 students (grades 10 and above) per four months. The hub center initiated its sessions on December 27, 2021.

Management Discussion and Analysis (Contd.)

The project design holds the scope for running five spoke centers, of which, currently, three are operational since January 2022. Each of these smaller centers are equipped with three computers, imparting basic IT literacy to a batch of 12 students per 20 days.



Our first ever batch at the Digital Saksharta hub center in Sikandra block, Bihar

In Palghar district, Maharashtra, the project is implemented by way of one hub center located centrally at Mokhada block, equipped with 50 computers. The center was inaugurated in the last week of March 2022.

JMFF Vachanalaya

The world, is moving towards digitization at an unprecedented pace. Machine teaching and learning have already made their headway into children’s reality. On the one hand, it’s important for every child and individual to be given the chance to be digitally literate, in keeping with the times. On the other, there’s also a need to retain, and in most cases, inculcate the love for reading in order to address and strengthen poor literacy levels. Children in rural areas of our country are exposed to books which are prescribed in the school curriculum, lack quality (physically and content-wise) and are largely absent. The knowledge therefore gained through textbooks stays limited to sentences not comprehended, yet copied into notebooks. Project JMFF Vachanalaya has been undertaken to develop libraries in school and community spaces, equipped with quality books, serving as a sanctuary for children and youth, to consume content that will aid directly and indirectly, in strengthening their foundation.

Project JMFF Vachanalaya has followed an approach of identifying library spaces in low-cost and government schools, in convergence with the District Programme Officer – Sarva Shiksha Abhiyaan - Jamui in Bihar and with the Chief Executive Officer, Zilla Parishad – Palghar in Maharashtra. JM Financial Foundation has selected 21 schools in Jamui

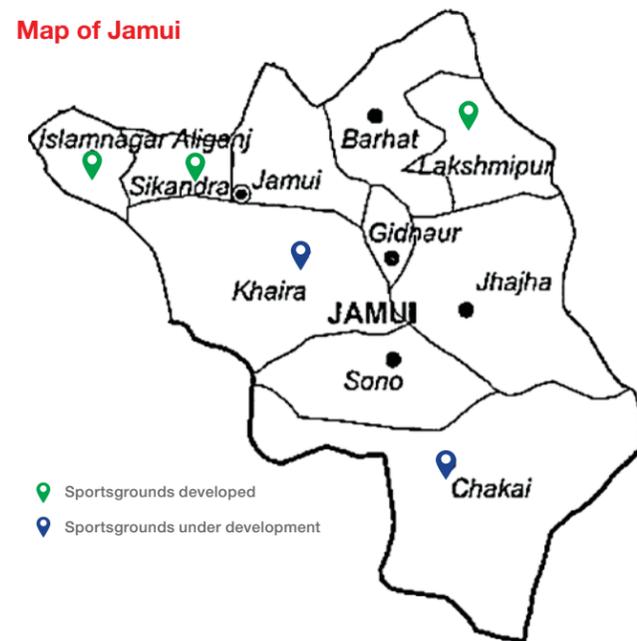
and 15 schools in Palghar basis an assesment of schools’ village profile, student enrolment, teachers’ and headmaster’s cooperation, and the availability of a space for the Vachanalaya to be developed.

We have identified and procured books (338 titles at the two locations) from companies and non-profit organizations that have an expertise in creating, curating and publishing low-cost books with age and reading level specific content, filled with colourful and meaningful illustrations. Colours over letters, enjoyment over learning and exploration over knowledge has been the primary driving force behind selection of the books and publications.

JMF Sports Project

Jamui, an Aspirational District in Bihar, holds immense potential in sports development for youth, which largely goes untapped, owing to the absence of good infrastructure and unavailability of technical coaching. The Sports project aims at fostering sports as a tool for holistic development and livelihoods generation in the local communities of Jamui district, Bihar by creating an environment and infrastructure of opportunities for all the future-fit candidates. The project entails the development of five sportsgrounds, where each comprises a full-size football ground, athletics track (400 metres * 200 metres), long jump pit and throwing area. Presented below is the status of the planned five sportsground infrastructures:

Map of Jamui



All the sportsgrounds have been developed/ are under development in government school premises (up to grade 12). Each ground’s size ranges from 9,600 sq. metres to 24,000 sq. metres.



Trainees today, sportspersons tomorrow - Our young talent at Jamui, Bihar

The satellite sportsground at Lachhuar village has been up and ready since January 2022 with over 300 children from the village communities using it daily and 80 children (girls and boys) training with our football and athletics coaches.

Long-term CSR Projects

Maharashtra



Close to our corporate office operations in the state of Maharashtra, lies Palghar district which has been deprived of development, despite its proximity to Mumbai. One of the eight blocks – Mokhada has been especially disadvantaged, regardless of the natural beauty and the tribal community potential it has to offer. JM Financial Foundation, in a tripartite Public Private Partnership (PPP) with the Office of the Collector and District Magistrate, Palghar, has been working in seven villages of Mokhada block since FY 2018-19, to harness the aforesaid potential and bring about meaningful, sustainable impact.

Integrated Village Development Project

The Integrated Village Development Project (IVDP) was initiated to bring about comprehensive and inclusive development for over 1,100 famer households in seven villages of Mokhada block, namely – Ase, Bivalpada, Brahmangaon, Dhamani, Beriste, Karoli and Kalamgaon. In order to bring about such development, it was necessary for JM Financial Foundation to work in synergy with the local district government, complementing and supplementing their efforts. The primary objective of the project is to enhance small and marginal farmers’ livelihoods, earned through increased awareness, scientific farming practices and the resultant realization of better yields. The project design rests on strengthening farmers’ livelihoods through agriculture enhancement, water conservation and increasing community access to public entitlements.

Strengthening farmers’ livelihoods through agriculture enhancement: Our farmers in Mokhada have been following familial agriculture practices with mono-cropping, single crop per year for sustenance (limited to rice, *nagli* (finger millets) and *varai* (barnyard millets)), little to no cultivation of vegetables/pulses/fruits/oilseeds and shifting agriculture practices (involving the practice of burning the land once the crop yield is harvested). The terrain is largely hilly and receives an average annual rainfall of 2,450 mm. Against this backdrop, the project has been practicing the approach of training farmers, helping them pilot and practice advanced agri-inputs and solutions and hand-holding them through the farming seasons.

Through the year, we have organized 41 farmer training sessions for over 1,000¹ farmer attendees on need-based topics such as Systematic Rice Intensification (SRI) method of paddy cultivation, cluster farming, watershed management, soil health, cultivation of chickpea and custard apple, use of farm equipment such as conoweeder and paddy cutter, pest management and so on.

During the year, farmers from our project geography were mobilized and taken for exposure visits to two villages, namely – Hirve in Mokhada block and Vanvasi in Jawhar block. The exposure visit to Hirve village was organized since large-scale jasmine cultivation is being practised in the same geographical area with similar topography and climatic conditions. Likewise, Vanvasi was chosen since farmers would get to observe the extensive use of CCTs clubbed with cluster/Wadi farming. A total of 96 farmers visited the Hirve jasmine cultivation plots, jasmine saplings’ nursery and attended a learning session with farmers to understand their experiences with the production and marketing of these flowers. A group of 99 farmers visited the newly dug Continuous Contour Trenches (CCTs), Wadi farm plots (with cashew and mango cultivation) and a horticulture nursery in Vanvasi.

1 Cumulative

Management Discussion and Analysis (Contd.)

In terms of better-quality farm inputs, this year, 40 farmers were provided with 120 kg finger millets seeds under the project, yielding a total production of 9,480 kg at an approximate market value of ₹ 80/- per kilogram. Under our efforts towards diversifying agriculture from staples to vegetables and cash crops, 129 farmers from five villages were supported with 1,016 kg chickpea seeds.



Farmer Padu Balu Batre at her Nagali (millets) plot at Kumbhipada village (Mokhada block), Palghar

In FY 2020-21, the project had in convergence with Department of Agriculture, Zilla Parishad, Palghar, supported 82 farmers with jasmine saplings to pilot and encourage floriculture practices in our project geography. In FY 2021-22, the project has identified and linked our jasmine farmers to an alternate option of selling jasmine buds daily to flower traders in Nashik, Maharashtra. Of the 82 farmers, 59 are able to earn from the sale of the jasmine buds.

Traditionally, the farmers in our project area have been cultivating pigeon pea (*tuur* in Hindi) on flatlands at a high density, which reduces the quality of the produce as well as the total yield. This only fulfils the yearly family demand, leaving no scope to make it commercially profitable. This year, we promoted farmers for the scientific cultivation of 100 kg pigeon pea seeds provided under the project and sown on 50 acres of paddy bunds. The farmers have reported a yield of 1,100 kg with a total market value of ₹ 60,500/-.

Organic farming practices: The project had supported 42 farmers with high-quality vermi-beds in FY 2020-21 to inculcate and promote organic farming practices. The farmers’

care for the vermi-beds combined with our handholding has led to an excellent yield of over 77,000 kg of vermicompost and close to 15,000 litres of vermi-wash in over five cycles. Post usage in their own farm plots, the farmers have also sold some of the compost at an average market rate of ₹ 10/- to ₹ 15/- per kilogram and vermiwash at a rate of ₹ 15/- to ₹ 20/- per litre.

Water conservation: Our activities under this focus area are targeted at conserving the heavy rainfall received by this region, using low-cost, eco-friendly, rainwater harvesting structures, i.e. Continuous Contour Trenches (CCTs) and *jalkunds* dug by farmers with our technical inputs.

- Continuous Contour Trenches (CCT) - In FY 2019-20, we had introduced the concept of CCTs in the hilly terrain across seven project villages, with the aim of increasing the groundwater table and soil moisture. Each CCT measures 18’ * 2.5’ * 2’ (length * depth * width) and has an average water-bearing capacity of 1,500 litres. Along with the CCTs, the farmers have also been provided with saplings for the cultivation of cashew and mango around the CCTs.

Through the year, the project has promoted 3,221 CCTs on a large-scale across the region as low-cost, sustainable models of rainwater conservation. The aforementioned CCTs have been planned and dug from March – June, 2021 while the cashew and mango saplings have been planted on their periphery for improved irrigation. These plants also hold the soil together and prevent it from running off and from muddying the water in the CCT. The intervention has generated 46 days of wage-labour for 20 labourers ₹ 600/- per day, per labourer for digging three CCTs), even during the second wave of COVID-19.

- *Jalkund* - This year, the project has introduced *Jalkunds* (translated literally to water-ponds) as low-cost, rainwater harvesting ponds to be dug in low-lying terrains of the project geography, specifically in the *wadi* (cluster farming) plots created with the project support in FY 2019-20, FY 2020-21 and FY 2021-22. Each *jalkund* measures 21’ * 18’ * 3’ (length * depth * width) and has an average rainwater storage capacity of 30,000 litres. Our support under this sub-intervention includes training the farmers on the concept, identifying suitable areas, mobilizing farmers, providing plastic liners for the ponds and handholding the farmer beneficiaries.



Rainwater filled *jalkund* in Mokhada block, Maharashtra

Increasing community access to public entitlements → Since the inception of the project, two helpdesks have been set up at Ase and Beriste gram panchayats to increase our farmers’ knowledge and awareness on the available government schemes and policies, aid them in their application for the schemes and pursue relevant government departments until the benefits promised are received by the applicants timely. From October 2018 to March 2021, the helpdesks have received and facilitated government approvals for 8,290 applications for various schemes, Of the total approved applications, 6,377 applications have yielded the desired scheme benefits, while 2,031 applications await their turn. These convergences have resulted into farmers receiving scheme benefits of over ₹ 5.49 Crore since project initiation.

Improving education outcomes

An Ashramshala is a residential school imparting education up to secondary level to Scheduled Tribes (STs) children, with funds allocated by the State Tribal Development Department. In hilly areas, an Ashramshala reaches out to a population of 5,000 – 7,000, while in other, remote areas, this number reduces to 2,000 – 3,000. In the state of Maharashtra, all Ashramshalas fall in the ambit of the Integrated Tribal Development Project Department. One such Ashramshala located in Ase Gram Panchayat of Mokhada block, was identified to be in urgent need of refurbishment and redevelopment, should the students’ educational outcomes (especially girl children) be of significance. The project on Ashramshala infrastructure support was evaluated and undertaken with the primary objective of providing an avenue comprehensive development of 379 lesser-privileged girls and boys (grades 1 - 10) attending the Mahatma Jyotiba Phule Asharamshala, located in Aase village, Mokhada block.

Over the past two years, amidst the interruptions caused by the pandemic, the Ashramshala infrastructure development

has been completed with – renovation of the existing school building for six classrooms from grades 5 to 10, construction of a new school building for the primary section, creation and construction of new toilet blocks separately for boys/men and girls/women, and construction of four new rainwater storage tanks (each with 30,000 litres volume) to help with the water requirements at the Ashramshala premises.



New school infrastructure constructed for grades 1 to 4 at Aase Ashramshala in Mokhada block, Maharashtra

The new school building constructed for grades 1 to 4 now welcomes a daily attendance of 109 students while 221 students in grades 5 to 10 now have fully furnished and fully renovated classrooms to sit in.

Bihar



Our CSR journey in Bihar dates back to 2016, when we identified Jamui district as one of the most needy and disadvantaged geographies in the state. Under the aegis of Integrated Rural Transformation Programme, our approach in Jamui was centered in Sikandra block intensively, while extensive efforts branched out to Chakai and Jhajha blocks as

Management Discussion and Analysis (Contd.)

well. As on date, JM Financial’s intensive efforts cover over 25 extremely deserving villages of Sikandra and Khaira blocks, while our extensive efforts have also extended to Islamnagar Aliganj and Laxmipur blocks, taking our company’s and the Group’s coverage to six of ten total talukas (blocks) in the district. These efforts, implemented on ground as long-term CSR projects cover the thrust areas of education, health, sports, agriculture and women empowerment.

Project Bachpan

As the name suggests, project Bachpan (translating literally to ‘childhood’ in Hindi) was initiated in FY 2017-18 with five pre-school, child-centric learning centers for children in the ages of 3 to 6 years, left out of the existing Anganwadis owing to the latter’s mandated student intake capacity that is capped at 40. The first effort undertaken by JM Financial, the project was conceptualized to ensure that children belonging to socio-economically weak families are provided with an avenue and an opportunity for holistic development through foundational learning and nutritional inputs. These five centers are located in Dhanimatari, Dhawatanr, Korasi, Lachhwar and Sabal Bigha villages of Sikandra block. Each center is run by a locally recruited teacher and an assistant teacher, catering to early childhood needs of a maximum of 25 children for five hours per day, six days a week, in an enabling environment, fulfilling their developmental and contextual needs. Our centers were forced to shut down with the COVID-19 pandemic and nationwide lockdown. Owing to this, the operational model of the project was modified to home-based learning, with the involvement of the students’ mothers and with activity and learning kits being provided to each child, basis ECCE (Early Childhood Care and Education) curriculum, comprising – books for pre-literacy patterns, pre-numeracy numerals, shapes, creativity and colouring along with weekly worksheets containing activities to be practiced for sharpening their cognitive, sensory, fine and gross motor skills. Starting September 2020, this home-based model was followed for 20 weeks to maintain the continuum of learning. But the passage of time necessitated innovation in the intervention, as a result of which, our teachers began teaching children in their village spaces in organized groups of 4 – 5 students at a time and feeding them at the centers in small groups, adhering to the COVID-19 norms and restrictions. Since the relaxation in the government-imposed restrictions in February 2022, the Bachpan centers have been once again, re-opened and re-operationalized, reaching out to 118 students on a daily basis.



Bachpan center children learning the concept of ‘sorting’ with pulses in Korasi village, Bihar

Having observed and evaluated the impact of the Bachpan centers on the children’s developmental progress, JM Financial has committed itself to and taken action for up-scaling the project from five to 25 centers, spread across Khaira and Sikandra blocks.

Shri Vardhman Mahila Griha Udyog

Shri Vardhman Mahila Griha Udyog was initiated in December 2017 as a field-action project in Sikandra block of Jamui district, Bihar. Since then, the Udyog continues to be the only women-run, *khakhra** enterprise in the entire state.



Two of our Udyog didis at an exhibition for Shri Nitish Kumar - Chief Minister, Bihar

*Popular and healthy Indian snack made of wholewheat bread

Our Foundation provided the requisite financial support for the unit set up and operations from inception till July 2019. From the month of August in the same year, the unit has been independently taking care of all its expenses. While this may be one of the milestones, for the area and the context in which the Udyog is set, given the background that the women belong to, this is no small feat. Today, the Udyog has a strength of 21 women (fondly addressed as *didis*, meaning ‘sisters’ in Hindi) who now produce six varieties of *khakhra*, namely – Plain, *Masala*, *Ghee*, *Methi*, *Mangroli* and *Jaggery*. Each *didi* draws a steady, monthly income (average ₹ 3,000/) from the Udyog. Over the last four years, the Udyog has produced over 20,000 kg *khakhra* and sold over 17,000 kg *khakhra*.

Adarsh Gram (Model Village) Development Project

The concept of a model village in India seems to be incomplete without agriculture being strengthened, given the dependence of rural households on land as an asset. Jamui district in Bihar is one such geography, which despite suffering from a monsoon-deficit, holds a high potential for farmers earning an increased livelihood through enhanced agriculture techniques and outputs. The project aims to increase small and marginal farmers’ livelihoods, earned through increased awareness, scientific farming practices and the resultant realization of better yields.

The project focus in the previous years has been on moving farmers from single to two crop pattern, along with the introduction of alternate, cash crops. This year, the highlight has been the proliferation of high-value crops such as capsicum, baby corn, sweet corn and watermelon. Post a successful pilot up to FY 2020-21 of these crops on our model farm* accompanied by intensive farmers’ training, this year, we have launched them as viable, commercial farming options.

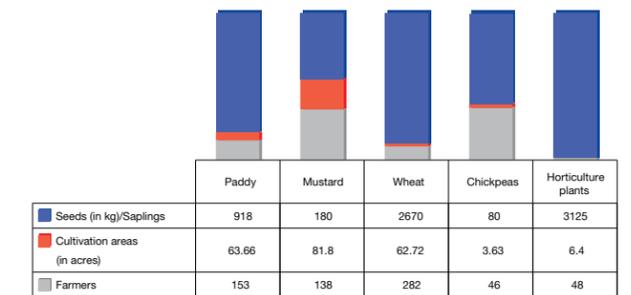
Crop	Farmers	Inputs per farmer	Production (in kg)
Seeds provided (in kg)			
Baby corn	13	3.50	250+
Sweet corn	33	8.00	expected
Watermelon	34	0.33	3,900+
Saplins provided			
Capsicum	13	19,330	1,200+
Papaya	52	3,250	expected

Aforementioned cultivation across a total of 10.80 acres. Production figures are as reported by our farmer beneficiaries. The production figures for sweet corn and papaya are expected by July 2022.

*An under 0.75 acre land in Lachhwar village of Jamui district, Bihar, cultivated and curated by JM Financial Foundation with model farming crop/plant varieties and practices, with an objective of visible demonstration for farmers. (1 acre = 44,000 sq.ft. approximately)

Two of our farmers, namely - Pramod Ram from Lachhwar village and Yogendra Paswan from Rajpura village also received the *Zilla Kisaan Mela-sah-Pradarshini* awards for their efforts at papaya and capsicum cultivation in a region otherwise alien to these varieties. The awards were presented by Dr. Rameshwar Singh, Dean – Bihar Animal and Science University (BASU), Patna.

Other agri-inputs provided to farmers through the year are as captured below:



The project has conducted 27 organized farmer-training sessions on need-based, capacity building areas such as seed sowing and care, direct sowing technology, zero tillage farming, water management with crops, seed selection methods and high value crop varieties. These sessions have been attended by 2,534² farmer attendees.



Farmers’ training session in progress in Sikandra, Bihar

In 2019, we had encouraged 11 marginal and small farmers from Dhanimatari village to cultivate a community orchard on 1.5 acres of land, with horticultural varieties of lemon, mango and guava saplings provided as inputs under our project. This year, nine of these farmers have realized a harvest of over 16,000 lemons from the orchard. The harvested lemons

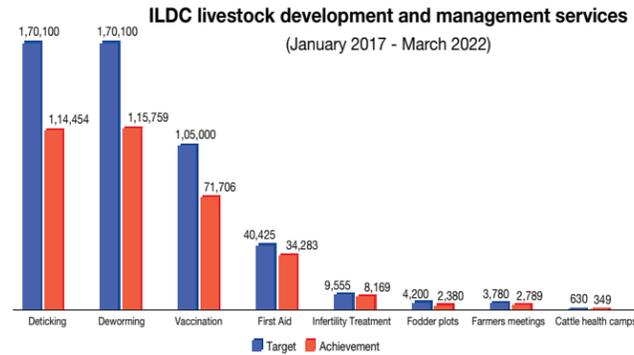
2 Cumulative

Management Discussion and Analysis (Contd.)

were also sold in the Bihar Sharif market in Nalanda district, yielding an average income of ₹ 3,000/- per farmer.



Our horticulture farmers in Dhanimatari village, Bihar, with the lemon produce from their orchards



As a part of nutritious green fodder support to farmers, the project educated 507 farmers and helped them with 295.5 kg of *makhhan* grass (botanical name - *Lolium Multiflorum* - a highly succulent and palatable grass for cattle nutrition) fodder seeds at subsidized rates. The seeds post sowing, have yielded fresh and nutritious green fodder, fulfilling the year-round demand, which otherwise would be an addition to the farmers' monthly expenditure. Farmers in our project geography have enjoyed a daily green grass output of 20-30 kg for at least four consecutive months, thereby providing them with a relief from having to purchase green fodder.



Farmer Ashish Mathuri with his *Makhhan* grass (*Lolium Multiflorum*) plot at village Mathurapur, Sikandra block in Bihar

The project has also complemented the district administration's veterinarian efforts, by administering the Block Veterinary Hospital's HSBQ (Haemorrhagic Septicaemia Black Quarter) vaccine to 6,775 cattle across the villages served by seven ILDCs.

Integrated Livestock Development Centers (ILDC)

Agriculture in Bihar is characterized by smaller sized landholdings on average, held in tandem with livestock, to help the average farmer practice farming and allied activities as a commercially viable livelihood option. However, Jamui region being rain-deficit suffers from well-bred and well-fed cattle which adds to a farmer's woes. The ILDC project rests on the objective of augmenting cattle-rearers' livelihoods through livestock management and development services, for improved cattle health and milk yield. Initiated in September 2017 with a comprehensive livestock survey, the project runs by way of 21 ILDCs operational in 21 villages across three blocks, reaching out to over 210 villages. The project design is tailored to deliver livestock management and development services to the communities through 21 local, technically trained youth para-veterinarians, addressed as Gopals.

Project ILDC has completed four (calendar) years of successful implementation, with a near achievement of its targeted livestock management and development services.

The project's livestock development efforts by the way of Artificial Insemination (AI) have birthed 5,785 calves (Female- 2,875, Male- 2,910). The calves born are of locally sustainable, higher milk-yielding breeds, as named below:

Sahiwal: 2,796	Gir: 605
Holstein Friesian: 1,029	Murrah Buffalo: 498
Jersey: 820	Red Sindhi: 37



Our farmer beneficiary's new Sahiwal breed calf facilitated by ILDC at Mahadev Simariya village in Bihar

Shri Vardhman Nidaan Seva

In areas suffering from remoteness and socio-economic backwardness, health suffers the most. It is extremely critical to address the issue of health and nutrition by implementing a scientifically planned intervention at the grassroots, to strengthen the health infrastructure and services, leading to not only the absence of sickness, but an overall physical, mental and socio-economic well-being for the community. The project has been undertaken with the objective of providing primary preventive and curative medical and healthcare services to families in Khaira and Sikandra blocks, that face the hardest time in accessing reliable care, and possess an even lower level of awareness on good health seeking practices.

Shri Vardhman Nidaan Seva (SVNS) was initiated with the first Mobile Health Unit (MHU) providing doorstep healthcare services to 13 remote and deprived village communities in Khaira and Sikandra. A year later, JM Financial Foundation initiated the second MHU, seeing the dire need for accessible healthcare services in the Gram Panchayats neighbouring to the villages served by the first Unit.

Both our MHUs serve 26 villages in a radius of 40 - 50 kilometres daily. The two mobile health units have treated

a total of 26,000 patients (61% male, 39% female) till March 31, 2022. Ailments most commonly treated include respiratory illnesses, skin ailments, gynaecological issues, and musculoskeletal issues.

The two MHUs treat patients with the help of diagnostic kits as well. The kits chosen to be deployed in the two MHUs have been identified basis the most prevalent health concerns. With the help of the said kits, we have screened 835 patients with blood pressure issues and diagnosed anaemia in another 166 patients.



Our mobile health unit consulting patients at Jhilar village in Jamui, Bihar

As part of preventive healthcare, the project has conducted demonstrative health awareness sessions on water vector diseases, osteoarthritis, COVID-19, malnutrition, anaemia and healthy dietary practices.

Special focus interventions

Fight Against Malnutrition

In synergy with the Nutrition Rehabilitation Center (NRC) at the District (govt.) hospital in Jamui, through the mobile health units, we have screened 569 children for anaemia. The screening was conducted with technical methodology involving the usage of MUAC (Mid Upper Arm Circumference tapes to assess SAM (Severe Acute Malnourished) and MAM (Moderate Acute Malnourished) children. As per the diagnosis and high criticality of children ranging below the standard measurements for SAM, 21 children and their families were counselled and convinced to undergo 15-days' rehabilitative care between January and March 2022, at the NRC in the District Hospital, Jamui. Given below is the case of one such child.

Management Discussion and Analysis (Contd.)



Baby Rani¹
11 months/Female

¹Name changed to protect child's identity

JM Financial Foundation with the support of Neurology Foundation has reached out to 13 patients suffering from chronic epilepsy. These patients had hitherto been left untreated and suffered multiple injuries due to frequent seizures. Without the MHU intervention, these 13 patients would've been subjected to not only psychological and physical neglect, but also, social stigma for the rest of their lives.

Paritosh Kumar¹
11 years / Male



¹Name changed to protect child's identity

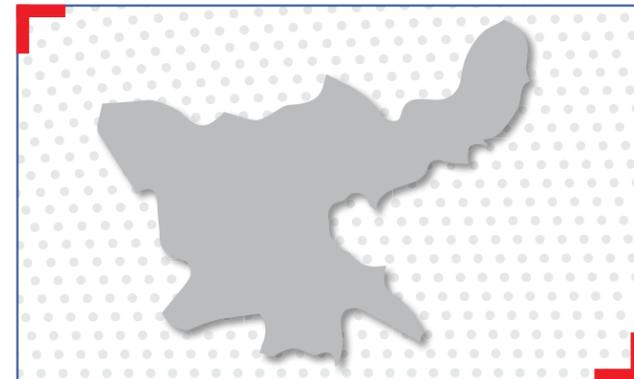
Village: Deepakarhar, Khaira block

- Father works as a daily wage agriculture labourer
- Weight - 5kg (minimum standard: 9 to 10kg as per WHO); Height - 69.5cm
- Diagnosis - SAM baby with high degree anaemia
- Our support - The child was diagnosed by our project nurse during one of our periodic health sessions. We facilitated the child and the mother being registered for hospitalization and 15 days of treatment, feeding and observation at the NRC.
- Results - 2.5 kg weight increased in 15 days bringing the child from SAM to MAM category.

Apart from malnutrition, JM Financial has also put in efforts to treat and curb epilepsy in 13 patients suffering from this chronic disease.

These number as represented above, are very few to pen down here. What may be represented through words and pictures hardly captures the depth of what goes into bringing these patients out of the danger category. There are over hundred such cases being frequently tended to under different health ailments, which would've gone unnoticed and untreated without awareness and accessibility encouraged by Shri Vardhman Nidaan Seva.

Jharkhand

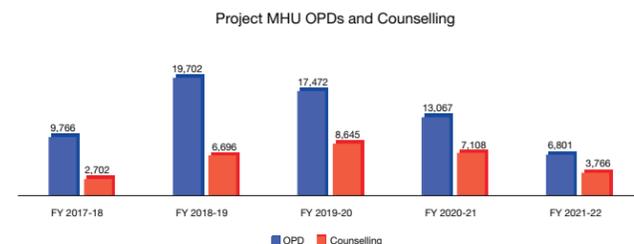


Village: Korasi, Sikandra block

- Child with history of head injury four years ago was suffering from Epileptic seizures atleast 10-12 times per month. He was left untreated due to lack of awareness, social stigma and unaffordability to undertake treatment.
- JM Financial Foundation, with the support of Neurology Foundation helped in diagnosing the child's illness as Viral Encephalitis and guided the project team in ensuring his continuous treatment through weekly visits to the MHU.
- Post medication, the seizures' frequency has reduced to 2-3 times per month, which has made a tremendous difference to the child's life and the restoration of normalcy to a large extent.

Project Mobile Health Unit

Our CSR initiatives in Giridih district in the state of Jharkhand drew to a close in the Financial Year 2021-22. After completing five years of successful healthcare delivery, Project Mobile Health Unit (MHU) formally concluded its ground operations. Through its tenure of operations in the 24 villages (later 14) of Dumri and Pirtand blocks of Giridih district, the project has dedicatedly provided comprehensive, doorstep curative and preventive healthcare services to rural and backward communities. Over the years, the project consulted 66,808 patients, counselled 28,917 patients and referred 1,701 patients for further tertiary treatment and care (including followup cases). Majority of the patents belong to the age group of 20 - 45 years.



One-Time Support Initiatives

Hospital and healthcare equipment support

JM Financial has extended its CSR support to three hospitals in the state of Gujarat, vis-à-vis critical hospital equipment required to enhance the healthcare services provided by them.

1. Shri Kalikund Parshwanath General Hospital

Established in 2001, Kalikund hospital located in Dholka block of Ahmedabad district, is a 91-bedded charitable hospital catering to patients from over 200 villages located in the neighbouring blocks. The hospital provides multi-specialty services under categories like Medicine, Surgery, Orthopedic, Ophthalmology, ENT (Ears, Nose, Throat) and other super specialty services through on-call visiting consultants from the district headquarters. Overall the hospital caters to a daily OPD patient load of 300 - 400 and 6 - 8 surgeries through their four operation theaters.

Support extended: One MRI (Magnetic Resonance Imaging) machine in order to strengthen the hospital's diagnostic facilities and enable patients from rural areas to access complete medical care at one place.

2. Shrimad Rajchandra Hospital

Shrimad Rajchandra Hospital (SRH) located in Dharampur taluka of Valsad district was established to primarily serve the underprivileged tribal communities residing in Valsad, Navsari and Dang districts. The hospital is a 100-bedded facility providing primary and tertiary healthcare through pediatric, gynecology, surgery and general medicine specialties. The facility is the only source of comprehensive and accessible quality healthcare services, being provided to nearly 2.25 lakh patients annually. The hospital is currently one of the only well-equipped facilities. It offers some of the best neonatal services, free of cost to infants requiring emergency intensive care, owing to their susceptibility to congenital deformities, infections, illnesses and other, life-long complications.

Given the dire need and ever-increasing outreach of the hospital, the foundation stone for a new 250-bedded multispecialty, state of the art hospital has been laid in 2017, within a three kilometers radius of the existing hospital. Given the backdrop, with the aforementioned specialty and super-specialty services, the SRH envisions reducing neonatal morbidity and mortality also help children overcome the delayed development milestones leading to physical and mental conditions, which are often irreversible in nature, if not addressed early on.

Support extended: New SRH supported with -

- 15 sets of medical and diagnostic equipment for the Neonatal Intensive Care Unit (NICU) for the treatment of critical newborns
- Six sets of medical equipment for the District Early Intervention Centre (DEIC) for close monitoring of children with developmental milestones and for helping them strengthen their physical and mental health stability.

3. Civil Hospital - Ahmedabad, Gujarat

The Civil Hospital, Ahmedabad is a 3,200-bedded tertiary healthcare hospital; one of the largest in Asia. It is 160-years old and caters to OPD and IPD patients, through its specialty and super-specialty departments. Owing to the heavy patient load of about 500 daily OPDs, the hospital, and notably, the radiology department faces a challenge in providing efficient services.

Support extended: In order to aid in increasing the efficiency in services provided to the hospital patients, JM Financial Foundation has extended its support by way of providing for three sets of equipment as listed below:

Medical Equipment	Functionality
Fixed X-Ray System with 4-way floating Table (1 unit)	Providing high frequency, low radiation, better ergonomics and superior image quality
Digital Radiography System (2 units)	New technology machine- Providing Speedy display of X-RAY images, shortening examination and patient turnaround time
Patient Warming System (3 units)	Ensuring controlled body temperature for new-born and post-operative paediatric patients in Operation Theatre



Inauguration of medical equipment supported by JM Financial Foundation at Civil Hospital, Ahmedabad

Management Discussion and Analysis (Contd.)

Education support

Sri Sri Gnan Mandir School located in Chandauli district, Uttar Pradesh is a low-cost school affiliated to the state board for grades 6 to 8. The area is notorious for insurgent activities and has only one government school, located six kilometers away, bereft of any organized transportation facilities. This results into children, especially girls dropping out at an early stage. Therefore, JM Financial is supporting the said school with its infrastructural expansion so as to accommodate students in grades 1 to 6 and provide for staffrooms, laboratories and washrooms.

Employees volunteering

In July 2021, when the tragic floods struck Konkan Maharashtra amidst the prevailing pandemic, 34 employee volunteers from across the JM Financial group travelled to Mahad in Raigad district to extend their helping hand. The Foundation, along with our volunteers contributed dry grocery kits comprising essentials, enabling over 1,000 families to tide over the trying times, with a live community kitchen run for 20 days.



Cataract screening at Deepakarhar village in Bihar

As another expression of service to mankind, JM Financial Foundation conducted its fourth annual eye camp at Khaira block of Jamui district, Bihar. The camp was organized with an objective of screening and treating patients with cataract issues. Held in January 2022, the eye-camp saw a total registration of 416 patients of which 60 patients got their cataract issues screened and treated through surgery facilitated by our Foundation.

Philanthropy by JM Financial Foundation

The JM Financial group of Companies has been supporting some very deserving philanthropic initiatives through the JM Financial Foundation (JMFF) for over two decades. Through the year, in line with the objectives of the Foundation, we

have extended our support to healthcare, sports development initiatives and towards the promotion of Indian art and culture. Some such initiatives supported by us are highlighted below:

Aiding healthcare services

JMFF's philanthropic support helped equip 130 individuals with disabilities, with artificial limbs, calipers, walker chairs and hearing aids. Our support aided in the cataract surgeries for 250 patients along with critical surgeries of two children (aged 2 and 3 years) suffering from Coronary Heart Diseases.

Training of sports athletes

With our continued support to athletes training for the Olympics, we have been able to help sportspersons like Lakshya Sen reach the final round of the prestigious All England Open Badminton Championships.

Promotion of music and cultural traditions

JMFF has been supporting an organization in Ahmedabad that runs a School for Indian Classical Music with a large number of students, who have performed excellently in various youth and musical events.

Human Resources

We at JM Financial believe people are our biggest asset and safeguarding their wellbeing is of utmost importance to us. As we are getting back to normal and accepting the 'new normal' at the fullest, it is crucial to make the workplace lively. Our people strategy is inclusive to adapt with the changes post covid, we continue with our engaging talent onboarding and driving people culture.

Human Resources function is responsible for building the Group Human Resources strategy and is supporting all our businesses, by delivering best in-class Human Resources partnership.

HR Promise - The Human Resources Tagline



We believe that the credibility and reputation of the Firm is shaped by the collective conduct of individual employees and the tagline affirms these three beliefs at its foundation to supplement the Group values.

Pragmatic

Professional

Progressive

Engagement Surveys – Great Place To Work

As part of our endeavour to rank as an employer of choice and also identify our developmental areas, we internally conducted a dipstick study to understand our employees - what motivates them to go the extra mile, what drives loyalty and what genuinely makes and keeps them happy.

The findings of the survey reiterated our belief that our strongest attributes are our value systems, our open door culture, innovative practices, transparency, a sense of belonging, spirit of teamwork and the respect and credibility we hold in the industry.

This year, five entities - JM Financial Limited (representing Institutional Businesses), JM Financial Services Limited, JM Financial Asset Management Limited, JM Financial Products Limited (Dwello) and JM Financial Home Loans Limited participated in the Great Place To Work survey.

JM Financial Group has been accredited as Great Place to Work-Certified™ by the Great Place to Work Institute for all five participating entities for the period Feb 2022 – Feb 2023.

Talent Management

Our people are our most valuable asset and we believe that the ultimate identity and success of our Firm is determined by quality of our people and their dedication and commitment towards attaining Organizational Vision. While we focus on the quality, there is also focus on providing an equal opportunity regardless of the gender, race, religion etc. Our endeavour is towards attracting the right talent, assessing them not only on their skills & knowledge but also assessing them keeping in mind our organizational values.

Workforce Diversity

We have employees from extremely diverse backgrounds in terms of experience, culture and heritage. This goes a long way in building our inclusive culture, as people from different backgrounds bring with them fresh ideas, innovations, unique styles and methods.

Through this, we aspire to develop a flexible, agile and high performing workforce and most importantly, a blended one.

We take pride in the workforce diversity that we have and ensure that each individual is treated with equality and respect.

Campus Hiring

Our aim is to hire a strong pool of fresh minds, whose competencies can be further developed.

The batch of 2021-22 comprised Management Graduates from schools of Business Management and Social Work. The hiring has been executed for Investment Banking, Dwello and CSR teams at JM Financial.

JM Financial also focuses on a Management Internship Program, which aspires to establish not only its brand at campuses but also build a relationship with potential candidates that it can recruit as full time resources from the campuses. Through this program, we get an opportunity to evaluate Interns for a possible Pre-Placement Offer.

Rewards and Recognition

Employee recognition is the open acknowledgment and expressed appreciation for employees' contributions to their organization. It could be a high-five for a job well done, a special shout-out during an all-hands meeting, or even a bonus for meeting a monthly goal. Whatever may be the form of the recognition; but it serves the ultimate purpose of giving the business the competitive edge by boosting the employee morale. The various employee recognition programmes help improve employee engagement, reduce turnover, increase productivity, boost morale, and build purpose when used correctly.

At JM Financial, we pride ourselves in our people and their achievements. It is therefore important for us to recognize their hard work, dedication and commitment.

Our Rewards and Recognition program provides a framework for encouraging and recognizing long service and exemplary performance of our employees.

The organization has an annual Reward and Recognition Program, which recognizes and appreciates talent. The reward is non-monetary in nature and is designed for both, Business and Support functions.

Employee Engagement

Employees who feel connected to their organization work harder, stay longer, and motivate others to do the same. Employee engagement affects just about every important aspect of your organization; it is the strength of the mental and emotional connection employees feel toward the work they do, their teams, and their organization.

At JM Financial, we engage our employees via various initiatives, both at group as well as entity level. We celebrate all the festivities over the year. This year was no exception; we embraced 'new normal' & engaged all employees virtually in celebrations on the occasions of festivals. Mother's Days & Father's Day were celebrated wherein we asked employees to share their most cherished memories with their parents & stories shared by employees were featured on connect.

Diwali & Christmas were celebrated across offices with great enthusiasm. A special Musical Event was organized for corporate office employees to welcome 2022 in a unique way.

Management Discussion and Analysis (Contd.)

Essence of patriotism was high at work as Independence Day was celebrated at all the branches where employees decorated the branches & corporate office & were dressed in the traditional attire.

Appreciation week was celebrated in the month of February. Employees were encouraged to share appreciation via various ways as planned by businesses as well as via iCheer.

Initiatives During Covid

- **Welcome Back to Office Sessions**

To help employees resume offices effectively and by following all the safety measures; we arranged for Welcome Back to Office Sessions – our guidelines to ‘New Normal’ way of life. The guidelines issued by WHO were reiterated and all employee queries were addressed on these calls. The same were constantly reminded by continuous advisory mails. The HRBPs played a vital role in tracking employee & family health & provided necessary aid with the help of our admin team time to time.

- **Covid Cases Tracking & Medical Assistance**

The organization continuously tracked the employee & their family health (Covid Cases) details. There was a constant connect with the employees by the HRBPs for their respective locations/functions. The medical details of employees & their immediate family members were tracked & due assistance was provided in case of hospitalization, insurance claim etc.

- **Health & Well Being**

In order to encourage employees to initiate and maintain a healthy, active lifestyle thus ensuring their overall fitness and well – being, we introduced various fitness initiatives such as virtual yoga sessions, session on Diversity & Inclusion, live De-Stressing sessions etc. These were unique programs provided by the Firm to help employees remain physically & mentally active during the stressful pandemic period. The virtual yoga sessions were very much appreciated by our employees.

- **Doctor on Call**

Due to covid situation, we arranged for Doctor on call for all the employees in the organization. There are two empaneled doctors who are available on designated days during the week for telephonic consultation. Employees are informed about the available slots via mail.

- **Leave & Paid Time Off**

At JM Financial we encourage Work-Life Balance, which became crucial post covid. The pandemic erased the line between personal & professional time, which is taking toll

on the mental wellbeing of human beings. We introduced additional leave type as well as encouraged employees to utilize their regular leaves in order to spend quality time with their family & friends breaking away from the work pressure which the whole world faced during the pandemic.

- **Covid 19 Vaccination Drive**

The safety of our employees’ and their family is most important for us. We arranged for covid vaccination drives for employees and their immediate family members. We also included parents in-law of the employees in the drive. The decision was appreciated by all the employees.

- **Thanking COVID-19 Front liners**

In this initiative, the JM Financial family shared a salute to all the covid-19 front liners for their service to the nation during these extraordinary times. We asked employees to share pictures of someone from their family (spouse / parents / siblings / children) who have been Covid-19 Front liners. We added their pictures in our monthly newsletter Essence, thanking each of them.

Performance Management

We follow a comprehensive performance evaluation process for annual reviews, which was digitalized and a structured performance evaluation calendar was launched.

Employees across levels benefit from the development-oriented approach of this system.

This practice helps us identify the capabilities of employees and leverage the same. It also helps us to suggest and plan development in the identified areas through training. For this, a Training Need Analysis is captured.

Trainings were provided to new joiners, in order to help them get equipped with the appraisal process and the system.

Compensation and Benefits

JM Financial's compensation framework is structured to align the interests of our employees with the long-term interests of the Firm and its other stakeholders.

Our compensation framework is designed to retain and motivate our human capital, reward them for their performance and attract superior talent from the industry.

JM Financial also offers various benefits designed to meet the needs of our employees. These benefits are an integral part of our Company and provide employees and their families’ valuable support, during employment with JM Financial.

Succession Planning

At JM Financial, we promote an atmosphere of inclusion, by encouraging the next level of employees to take higher responsibilities.

Managers along with Human Resources formulate a customized grooming and orientation of high potentials, by carefully planning their work experiences. Their skills and capabilities are developed through further training and mentoring.

Learning and Development

Growth is a significant part of human nature, and we have an intrinsic desire to continue to grow and develop throughout various aspects of our lives. Growth and development is present in a work environment where workers receive encouragement and support in the development of their interpersonal, emotional, and job skills.

Employee training programs or initiatives have been integral part of the HR vision and long-term strategic objectives of our Firm. Recognizing that our employees are our greatest single resource, the Firm is dedicated to providing high quality training to employees through professional training companies and qualified staff. Based on the identified training needs, the Firm offers a variety of training programs and development opportunities including. We adapted to the new ways to conduct & deliver trainings given the challenging situations where classroom trainings were difficult to conduct. We chose the virtual way of doing all kinds of trainings within the organization & enhance our e-learning portal by adding new modules on various topics. All the trainings were driven virtually with the help of our senior leadership & spocs from the Central teams. There was also major focus on e-Learning. Our internal e-Learning portal, iLearn, hosts number of modules on various behavioral & functional topics. Employees were encouraged to use the portal to the fullest. We have also made the portal available on the Connect mobile app for on the go access to all the learning material available on iLearn. New internally developed courses were made available for all the employees on iLearn.

Our internal Learning and Development initiative – Knowledge Community, which involves knowledge sharing sessions among business groups on a mélange of topics of relevance. The subject matter experts within the organization are encouraged to conduct these sessions and mailers are sent

to all employees of that location inviting to attend. The events details are also uploaded on iLearn for employees to find all relevant information and sign up.

In addition to helping employees keep abreast with happenings in diverse areas around them, these cross-functional training sessions also inspire bonding across different teams. We felicitate the trainer with a token of appreciation at the end.

We introduced the Group Monthly Training Calendar wherein training programs planned for all businesses were published for all employees. Employees gain the knowledge of all the training programs planned for the particular month across the group & it gives access for them to attend relevant training programs planned by other businesses as well.

Hiring During Covid

For us, the health and safety of all our employees and their families is of utmost concern and priority.

The Covid-19 pandemic has been unprecedented and required immediate action to be taken across the Group. We activated the business continuity plan and a large part of our employees were working from home or remotely.

Hiring process was also digitalized with online interviews, pre-joining formalities, on-boarding and induction.

The total employee strength of JM Financial Group stood at 2,405, as on March 31, 2022.

Safe Harbour

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

Report on Corporate Governance

I. Philosophy of JM Financial on Corporate Governance

JM Financial believes that Corporate Governance is a mean to achieve the Company's vision and objectives, in a legally compliant, transparent and ethical manner, while ensuring the best interests of all the stakeholders. The Corporate Governance Philosophy of the Company is drawn from its vision of being the most trusted partner for every stakeholder in the financial world and thereby creating and enhancing long term stakeholders' value.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles - integrity, teamwork, client focus, innovation, implementation, performance and partnerships, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and in compliance with applicable legislations.

At JM Financial, we believe effective leadership, robust corporate governance practices and rich legacy of values form the hallmark of the good corporate governance practices. These values are reflected in our corporate culture and have helped strengthening our governance practices. Implementation and execution of various processes, procedures and policies not only governs the compliance but ensures adherence to the best corporate practices.

The ethics and values are practised by the Company and its subsidiaries which is at par with good corporate conduct. Through the governance mechanism implemented by the Company, the Board along with its committees accomplishes their fiduciary responsibilities towards its stakeholders by ensuring transparency, fair play and independence in the decision making.

The Company complies with the requirements of Corporate Governance as stipulated in various legislations including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), the applicable provisions of the Companies Act, 2013 (the "Act") and all other applicable rules and regulations thereunder.

We are presenting the report on Corporate Governance as prescribed under the Listing Regulations as below.

II. Board of Directors

The Board of Directors (the "Board") of the Company is an apex body, which inter alia, oversees its overall functioning, provides a strategic direction, guidance,

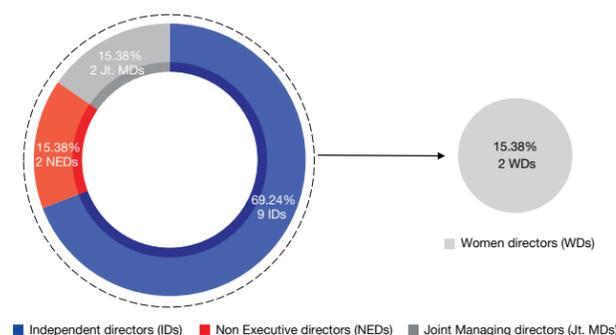
leadership and owns the fiduciary responsibility to ensure that the Company's actions and objectives are aligned in creating long term value for its stakeholders.

The Board comprises highly skilled professionals with wide range of expertise, having diverse background and possesses requisite qualifications and experience which enables it to discharge its responsibilities, provide effective leadership and independent views to the management. The Board helps the Company in adhering to high standards of corporate governance practices.

A. Composition of the Board

The Board has an optimum combination of executive and non-executive directors including independent women directors and the same is in conformity with Regulation 17 of the Listing Regulations. As on March 31, 2022, the Board comprised thirteen (13) directors, of which nine (9) were independent directors including two (2) women independent directors. Independent directors meets the requirement of Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. Based on the declarations received from the independent directors, the Board is of the opinion that, all the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management. The composition of the Board is in conformity with the Listing Regulations and the Act. The board mix provides a combination of professionalism, knowledge and experience required for the financial services industry.

To ensure transparency in the nomination process, the Board has adopted a Diversity Policy, which is formulated by the Nomination and Remuneration Committee (the "NRC"). The Policy ensures that the Board members have an appropriate blend of functional and industry expertise. For ease of reference, the composition of the Board is depicted in the chart below. The profile of each of the directors is available at <https://jmf.com/investor-relation/overview.html>.



Changes in the directorships during the financial year 2021-22

Upon completion of the term of five (5) years on September 30, 2021 as the Managing Director of the Company, Mr. Vishal Kampani (DIN: 00009079) has ceased to be the Managing Director effective from the close of business hours on the said date. Consequent upon this, the Board appointed him as the non-executive Vice Chairman of the Company with effect from October 1, 2021.

Mr. Vishal Kampani, is a relative (son) of Mr. Nimesh Kampani, who is the non-executive Chairman of the Company. Save and except this, none of the directors of the Company is related to other directors.

The Board, on the basis of the recommendation made by the NRC, appointed Mr. Atul Mehra (DIN: 00095542) and Mr. Adi Patel (DIN: 02307863) as additional directors and designated them as the Joint Managing Directors with effect from October 1, 2021. Members of the Company had approved their appointments as the Joint Managing Directors of the Company for a period of three (3) years with effect from October 1, 2021, vide special resolutions passed through the conduct of postal ballot on December 14, 2021. As directors, both Mr. Mehra and Mr. Patel are liable to retire by rotation.

Considering that the second term of Mr. E A Kshirsagar (DIN: 00121824), Dr. Vijay Kelkar (DIN: 00011991), Mr. Paul Zuckerman (DIN: 00112255) and Mr. Keki Dadiseth (DIN: 00052165), as independent directors of the Company is coming to an end on July 2, 2022, the Board appointed three (3) additional independent directors during the year to ensure smooth transition.

Basis the recommendation made by the NRC, the Board appointed Mr. Navroz Udawadia (DIN: 08355220), Ms. Roshini Bakshi (DIN: 01832163) and Mr. Pradip Kanakia (DIN: 00770347) as additional independent directors. While the appointments of Mr. Udawadia and Ms. Bakshi took effect from December 9, 2021, Mr. Kanakia's appointment was made effective from February 7, 2022. All the said appointments were made for a period of five (5) years from their respective dates of appointments.

The appointments as above of the independent directors of the Company have also been approved by the members by means of passing the special resolutions through the postal ballot on March 23, 2022.

The Board, on the basis of the recommendation made by the NRC, has appointed Mr. Sumit Bose (DIN: 03340616) as an additional independent director of the Company with effect from May 24, 2022, subject to the approval of the members

of the Company. The Company has sought approval for the appointment of Mr. Bose as an independent director from its members at the ensuing Annual General Meeting (the "AGM") scheduled on August 2, 2022. The initial term of Mr. Bose as an independent director shall be five (5) consecutive years commencing from May 24, 2022 to May 23, 2027 (both the days inclusive). Details of Mr. Bose, pursuant to the Regulation 36 of the Listing Regulations and in accordance with Secretarial Standard of Institute of Company Secretaries of India, is forming part of the statement to the Notice convening the AGM of the Company.

Mr. Darius E Udawadia (DIN: 00107751), ceased to be an independent director of the Company with effect from the close of business hours on October 20, 2021, consequent upon his resignation from the Board. Mr. Udawadia had confirmed that there are no material reasons for his resignation, other than those mentioned in his letter of resignation. The intimation of his resignation along with the reason therefore was also made to BSE Limited and National Stock Exchange of India Limited by the Company under the applicable provisions of the Listing Regulations. With this, he also ceases to be a member of the respective committees of the Board on which he was serving as such.

B. Directorships/memberships in other companies

None of the directors of the Company hold directorships in more than twenty (20) companies, which includes ten (10) public companies. In accordance with the Listing Regulations, none of the directors of the Company has held directorships and/or independent directorships in more than seven (7) listed companies during the financial year 2021-22. The Joint Managing Directors of the Company do not hold directorships as independent directors in any other equity listed company. Also, none of the directors are serving as a member of more than ten (10) committees or acting as the chairman of more than five (5) committees in accordance with the requirements of the Listing Regulations. Necessary disclosures regarding the committee positions, if any, held by the directors in other public companies have been made.

The information relating to the number and category of other directorships and committee chairmanships/memberships of the Company's directors in other public companies including the names of the listed entities as on March 31, 2022 is given below for information of the members.

Report on Corporate Governance (Contd.)

Sr. No.	Name of the Director	Category in the Company	Number of directorships in other public companies* (excluding the Company)				Number of committee positions held in other public companies** (excluding the Company)		Number of equity shares held in JM Financial Limited as on March 31, 2022
			Listed®	Name of the Listed Company	Category of Directorship	Unlisted	Chairman	Member	
1.	Mr. Nimesh Kampani	Non-Executive Chairman	-	-	-	2	1	1	12,57,50,000#
2.	Mr. Vishal Kampani	Non-Executive Vice Chairman	-	-	-	8	-	3	1,26,22,236
3.	Mr. E A Kshirsagar	Independent Director	2	Batliboi Limited	-	1	3	3	Nil
				Hawkins Cookers Limited	Independent Director				
4.	Dr. Vijay Kelkar	Independent Director	-	-	-	2	-	1	1,379
5.	Mr. Paul Zuckerman	Independent Director	-	-	-	-	-	-	Nil
6.	Mr. Keki Dadiseth	Independent Director	1	Britannia Industries Limited	Independent Director	-	-	1	Nil
7.	Ms. Jagi Mangat Panda	Independent Director	1	Ortel Communications Limited (Under CIRP)	Managing Director	4	1	2	Nil
8.	Mr. P S Jayakumar	Independent Director	3	CG Powers and Industrial Solutions Limited	-	5	3	9	Nil
				Adani Ports and Special Economic Zone Limited	Independent Director				
				HT Media Limited					
9.	Mr. Navroz Udawadia	Independent Director	-	-	-	-	-	-	Nil
10.	Ms. Roshini Bakshi	Independent Director	1	Persistent Systems Limited	Independent Director	2	-	1	Nil
11.	Mr. Pradip Kanakia	Independent Director	2	Camlin Fine Sciences Limited	-	1	1	1	Nil
				Healthcare Global Enterprises Limited	Independent Director				
12.	Mr. Atul Mehra	Joint Managing Director	-	-	-	1	-	2	5,00,000
13.	Mr. Adi Patel	Joint Managing Director	-	-	-	1	-	-	12,91,457

including 12,50,000 shares held in Nimesh Kampani HUF

* other directorships do not include private limited companies, foreign companies and companies registered under Section 8 of the Act.

** the information pertaining to the chairmanships/memberships of committees of the Board held by the directors includes only audit committee and stakeholders' relationship committee of equity listed entities as stated in the above table.

® includes only equity listed entities.

C. Skills/Expertise/Competencies of the Board

The Board members have rich and varied experience in critical areas like governance, finance, entrepreneurship, legal, economics, commercial, general management, etc., which enables them to satisfactorily discharge their duties as directors. This also helps them to effectively contribute in functioning of the Company.

The NRC of the Board also assesses and recommends the core skill sets required by the directors to enable the Board to perform its functions effectively.

Pursuant to Schedule V(C) of the Listing Regulations, the skills/expertise/competencies possessed by the directors are stated below.

Sr. No.	Name of the Director	Skills/expertise/competencies						
		Leadership qualities	Industry Knowledge and experience	Financial expertise	Corporate Governance	Understanding of relevant laws, rules and regulation and policy	Risk Management	Global experience / International Exposure
1.	Mr. Nimesh Kampani	✓	✓	✓	✓	✓	✓	✓
2.	Mr. Vishal Kampani	✓	✓	✓	✓	✓	✓	✓
3.	Mr. E A Kshirsagar	✓	✓	✓	✓	✓	✓	✓
4.	Dr. Vijay Kelkar	✓	✓	✓	✓	✓	-	✓
5.	Mr. Paul Zuckerman	✓	✓	✓	✓	✓	✓	✓
6.	Mr. Keki Dadiseth	✓	-	✓	✓	✓	-	✓
7.	Ms. Jagi Mangat Panda	✓	✓	-	✓	✓	✓	✓
8.	Mr. P S Jayakumar	✓	✓	✓	✓	✓	✓	✓
9.	Mr. Navroz Udawadia	✓	✓	-	✓	-	✓	✓
10.	Ms. Roshini Bakshi	✓	✓	-	✓	✓	-	✓
11.	Mr. Pradip Kanakia	✓	-	✓	✓	✓	✓	✓
12.	Mr. Sumit Bose	✓	✓	✓	✓	✓	✓	-
13.	Mr. Atul Mehra	✓	✓	✓	✓	✓	✓	✓
14.	Mr. Adi Patel	✓	✓	✓	✓	✓	✓	✓

D. Board meetings and Board procedure

During the financial year 2021-22, the Board met six (6) times on the following dates.

- May 5, 2021
- July 28, 2021
- September 22, 2021
- October 28, 2021
- December 9, 2021
- February 7, 2022

As permitted under Section 173(2) of the Act read with Rule 3 of the Companies (Meeting of Board & its powers) Rules, 2014, the Company had used the video conferencing facility for conducting all its Board and committee meetings, during the financial year 2021-22 due to exceptional circumstances caused by the Covid-19 pandemic and consequent relaxations granted by MCA and SEBI in this regard. Necessary quorum was present at all the above meetings.

The interval between the two (2) meetings was well within the maximum gap of one hundred and twenty (120) days.

The details of attendance of the directors at the Board meetings held during the financial year 2021-22 and at the last annual general meeting is given below.

Name of the Directors	Number of meetings attended	Whether the Annual General Meeting held on July 28, 2021 was attended
Mr. Nimesh Kampani	6 out of 6	Yes
Mr. Vishal Kampani	6 out of 6	Yes
Mr. E A Kshirsagar	6 out of 6	Yes
Mr. Darius E Udawadia*	2 out of 3	Yes
Dr. Vijay Kelkar	6 out of 6	Yes
Mr. Paul Zuckerman	6 out of 6	Yes
Mr. Keki Dadiseth	5 out of 6	Yes
Ms. Jagi Mangat Panda	6 out of 6	Yes
Mr. P S Jayakumar	6 out of 6	Yes
Mr. Navroz Udawadia (With effect from December 9, 2021)	0 out of 1	Not applicable
Ms. Roshini Bakshi (With effect from December 9, 2021)	1 out of 1	Not applicable
Mr. Pradip Kanakia (With effect from February 7, 2022)	1 out of 1	Not applicable
Mr. Atul Mehra (With effect from October 1, 2021)	3 out of 3	Not applicable
Mr. Adi Patel (With effect from October 1, 2021)	3 out of 3	Not applicable

* Ceased to be the independent director of the Company with effect from the close of business hours on October 20, 2021.

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The Board meetings are usually held at the registered office of the Company. However, due to exceptional circumstances arising out of Covid-19 pandemic and consequent relaxations granted by MCA and SEBI, all the Board meetings were held through video conferencing mode, thereby following the safety norms.

The Board and committee meetings are pre-scheduled and tentative dates of the said meetings are informed well in advance to facilitate the directors to plan their schedule. The Board meets at least once in a quarter to review financial results and operations of the Company. In addition, the Board also meets at least twice in a year to consider, discuss and decide the business strategy including policy matters and gaining the understanding of various businesses carried on by the subsidiaries of the Company.

The notices of all meetings are given well in advance to all the directors. The agenda, setting out the business to be transacted at the meeting, with well-structured and comprehensive notes on agenda, is circulated in advance to the Board members, to enable them to go through the same and take informed decisions. Agenda papers are circulated at least seven (7) days prior to the date of meeting. Additional items are taken up with the permission of the Chair and requisite consent of the directors present. However, in case of special and urgent business, the approval of the Board and the committee members are obtained by passing the circular resolutions as permitted under the applicable law, which are noted and confirmed in the subsequent Board and committee meetings.

With a view to leverage technology and reducing paper consumption, the Board and committee agenda is circulated in electronic mode through software which complies with high standards of security and integrity. Detailed presentations and notes are laid before each meeting, by the management and senior executives of the Company, to apprise the Board on overall performance on quarterly basis. The agenda also includes information as stipulated in Part A of Schedule II of the Listing Regulations, an action taken report comprising actions arising from the earlier Board and committee meetings and status updates thereof.

The information, in the nature of Unpublished Price Sensitive Information, is circulated to the Board/committee members at a shorter notice on secure platform, with the unanimous consent obtained from the Board at its first meeting held during the financial year.

In order to facilitate effective discussions, the agenda is bifurcated into items requiring approval and items which

are to be noted by the board. Clarifications/queries, if any, on the items which are to be noted/taken on record by the Board are sought and resolved before the meeting itself. This ensures focused and effective discussions at the meetings.

The senior executives/management of the Company and its subsidiaries are also invited to attend the meetings of the Board, committees, to make presentations on plans, business performance, operations, financial performance, risk management, regulatory environment of the Company and its subsidiaries and for other issues and matters to the Board on a periodical basis. Additionally, the board members interact with the CEOs/business heads of respective subsidiary companies for clarification/information, as and when required.

The Board, inter alia, reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, the compliance confirmations in respect of laws and regulations applicable to the Company. This includes the summary of compliance confirmations pertaining to respective subsidiary companies, performance of operating divisions, review of legal issues, if any, minutes of the previous meetings of the Board and committees and that of the subsidiaries, significant transactions and arrangements entered into by the subsidiaries, approval of quarterly/half-yearly/annual financial results, safety and risk management, sale of investments, major accounting provisions and write-offs, material default in financial obligations, if any. The Board has complete access to the information within the Company.

The Risk Management Committee of the Board periodically reviews the processes on risk assessment, risk mitigation and risk management. The framework comprises an in-house exercise on risk management review carried out periodically by the Company to identify and mitigate various risks faced by the Company and its subsidiaries from time to time. A detailed note on risk management process is given in the risk management section of Management Discussion and Analysis Report. Two (2) meetings of the risk management committee were held during the financial year, the details of which forms part of this Report.

The Company has well-established framework for the meetings of the Board and committees which seeks to systematise the decision-making process at the meetings in an informed and efficient manner.

The Company Secretary attends all the meetings of the board and its committees and is inter alia, responsible for recording the minutes of such meetings. Within

fifteen (15) days, the draft minutes of the Board and its committee meetings are circulated to the members for their comments in accordance with the Secretarial Standard on meetings of the Board of Directors (the "SS-1"), issued by the Institute of Company Secretaries of India. Suggestions, if any, received from the directors/members are suitably incorporated in the draft minutes, in consultation with the Chairman of the Board/committee. Thereafter, minutes are entered in the minutes book within the prescribed time limit.

E. Separate meeting of independent directors

During the financial year 2021-22, a separate meeting of the independent directors of the Company was held on March 29, 2022 without the presence of the non-executive Chairman, the non-executive Vice Chairman, the Joint Managing Directors and the management team of the Company. The meeting was attended by all the independent directors, except Mr. Navroz Udawadia due to his pre-occupation.

The independent directors, inter alia, discussed and reviewed the matters prescribed under Schedule IV to the Act and Regulation 25 of the Listing Regulations, among others.

F. Familiarisation Program for independent directors

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarisation programme for its independent directors to familiarise them with their roles, rights, responsibilities, etc., in relation to the nature of the financial services sector and the business model of the Company and its subsidiaries. Details of such familiarisation programme imparted to independent directors during the financial year 2021-22, is uploaded on the website of the Company at <https://jmfl.com/investor-relations/Familiarisation-Programme-for-Independent-Directors.pdf>.

As part of the initial familiarisation programme, the Company issues a formal letter of appointment to the independent directors outlining the role, function, duties and responsibilities of the independent directors being appointed. The letter of appointment as issued to the independent directors is available on the website of the Company at <https://jmfl.com/investor-relation/board-directors.html>. The information deck given to the directors as part of induction program, comprises the Company's profile, its code and policies, investor presentations, latest annual report, extracts of the applicable provisions of the Act, and the Listing Regulations pertaining to the duties and responsibilities of the independent directors.

As part of the continuous familiarisation programme, the Joint Managing Directors, the Group Chief Financial Officer, the Group Head - Compliance, Legal & Company Secretary and the respective business heads of the

Company make comprehensive presentations to the independent directors about the business of the Company and that of its subsidiaries, future outlook, plans and strategy, performance of the Company and as a group vis a vis its peers, update on the regulatory changes and its impact on the Group, etc., among others in order to facilitate transparency with directors and seek their valuable guidance and directions. Through this programme, it is ensured that independent directors are updated about the prevailing scenario, which enables them to make informed decisions in the best interests of the Company and its stakeholders.

G. Code of Conduct

The Company has adopted the Code of Conduct for its directors and senior management personnel (the "Code of Conduct") in accordance with applicable provisions of the Listing Regulations and the Act and the same is available on the website of the Company at https://jmfl.com/investor-relations/Code_of_Conduct_for_Directors_and_Senior_Management_Personnel.pdf. The Company through its Code of Conduct provides guiding principles of conduct to promote ethical business practice, fair dealing, managing situations of conflict of interest and compliance with applicable laws and regulations.

It is the responsibility of all the board members and senior management personnel to familiarise themselves with the Code and comply with its provisions. All the board members and senior management personnel have affirmed compliance with the Code of Conduct.

A declaration signed by the Joint Managing Directors to this effect is reproduced below.

DECLARATION

We confirm that the Company has obtained the confirmation from all its directors and senior management personnel that they have complied with the provisions of the Code of Conduct for the financial year 2021-22.

Atul Mehra
Joint Managing Director
DIN: 00095542

Adi Patel
Joint Managing Director
DIN: 02307863

Place: Mumbai
Date: May 24, 2022

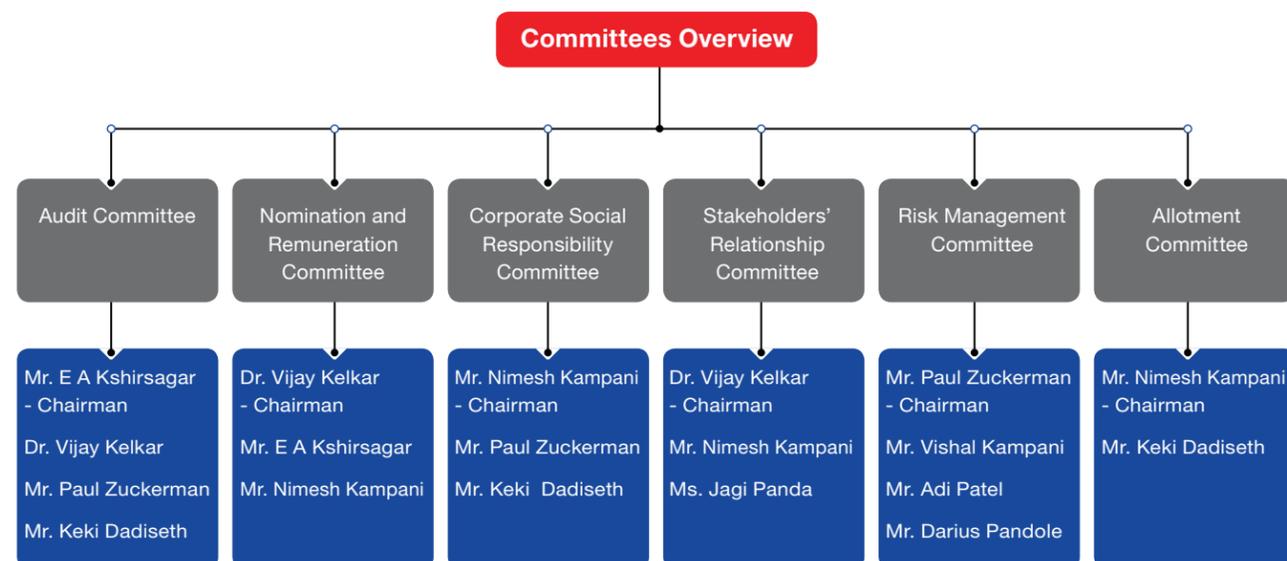
III. Committees of the Board

The Board has established various committees, the names of which along with its members are given below. The members of these committees have specialised functional knowledge and expertise to efficiently and effectively manage its affairs. These committees monitor the activities as per the scope defined in their respective charters and terms of reference, which are reviewed annually.

Report on Corporate Governance (Contd.)

The particulars of the committees as on March 31, 2022 is provided below.

Exhibit 1



Post the financial year, the composition of the above committees have been changed on April 22, 2022 and the revised composition is available on the website on the Company at <https://jmf.com/investor-relation/overview.html>.

A. Audit Committee

As on March 31, 2022, the audit committee comprised four (4) members, all of whom were non-executive independent directors thereby meeting the requirements of Section 177 of the Act read with rules thereto and Regulation 18 of the Listing Regulations. All the members of the audit committee are financially literate and possess thorough knowledge of the financial services industry.

Mr. E A Kshirsagar, independent director and a qualified chartered accountant is the Chairman of the committee. He attended the last annual general meeting held on July 28, 2021 as required under Regulation 18(1)(d) of the Listing Regulations.

The Board, at its meeting held on April 22, 2022, has inducted additional members in the audit committee apart from the ones mentioned in **Exhibit 1**. The newly appointed members are, Mr. Pradip Kanakia, Mr. P S Jayakumar and Ms. Roshini Bakshi. This has been done by the Board to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members, since the second term of Mr. Kshirsagar, Dr. Kelkar, Mr. Zuckerman and Mr. Dadiseth as independent directors is coming to an end on July 2, 2022. The

independent directors, whose second term is ending on July 2, 2022 would hence cease to be the member of the audit committee effective from that date.

The Company Secretary acts as the Secretary to the committee. The meetings of the audit committee are also attended by the Group Chief Financial Officer. The representatives of the internal auditors and the statutory auditors are also invited to attend these meetings to take the members through the financial results and their observations, if any. The Company Secretary is the Compliance Officer to ensure compliance and effective implementation of the Code for prevention of insider trading in the Company.

During the financial year 2021-22, the audit committee met five (5) times on May 5, 2021, July 28, 2021, September 20, 2021, October 28, 2021 and February 7, 2022. The required quorum was present at all the audit committee meetings and the gap between two meetings did not exceed a period of one hundred and twenty days (120 days), notwithstanding the relaxation granted by the MCA and SEBI vide their respective circulars.

In addition to the quarterly meetings for consideration of financial results, an additional meeting of the audit committee was also scheduled to consider and discuss the special assignment given by it to the internal auditors pertaining to the related party transactions amongst others.

The audit committee had also reviewed the information stipulated in Part C of Schedule II of the Listing Regulations during its above meetings.

The attendance of the members of the committee at the above meetings was as under.

Name of the members	Position	Number of meetings attended
Mr. E A Kshirsagar	Chairman	5 out of 5
Mr. Darius E Udawadia*	Member	2 out of 3
Dr. Vijay Kelkar	Member	3 out of 5
Mr. Paul Zuckerman	Member	5 out of 5
Mr. Keki Dadiseth	Member	4 out of 5

* Ceased to be a member of the committee with effect from the close of business hours on October 20, 2021.

The broad terms of reference of the audit committee, inter alia, includes the following.

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company;
- c) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- d) Approval for all payments to the statutory auditors for any other services rendered by them;
- e) Review with the management, the annual financial statements and auditors report thereon before submission to the Board for its approval, with particular reference to
 - i. Matters required to be included in the directors' responsibility statement forming part of the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments, if any, made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;

- vi. Disclosure of all related party transactions;
- vii. Modified opinion(s), if any, in the draft audit report.

f) Review with the management, the quarterly financial statements before submission to the board for its approval;

g) Review with the management a statement of uses/application of funds raised through an issue, the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or right issue and making appropriate recommendations to the board to take steps in this matter;

h) Approval or any subsequent modification of transactions of the company with its related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) Discussion with internal auditors of any significant findings and follow up thereon;

o) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) Review the functioning of the Whistle Blower mechanism;

Report on Corporate Governance (Contd.)

- s) Approve appointment of the chief financial officer;
- t) Review of utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- u) Review of compliances with SEBI (Prevention of Insider Trading) Amended Regulations, 2018 and to verify that the systems for internal control are adequate and are operating effectively, at least once in a financial year;
- v) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its shareholders.
- w) Such other functions as may be entrusted to it by the board of directors from time to time.

The Chairman of the audit committee apprises the Board about significant discussions and decisions taken at the committee meetings including those relating to the financial results, internal audit reports, statutory auditors reports and the limited review reports provided by them.

B. Nomination and Remuneration Committee

As on March 31, 2022, the nomination and remuneration committee comprised three (3) members of which two (2) were independent directors thereby meeting the requirements of Section 178 of the Act read with rules thereto and Regulation 19 of the Listing Regulations.

Dr. Vijay Kelkar, independent director, is the Chairman of the committee. He attended the last annual general meeting held on July 28, 2021 as required under Regulation 19(3) of the Listing Regulations.

The Board, at its meeting held on April 22, 2022, has inducted additional members in the NRC apart from the ones mentioned in **Exhibit 1**. The newly appointed members are Mr. P S Jayakumar, Ms. Roshini Bakshi, Ms. Jagi Mangat Panda and Mr. Vishal Kampani. This has been done by the Board to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members, since the second term of Mr. Kshirsagar and Dr. Kelkar as independent directors is coming to an end on July 2, 2022. The independent directors, whose second term is ending on July 2, 2022 would hence cease to be the member of the NRC effective from that date.

During the financial year 2021-22, the NRC met seven (7) times on April 20, 2021, August 19, 2021, September 20, 2021, October 25, 2021, December 2, 2021, December 9, 2021 and February 7, 2022. The required quorum was present at all the said NRC meetings.

The matters considered by the NRC during the year, inter alia, included determination of performance linked discretionary bonus and annual compensation of the key managerial personnel and the senior managerial personnel, consideration of the candidature of the persons to be appointed as independent directors of the Company and recommendation to the Board, performance evaluation of individual directors, the board as a whole and the board committees, among other matters.

The attendance of the members of the committee at the above meetings was as under.

Name of the members	Position	Number of meetings attended
Dr. Vijay Kelkar	Chairman	7 out of 7
Mr. E A Kshirsagar	Member	7 out of 7
Mr. Nimesh Kampani	Member	7 out of 7
Mr. Darius E Udawadia*	Member	2 out of 3

* Ceased to be a member of the committee with effect from the close of business hours on October 20, 2021.

The broad terms of reference of the NRC, inter alia, includes the following.

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- b) For every appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the committee may
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
- c) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- d) Devising a policy on diversity of board of directors;
- e) Identifying persons who are qualified to become directors and who may be appointed in senior

management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

- f) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- g) Recommend to the board, the remuneration of directors, key managerial personnel and senior management which would involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals
- h) Such other functions as may be entrusted to it by the Board of Directors from time to time.

Criteria for Performance Evaluation and Remuneration of Directors

Policy on Performance Evaluation and Remuneration of the Directors (the “**Policy**”) has been framed for evaluating the performance of the board as a whole, the chairman, the executive/non-executive directors and the independent directors. Based on the same and pursuant to the provisions of Regulation 17(10) of the Listing Regulations and those of the Act, annual performance evaluation was carried out by the NRC of the Board during the financial year ended March 31, 2022. The same was then recommended to the Board of Directors.

The Policy, inter alia, provides the criteria for performance evaluation such as board effectiveness, quality of discussion and contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the committees to the board in discharging its functions, etc.

C. Corporate Social Responsibility Committee

As on March 31, 2022, the Corporate Social Responsibility (the “**CSR**”) committee comprised three (3) members of which, two (2) were independent directors. The composition was in line with the requirements of Section 135 of the Act and the applicable rules made thereunder.

The committee is chaired by Mr. Nimesh Kampani, the Non-Executive Chairman of the Company.

The CSR committee has been constituted to identify, execute and monitor the CSR projects and assist the Board and the Company in fulfilling its corporate social responsibility objectives and achieving the desired results.

The Board, at its meeting held on April 22, 2022, has inducted additional members in the CSR committee apart from the ones mentioned in **Exhibit 1**. The newly appointed members are, Ms. Jagi Mangat Panda and Mr. Pradip Kanakia. This has been done by the Board to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members, since the second term of Mr. Zuckerman and Mr. Dadiseth as independent directors is coming to an end on July 2, 2022. The independent directors, whose second term is ending on July 2, 2022 would hence cease to be the member of the CSR effective from that date.

During the financial year 2021-22, the CSR committee met twice on June 11, 2021 and March 21, 2022. The attendance of the members of the committee at the above meetings was as under.

Name of the members	Position	Number of meetings attended
Mr. Nimesh Kampani	Chairman	2 out of 2
Mr. Paul Zuckerman	Member	2 out of 2
Mr. Keki Dadiseth	Member	2 out of 2

The broad terms of reference of the CSR committee, inter alia, includes the following.

- a) Formulate and recommend to the board, the CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII to the Act;
- b) Make recommendation on the amount of expenditure to be incurred on CSR activities;
- c) Institute a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company;
- d) Such other tasks as may be entrusted to it by the Board of Directors, from time to time.

The update on the CSR activities undertaken by the Company through its philanthropic arm and implementing agency viz., JM Financial Foundation is provided in the CSR section of the Management Discussion and Analysis Report forming part of the Directors’ Report.

D. Stakeholders’ Relationship Committee

As on March 31, 2022, the Stakeholders’ Relationship Committee (the “**SRC**”) comprised three (3) members, of which two (2) were independent directors and one (1) was a non-executive director, thereby meeting the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the Listing Regulations.

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Dr. Vijay Kelkar, independent director, is the Chairman of the committee. He attended the last annual general meeting held on July 28, 2021 as required under Regulation 20(3) of the Listing Regulations.

The Board, at its meeting held on April 22, 2022, has inducted additional members in the SRC apart from the ones mentioned in **Exhibit 1**. The newly appointed members are, Mr. Navroz Udawadia and Mr. Atul Mehra. This has been done by the Board to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members, since the second term of Dr. Kelkar is coming to an end on July 2, 2022. He would hence cease to be the member of the SRC effective from that date.

Mr. Prashant Choksi, Group Head – Compliance, Legal & Company Secretary also acts as the Compliance Officer and the Secretary to the committee.

During the financial year 2021-22, the SRC met four (4) times on May 5, 2021, July 28, 2021, October 25, 2021 and February 7, 2022. The required quorum was present at all the said meetings.

The attendance of the members of the committee at the above meetings was as under.

Name of the members	Position	Number of meetings attended
Dr. Vijay Kelkar	Chairman	4 out of 4
Mr. Nimesh Kampani	Member	4 out of 4
Ms. Jagi Mangat Panda	Member	4 out of 4

The broad terms of reference of the SRC, inter alia, includes the following.

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

- Such other tasks as may be entrusted to it by the Board of Directors, from time to time.

Nature and number of grievances

During the financial year 2021-22, the Company/its Registrar and Transfer Agents (the “RTA”) received three (3) grievances from the shareholders pertaining to the payment of unclaimed dividend, non-receipt of physical copy of the annual report and modification in the bank account details. The grievances received as above were duly resolved in a timely manner. No complaints were pending to be resolved at the end of any quarter.

Requests for transmission of shares held in physical mode are approved by the Joint Managing Directors and/or Company Secretary as per the authority delegated by the Board to them for speedy disposal of such cases.

E. Risk Management Committee

As on March 31, 2022, the Risk Management Committee (the “RMC”) comprised four (4) members, of which one (1) was independent director, thereby meeting the requirements of Regulation 21 of the Listing Regulations.

Mr. Paul Zuckerman, independent director is the Chairman of the committee. During the year, Mr. Darius E Udawadia ceased to be an independent director of the Company with effect from the close of business hours on October 20, 2021, consequent upon his resignation from the Board, he also ceased to be a member of the RMC of the Board.

The Board, at its meeting held on April 22, 2022, has reconstituted the RMC by inducting additional members in the RMC apart from the ones mentioned in **Exhibit 1**. The newly appointed members are, Mr. Navroz Udawadia, Mr. P S Jayakumar and Mr. Atul Mehra. This has been done by the Board to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members, since the second term of Mr. Zuckerman is coming to an end on July 2, 2022. He would hence cease to be the member of RMC effective from that date. Mr. Darius Pandole ceased to be a member of the committee with effect from April 22, 2022.

During the financial year 2021-22, the RMC met twice on May 4, 2021 and October 30, 2021 and the gap between two meetings did not exceed a period of one hundred and eighty days (180 days) in accordance with the applicable provisions of the Listing Regulations.

The attendance of the members of the committee at the above meetings was as under.

Name of the members	Position	Number of meetings attended
Mr. Darius E Udawadia*	Chairman	0 out of 1
Mr. Paul Zuckerman	Chairman	2 out of 2
Mr. Vishal Kampani	Member	1 out of 2
Mr. Adi Patel	Member	2 out of 2
Mr. Darius Pandole	Member	2 out of 2

* Ceased to be a member of the committee with effect from the close of business hours on October 20, 2021.

The broad terms of reference of the RMC, inter alia, includes the following.

- Formulation of detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, reputational, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business Continuity plan
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keeping the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- Appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- Such other functions as may be entrusted to it by the Board of Directors, from time to time.

F. Allotment Committee

As on March 31, 2022, the allotment committee comprised two (2) members, one of which was independent director. During the year, Mr. Darius E Udawadia ceased to be an independent director of the Company with effect from the close of business hours on October 20, 2021, consequent upon his resignation from the Board, he also ceased to be a member of the allotment committee of the Board. The committee is chaired by Mr. Nimesh Kampani.

The Board, at its meeting held on April 22, 2022, has inducted additional members in the allotment committee apart from the ones mentioned in **Exhibit 1**. The newly appointed members are, Ms. Jagi Mangat Panda, Mr. Atul Mehra and Mr. Adi Patel. This has been done by the Board to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members, since the second term of Mr. Dadiseth is coming to an end on July 2, 2022. He would hence cease to be the member of allotment committee effective from that date.

During the financial year 2021-22, the allotment committee met six (6) times on June 11, 2021, August 5, 2021, October 19, 2021, December 9, 2021, February 22, 2022 and March 16, 2022.

The attendance of the members of the committee at the above meetings was as under.

Name of the members	Position	Number of meetings attended
Mr. Nimesh Kampani	Chairman	6 out of 6
Mr. Darius E Udawadia*	Member	2 out of 3
Mr. Keki Dadiseth	Member	6 out of 6

* Ceased to be a member of the committee with effect from the close of business hours on October 20, 2021.

The broad terms of reference of the Allotment Committee, inter alia, includes the following.

- Authority to approve the allotment of shares/securities arising out of exercise of stock options such as allotment of shares and other securities arising out of bonus/rights/other issues;
- Requests for issue of duplicate share certificates; and
- Issuance of new share certificates upon rematerialisation, etc., as and when required.

Report on Corporate Governance (Contd.)

Secretarial Standards

The Company is in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

IV. Disclosure In relation to Remuneration of Directors**a. Remuneration of Mr. Vishal Kampani**

In accordance with the terms of the agreement entered into by the Company with Mr. Vishal Kampani, the Company has paid the following remuneration to him for the period from April 1, 2021 to September 30, 2021, since he was the Managing Director during this period.

	(Amount in ₹)
Salary	90,00,000
Perquisites	23,14,798
Total	1,13,14,798

The amount as above does not include the Company's contribution to provident fund, which was paid to Mr. Kampani as per the rules of the Company.

No sitting fees were paid to Mr. Kampani for attending the meetings of the Board held during the period from April 1, 2021 to September 30, 2021. He was however paid sitting fees of ₹ 3,00,000 for attending the Board/committee meetings during the period from October 1, 2021 to March 31, 2022, since he was the non-executive Vice-Chairman of the Company during that period. Additionally, the Board of Directors has also decided to pay profit related commission of ₹ 10,00,000 to him for the period October 1, 2021 to March 31, 2022.

Apart from the above, Mr. Vishal Kampani is also paid remuneration from the following subsidiaries of which he is serving as the Managing Director.

Name of the subsidiary company	Period
JM Financial Products Limited	April 1, 2021 to March 31, 2022
JM Financial Credit Solutions Limited	October 1, 2021 to March 31, 2022

b. Remuneration of the Joint Managing Directors

The compensation structure of the Joint Managing Directors consists of two parts – fixed and variable, determined on the basis of

- Market benchmarking
- Individual performance
- Performance of the Company.

The above compensation structure is also reviewed by the NRC and approved by the Board of Directors.

Remuneration of the Joint Managing Directors**Mr. Atul Mehra**

In accordance with the terms of the agreement entered into by the Company with Mr. Atul Mehra, an aggregate amount of the remuneration as mentioned below has been paid/payable by the Company to him for the financial year 2021-22.

	(Amount in ₹)
Salary*	4,90,64,535
Perquisites	1,62,364
Total	4,92,26,899

* Comprises fixed salary for the period October 1, 2021 to March 31, 2022 and a year end performance linked discretionary bonus.

The amount as above does not include the Company's contribution to provident fund, which is paid to Mr. Mehra as per the rules of the Company.

No sitting fees was paid to Mr. Mehra for attending the meetings of the Board during the period from October 1, 2021 to March 31, 2022.

Mr. Adi Patel

In accordance with the terms of the agreement entered into by the Company with Mr. Adi Patel, an aggregate amount of the remuneration as mentioned below has been paid/payable by the Company to him for the financial year 2021-22.

	(Amount in ₹)
Salary*	4,99,60,000
Perquisites	1,54,076
Total	5,01,14,076

*Comprises fixed salary for the period October 1, 2021 to March 31, 2022 and a year end performance linked discretionary bonus.

The amount as above does not include the Company's contribution to provident fund, which is paid to Mr. Patel as per the rules of the Company.

No sitting fees was paid to Mr. Patel for attending the meetings of the Board during the period from October 1, 2021 to March 31, 2022.

c. Remuneration Policy for Non-executive Directors

The Non-executive/independent directors are entitled to receive remuneration by way of sitting fees for attending the meetings of the Board and/or committees thereof, as decided by the Board from time to time subject to the limits specified under the Act. Additionally, they are also entitled to receive profit related commission as may be determined by the Board within the limits specified under the applicable provisions of the Act.

The Company follows transparent process for determining the remuneration of non-executive/independent directors. The remuneration in the form of commission is determined on the basis of the role assumed, number of meetings of the board and the committees thereof is attended by them, the position held as the Chairman and a member of the committees and their overall contribution as board/committee members. Besides this, the Board also takes into consideration the external competitive environment,

track record, individual performance of such directors and performance of the Company as well as the industry standards in determining the remuneration of the Non-executive/independent directors.

Considering the above, the Board has decided to pay an aggregate amount of ₹ 1,54,00,000 as and by way of commission to the non-executive/independent directors of the Company for the financial year 2021-22. The details of sitting fees/commission paid/payable to the non-executive/independent directors are given below.

Name of Director	Sitting fees paid during the financial year 2021-22		Commission	
	Board meeting	Committee meetings	Paid for FY 2020-21	Payable for FY 2021-22
Mr. Nimesh Kampani*	-	-	-	-
Mr. Vishal Kampani**	3,00,000	-	-	10,00,000
Mr. E A Kshirsagar	6,00,000	3,90,000	25,00,000	25,00,000
Mr. Darius E Udawadia	2,00,000	1,50,000	20,00,000	10,00,000
Mr. Paul Zuckerman	6,00,000	3,10,000	20,00,000	20,00,000
Dr. Vijay Kelkar	6,00,000	3,30,000	23,00,000	23,00,000
Mr. Keki Dadiseth	5,00,000	2,70,000	20,00,000	20,00,000
Ms. Jagi Mangat Panda	6,00,000	40,000	20,00,000	20,00,000
Mr. P S Jayakumar	6,00,000	-	20,00,000	20,00,000
Mr. Navroz Udawadia	-	-	-	-
Ms. Roshini Bakshi	1,00,000	-	-	3,00,000
Mr. Pradip Kanakia	1,00,000	-	-	3,00,000

* Mr. Nimesh Kampani has voluntarily declined to receive any sitting fees for attending the meetings of the board/committees of the Company and profit related commission for the financial year 2021-22.

** For the period from October 1, 2021 to March 31, 2022 as non-executive vice chairman.

Sitting fees for attending the committee meetings are

- Audit Committee - ₹ 50,000 per meeting
- Nomination and Remuneration Committee - ₹ 20,000 per meeting
- Corporate Social Responsibility Committee - ₹ 20,000 per meeting
- Stakeholders' Relationship Committee - ₹ 10,000 per meeting
- Risk Management Committee - ₹ 10,000 per meeting
- Allotment Committee - ₹ 5,000 per meeting

Notes:

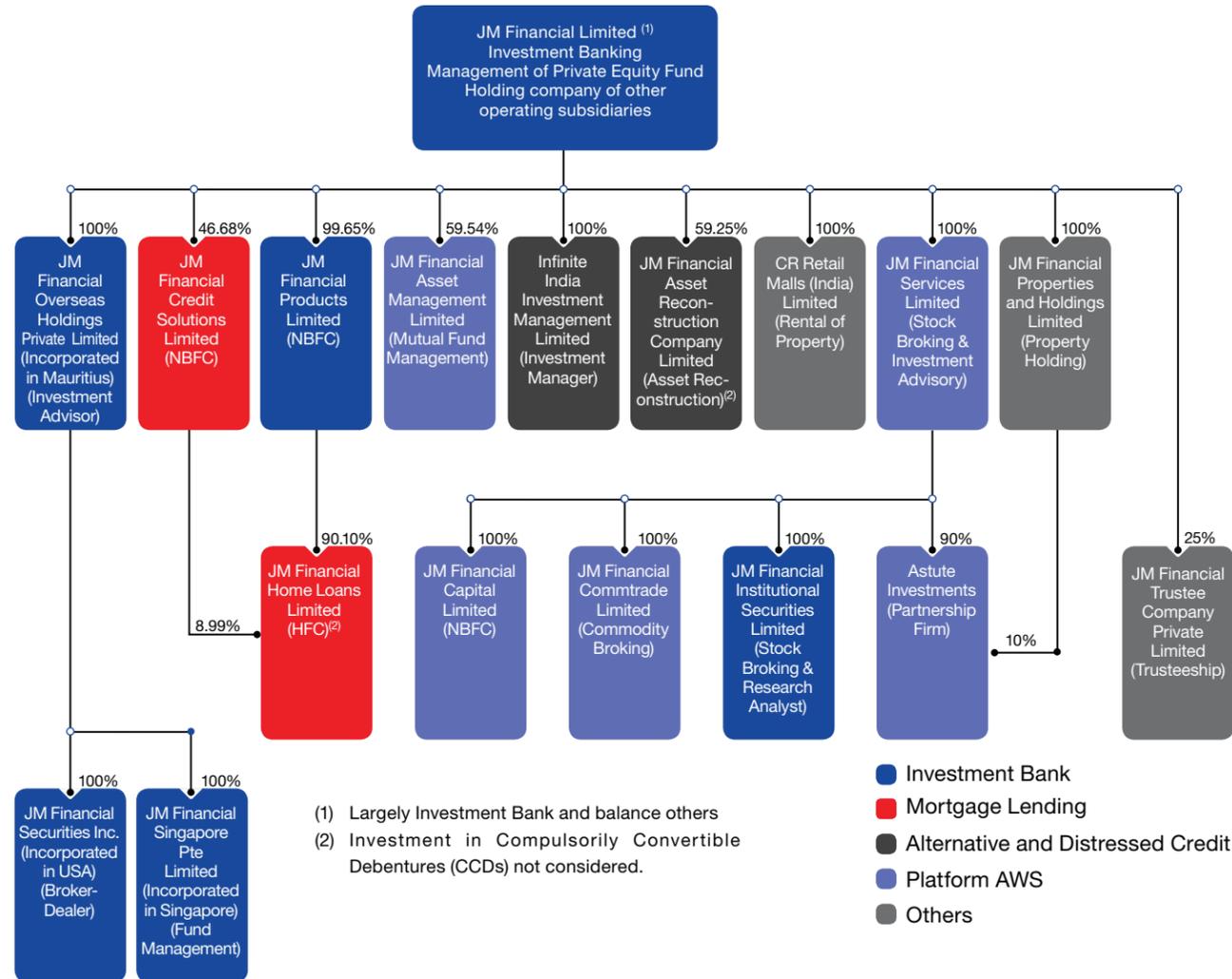
- Additionally, independent directors have also been paid sitting fees of ₹ 100,000 for attending the independent directors' meeting held on March 29, 2022.
- Mr. Keki Dadiseth serves as a senior advisor, in his professional capacity, in one of the Company's private equity funds, namely, JM Financial India Trust II, for which he was paid a professional fees of ₹ 4,00,000 during the financial year 2021-22. The payment of the said professional fees does not affect his independence.
- Other than the above, no payments have been made to any of the independent directors by the Company except towards the reimbursement of expenses, if any.

As per the practice followed by the Company, the commission for the financial year 2021-22 will be paid to non-executive/independent directors after the financial statements are adopted by the members at the 37th Annual General Meeting of the Company.

Report on Corporate Governance (Contd.)

Subsidiary and Associate Companies

As on March 31, 2022, the Company had the following subsidiaries and an associate company.



(1) Largely Investment Bank and balance others
(2) Investment in Compulsorily Convertible Debentures (CCDs) not considered.

In terms of Regulation 16(1)(c) of the Listing Regulations, the material subsidiaries of the Company as on March 31, 2022 are given below.

- 1) JM Financial Products Limited
- 2) JM Financial Credit Solutions Limited
- 3) JM Financial Asset Reconstruction Company Limited
- 4) JM Financial Services Limited

Pursuant to Regulation 15(1A) of the Listing Regulations, JM Financial Credit Solutions Limited, JM Financial Products Limited and JM Financial Asset Reconstruction Company Limited are referred as the “high value debt listed entities”.

In terms of the Regulation 24(1) of the Listing Regulations, none of the subsidiaries of the Company falls under the term material unlisted subsidiary or exceeds the threshold mentioned thereunder.

The subsidiaries of the Company functions independently, with an adequately empowered Board of Directors and resources available at their disposal. For enhanced effective governance, the minutes of the board meetings of the subsidiaries are also placed at the board meetings of the Company. The management also periodically brings to the attention of the Board of Directors, a statement of significant transactions and arrangements entered into by all the subsidiaries of the Company. The audit committee of the Company also reviews the financial statements, in particular, the investments made by the subsidiaries.

V. General Body Meetings

i. The details of Annual General Meetings (“AGM”) held during the last three (3) years and the special resolutions passed thereat are as under.

Date of AGM	Venue	Time	Whether Special Resolution passed	Summary of Special Resolutions
July 19, 2019	J. K. Banquets Hall, Industry Manor, 1/B - 1&2, Ground Floor, Appasaheb Marathe Marg, Near Century Bhavan, Prabhadevi, Mumbai 400 025	3.30 pm	Yes	<ul style="list-style-type: none"> Re-appointment of Ms. Jagi Mangat Panda (DIN: 00304690), as an independent director of the Company, not liable to retire by rotation, for a further term not exceeding five (5) consecutive years from March 31, 2020 to March 30, 2025. Issue of redeemable non-convertible debentures for an amount aggregating up to ₹ 2,500 Crore.
July 30, 2020	Held through Video conferencing/ other audio visual means in accordance with the Circulars issued by MCA and SEBI, in view of Covid-19 pandemic.	3.30 pm	Yes	<ul style="list-style-type: none"> Issue of redeemable non-convertible debentures for an amount aggregating up to ₹ 1,000 Crore.
July 28, 2021	Held through Video conferencing/ other audio visual means in accordance with the Circulars issued by MCA and SEBI, in view of Covid-19 pandemic.	4.00 pm	Yes	<ul style="list-style-type: none"> Continuation of directorship of Mr. Nimesh Kampani (DIN: 00009071) notwithstanding he attaining the age of seventy five (75) years on September 30, 2021. Issue of redeemable non-convertible debentures for an amount aggregating up to ₹ 1,000 Crore.

ii. Special Resolutions passed through Postal Ballot

During the financial year 2021-22, special resolutions in respect of the following matters were passed with the requisite majority through postal ballot on December 14, 2021 and March 23, 2022 by the members of the Company in accordance with the applicable provisions of the Act and the Listing Regulations.

Sr. No.	Matters	Numbers of votes in favour (% of total votes cast)	Numbers of votes against (% of total votes cast)
Special Resolutions passed through postal ballot on December 14, 2021			
1.	Appointment of Mr. Atul Mehra (DIN: 00095542) as a Joint Managing Director of the Company.	73,91,52,893 (91.41%)	6,94,85,646 (8.59%)
2.	Appointment of Mr. Adi Patel (DIN: 02307863) as a Joint Managing Director of the Company.	73,83,61,692 (91.40%)	6,94,85,390 (8.60%)
Special Resolutions passed through postal ballot on March 23, 2022			
1.	Appointment of Mr. Navroz Udwardia (DIN: 08355220) as an independent director of the Company	75,20,75,528 (98.77%)	93,57,335 (1.23%)
2.	Appointment of Ms. Roshini Bakshi (DIN: 01832163) as an independent director of the Company	68,83,47,768 (90.40%)	7,30,83,876 (9.60%)
3.	Appointment of Mr. Pradip Kanakia (DIN: 00770347) as an independent director of the Company	76,13,95,526 (99.99%)	33,878 (0.01%)

Procedure followed

1. Pursuant to the provisions of the Act and Listing Regulations, the Company provided the facility to the members to exercise their votes through electronic voting system (“remote e-voting”).
2. As per the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020 and 39/2020 dated December 31, 2020 issued by the Ministry

of Corporate Affairs and on account of the threats posed by the Covid-19 pandemic, physical copies of the Notice, postal ballot forms and pre-paid business reply envelopes were not sent to the members for the postal ballot conducted during the year under review. Members were requested to provide their assent or dissent through e-voting only.

3. The Company also published notice in the newspapers for the information of the members. Voting rights were

Report on Corporate Governance (Contd.)

reckoned on the equity shares held by the members as on the cut-off date.

4. The Company had appointed Ms. Jayshree S Joshi, Company Secretary, Proprietor of M/s. Jayshree Dagli & Associates, Company Secretaries, Mumbai, as Scrutiniser to conduct the Postal Ballot process in a fair and transparent manner. The resolutions mentioned above were passed by the members/shareholders with the requisite majority in favour of the Company.
5. The Company has adhered to the procedure as prescribed under the Act, the Rules made thereunder, the Secretarial Standard on General Meetings (SS-2) and other applicable statutes, if any, for conducting the above postal ballot process.
6. Resolutions, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

VI. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for financial year 2021-22, prepared in accordance with the Listing Regulations, forms part of the Directors' Report.

VII. Disclosures

A. Policies determining Material Subsidiaries and Related Party Transactions

The Board has adopted the policy for determining material subsidiaries pursuant to Regulation 16 of the Listing Regulations, which is available on the website of the Company at https://jmfl.com/investor-relations/Policy_on_Material_Subsidiaries.pdf.

The policy on dealing with related party transactions, pursuant to Regulation 23 of the Listing Regulations, is also available on the Company's website at https://jmfl.com/investor-relations/Policy_on_dealing_with_related_party_transactions.pdf.

B. Disclosure on Material Related Party Transactions

During the year, the Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company. The Policy on material related party transactions, duly approved by the Board, is uploaded on the website of the Company.

C. Penalty or Strictures

No penalties or strictures have been imposed on the Company by stock exchanges or SEBI or any other statutory authority in any matter related to capital markets during the last three (3) years.

D. Code of Conduct for Prevention of Insider Trading

The Company has adopted the code of conduct (the "Code") for prevention of insider trading to regulate the trading in securities by the directors and designated persons of the Company pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Code requires pre-clearance of all trades in the shares of the Company. It also prohibits trading in the shares of the Company by the designated persons while in possession of unpublished price sensitive information and during the closure of trading window.

The Company has appointed the Company Secretary as the Compliance Officer to ensure compliance of the said Code by all the directors and designated persons likely to have access to unpublished price sensitive information. The Code is uploaded on the Company's website at https://jmfl.com/investor-relations/Code_for_Prevention_of_Insider_Trading.pdf.

E. Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Regulation 22 of the Listing Regulations and Section 177 of the Act, the Company has established vigil mechanism/whistle blower policy for the directors and employees of the Company to report their genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud. The Company has provided dedicated e-mail address for reporting such concerns. Alternatively, employees can also send written communications to the Chairman of the audit committee. The Company affirms that no personnel have been denied access to the audit committee. The Chairman of the audit committee has confirmed that there were no such cases of whistle blower reported to him, during the financial year 2021-22.

The Policy provides that no adverse action shall be taken or recommended against a director or an employee in retaliation to his/her disclosure in good faith of any unethical behaviour and improper practices or alleged wrongful conduct. This mechanism protects such directors and employees from any unfair or prejudicial treatment by anyone within the Company. The Whistle Blower Policy is available on the website of the Company at https://jmfl.com/investor-relations/Whistle_Blower_Policy.pdf.

F. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk. As on March 31, 2022, the Company has foreign exchange receivable which is equivalent to ₹ 9.18 Crore and there was no foreign exchange payable as on the said date.

G. Certification about Directors

The Company has obtained a certificate from M/s. Makarand M Joshi & Co., company secretaries that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authorities. A copy of the said certificate is appended to this Report.

H. Total fees paid to Statutory Auditors

Details relating to the fees paid to the Statutory Auditors of the Company and its subsidiaries, during the financial year 2021-22, is stated in note 35.1 to consolidated financial statements, which forms part of the Annual Report.

I. Joint Managing Directors (Joint MDs) and Chief Financial Officer (CFO) Certification

As required under the Listing Regulations, the Joint MDs and the CFO of the Company have certified the accuracy of financial statements for the financial year 2021-22 and adequacy of internal control systems for financial reporting for the said year, which is appended to this Report.

J. Details of Utilization of Funds raised through Qualified Institutional Placement

The Company had raised ₹ 770 Crore through an equity issuance under Qualified Institutions Placement (QIP) route in June 2020. The net proceeds from the QIP, pending utilisation, have been temporarily deployed in income generating assets.

K. Disclosures related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to provide a work environment that ensures every person is treated with dignity, respect and afforded equal treatment. The Company has a Policy on 'Prevention of Sexual Harassment' in accordance with the provisions of the Sexual Harassment of Women at Workplace

(Prevention, Prohibition and Redressal) Act, 2013 ("POSH"). This is aimed at providing everyone who visits our workplace, experience an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights.

No cases were reported during the year under review. There were no complaints pending as on March 31, 2022. The Company has constituted the Internal Complaints Committee in compliance with the requirements under POSH.

L. Auditors Certificate on Corporate Governance

Pursuant to the Listing Regulations, the Auditors Certificate on Corporate Governance Report, forms part of this Report.

VIII. Means of Communication

The Company recognises the importance of two way communication with shareholders and giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of the Company's corporate governance ethos. The Company regularly interacts with its shareholders through multiple channels of communication.

A. Quarterly Results

The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and are also published in English newspaper (Business Standard) and a Marathi daily (Sakal). The quarterly/annual results, press releases, earnings calls on the financial results and the presentation made to the institutional investors/analysts are also uploaded on the website of the Company at www.jmfl.com. The Company also sends the quarterly results via emails to those shareholders who have registered their email- ids with their Depository Participants or with its RTA.

B. Dividend Intimations

The Company sends intimation to all its shareholders about the dividend credited to their bank accounts or pay orders issued to them, in cases where bank details are not available in its record or the dividend credit has been rejected by their respective banks. Shareholders are requested to check whether the dividend amount has been credited to their bank accounts or not and revert to the Company or its RTA, if the same has not been credited.

C. Website

The website of the Company www.jmfl.com provides information about the businesses carried on by

Report on Corporate Governance (Contd.)

the Company, its subsidiaries and associate. The primary source of information to the shareholders, customers, analysts and other stakeholders of the Company and to public at large goes through the website of the Company at www.jmfl.com.

Financial results, annual reports, shareholding pattern, official news releases, quarterly corporate governance report, details of unclaimed dividend, various policies adopted by the board and other general information about the Company and such other disclosures as required under the Listing Regulations, are uploaded, and made available on the Company's website.

D. Annual Report

Annual Report containing, inter alia, the standalone and consolidated financial statements, directors' report, auditors report and other important information is circulated to the shareholders of the Company prior to the AGM. The annual report of the Company is also available on its website at www.jmfl.com and also on the websites of BSE at www.bseindia.com and NSE at www.nseindia.com.

E. Reminder to Shareholders

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

A separate reminder, in accordance with IEPF Rules, is also sent to those shareholders who have not claimed/encashed their dividends for more than seven (7) consecutive years and whose shares are liable to be transferred to IEPF Authority.

F. NSE Electronic Application Processing System (Neaps)/NSE New Digital Platform and BSE Portal for Electronic Filing

The financial results, shareholding pattern and quarterly reports on Corporate Governance and all other filings required to be submitted to the Stock Exchanges are electronically uploaded on NSE Electronic Application Processing System (NEAPS) portal i.e., www.connect2nse.com/listing.com and <https://digitalexchange.nseindia.com> the BSE Listing portal i.e., <http://listing.bseindia.com>.

G. Designated email-id for greivances

The Company has designated email id for its shareholders at shareholdergrievance@jmfl.com for the purpose of registering their complaints, if any, and the same is displayed on the Company's website.

H. Price Sensitive Information

All price sensitive information and such other matters which in the opinion of the Company are of importance to the shareholders/investors are promptly intimated to the Stock Exchanges in terms of the Company's Policy for Determination of Materiality of Events/Information and the Listing Regulations.

I. Investor Calls/Conference

The Company arranges investors' calls/conferences for discussing financial position of the Company/ Group from time to time.

J. Institutional Investors/Analysts Presentations and Media Releases

Presentations and media releases on financial position of the Company as well as its material subsidiaries and important events/material developments of the Company are submitted to the stock exchanges and are also hosted on the Company's website for information of investors at www.jmfl.com.

IX. Accounting Standards followed by the Company

In the preparation of the financial statements, the Company has followed Ind AS referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

X. Compliance with mandatory/non-mandatory requirements

The Company is fully compliant with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, as applicable and compliance reports on Corporate Governance in the requisite formats, have been submitted to the stock exchanges on which the Company's shares are listed.

The Company has complied with all the mandatory requirements of corporate governance as specified in the Listing Regulations. In addition, the Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II to the Listing Regulations and are being reviewed from time to time.

General Shareholders' Information

JM Financial Limited (the "Company") is committed to provide information to its shareholders on a periodical basis, which also includes the information provided annually as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). In our endeavour to provide best in class service to our shareholders, we are providing the following information relating to the Company and its listed securities.

1. 37th Annual General Meeting (AGM)

Day: Tuesday

Date: August 2, 2022

Time: 4.00 pm

Mode of conducting the meeting: Video conferencing/Other Audio Visual Means ("VC/OAVM")

Guidelines for participation in the AGM through VC/OAVM are laid out in the Notice convening the said meeting and have also been uploaded on the Company's website at <https://jmfl.com/investor-relation/agm-egm.html>.

2. Financial calendar (Financial year 2022-23)

Particulars	Period
Financial Year (FY)	April 1 to March 31
Tentative calendar for consideration of unaudited/audited financial results	
First quarter ending June 30, 2022 (Unaudited)	On or before August 14, 2022
Second quarter and half year ending September 30, 2022 (Unaudited)	On or before November 14, 2022
Third quarter and nine months ending December 31, 2022 (Unaudited)	On or before February 14, 2023
Last quarter and financial year ending March 31, 2023 (Audited)	On or before May 30, 2023

3. Details of securities listed on stock exchanges

The Company's shares are listed on the following stock exchanges.

Name and address of the stock exchange	Security Code/Symbol	Payment of annual listing fees (FY 2022-23)
BSE Limited ("BSE") Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Tel : 91 22 2272 1233/4 Fax: 91 22 22721919 www.bseindia.com	523405	Paid
National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra East, Mumbai 400 051 Tel : 91 22 26598100/14 Fax: 91 22 26598120 www.nseindia.com	JMFINANCIL	Paid

General Shareholders' Information (Contd.)

4. Market price data

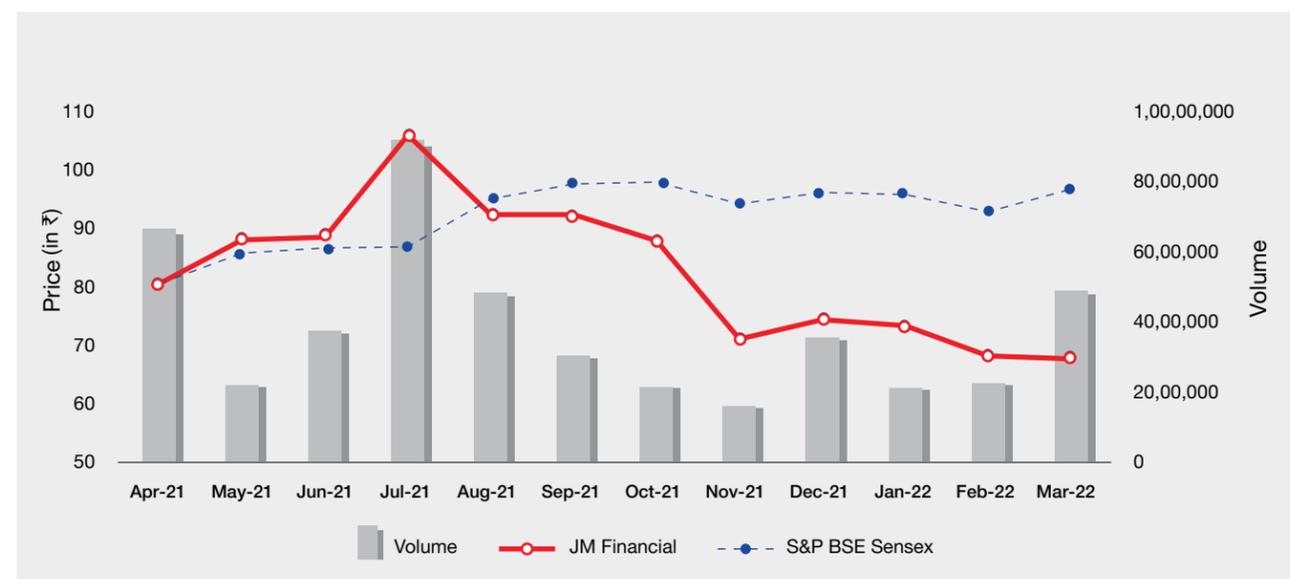
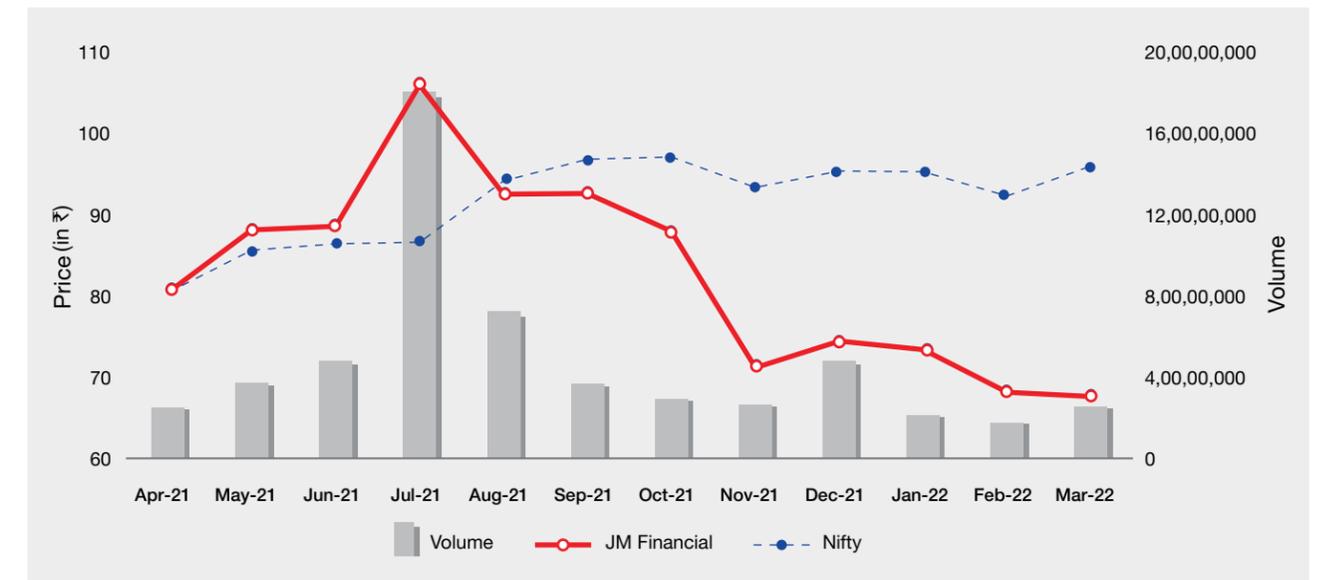
High, low and trading volume of the Company's equity shares during each month of the financial year 2021-22 at BSE and NSE are given below.

Month	BSE			NSE		
	High (₹)	Low (₹)	Monthly Trading Volume	High (₹)	Low (₹)	Monthly Trading Volume
Apr-21	86.70	76.00	66,56,434	86.80	76.05	2,47,34,783
May-21	90.60	79.00	21,81,153	90.75	78.50	3,69,13,626
Jun-21	99.55	85.00	37,49,149	99.60	85.00	4,78,38,615
Jul-21	117.55	89.25	91,92,984	117.70	89.15	18,03,56,901
Aug-21	107.95	85.25	48,33,269	107.45	85.20	7,24,16,071
Sep-21	94.50	88.05	30,26,407	94.60	88.05	3,63,01,200
Oct-21	96.90	86.35	21,51,067	96.90	86.35	2,90,61,236
Nov-21	89.40	68.70	15,82,400	89.00	64.90	2,61,58,345
Dec-21	78.65	68.35	35,37,619	78.70	68.40	4,76,39,292
Jan-22	79.45	69.35	21,13,238	79.45	69.45	2,09,84,734
Feb-22	74.60	60.20	22,45,438	74.65	60.20	1,73,87,640
Mar-22	71.50	60.60	49,01,754	71.85	60.15	2,52,50,932

Source: www.bseindia.com and www.nseindia.com

5. Stock Performance vs S&P BSE Sensex and Nifty

The performance of the Company's equity shares on BSE and NSE relative to the S&P BSE Sensex and Nifty is given below.

i) Average monthly closing price of the Company's equity shares on BSE as compared to S&P BSE Sensex**ii) Average monthly closing price of the Company's equity shares on NSE as compared to Nifty****6. Registrar and transfer agents**

Pursuant to Regulation 7 of the Listing Regulations, KFin Technologies Limited (the "KFinTech") continues to act as the Company's Registrar and Share Transfer Agents (the "RTA"). KFinTech is a SEBI registered Category I – Registrar to an Issue and Share Transfer Agents. For any queries relating to the equity shares of the Company, the shareholders/investors may contact the RTA at following address.

Hyderabad Office

Registered Office
KFin Technologies Limited
Selenium Building, Tower B,
Plot 31-32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032, Telangana

Mumbai Office

Investor Relations Office
KFin Technologies Limited
24-B, Raja Bahadur Mansion,
Ground Floor,
6, Ambalal Doshi Marg,
Behind BSE, Fort,
Mumbai - 400 001, Maharashtra

• Email ID: einward.ris@kfintech.com • Toll Free no.: 1800 309 4001 • Website: www.kfintech.com

Shareholders may use KFinTech mobile application – KPRISM and website- <https://kprism.kfintech.com> for availing online service. Through the said mobile application, shareholders can download annual reports, standard forms and keep track of upcoming general meetings and dividend payments. The said mobile application is also available for download from Android Play Store.

7. Share transfer system

Shareholders may be pleased to note that out of a total 95,40,55,533 equity shares outstanding as on March 31, 2022, as many as 95,20,09,877 equity shares representing 99.79% are held in electronic mode. These shares can be transferred through the depository participants in electronic mode with no involvement of the Company. Summary of demat

General Shareholders' Information (Contd.)

transactions are placed before and noted by the Board of Directors on a periodical basis. The remaining 20,45,656 equity shares (447 shareholders) representing 0.21% are held in physical form. It is the Company's constant endeavour to encourage the shareholders to dematerialise their shares held in physical form. All requests for transmission and transposition of shares received from the shareholders holding shares in physical mode are timely processed by the RTA and approved by the Company.

Shareholders may note that as per the applicable regulations of SEBI, transfer of shares is permitted only in dematerialised mode. Shareholders are requested to dematerialise their shares, if any, held by them in physical mode in order to avoid any inconvenience for transfer of their shares in future. Shareholders who wish to understand the procedure for dematerialisation of shares may contact the Company or visit the following link of the depositories.

National Securities Depository Limited ("NSDL") website	https://nsdl.co.in/faqs/faq.php
Central Depository Services (India) Limited ("CDSL") website	https://www.cdslindia.com/Investors/open-demat.html

8. Distribution of shareholding

Distribution of shareholding as on March 31, 2022 is given below.

Shares range from – to	Number of shareholders	% to total number of holders	Number of equity shares	% to total paid-up equity share capital
1 - 5,000	96,955	97.71	3,70,34,190	3.88
5,001 - 10,000	1,184	1.19	89,61,128	0.94
10,001 - 20,000	496	0.50	72,02,723	0.75
20,001 - 30,000	180	0.18	44,91,850	0.47
30,001 - 40,000	69	0.07	24,66,040	0.26
40,001 - 50,000	50	0.05	22,83,462	0.24
50,001 – 1,00,000	107	0.11	78,57,677	0.82
1,00,001 and above	188	0.19	88,37,58,463	92.64
Total	99,229	100.00	95,40,55,533	100.00

The Company did not have any outstanding warrants or other convertible instruments as on March 31, 2022 which could have any impact on its share capital. The stock options granted to the eligible employees may however result in addition of the paid up equity share capital on allotment of shares consequent upon the exercise of stock options by them.

9. Categories of shareholders as on March 31, 2022

Category	Number of equity shares	% to total paid-up equity share capital
Shareholding of Promoter & Promoter Group		
Promoter	34,84,84,100	36.53
Promoter Group and Persons acting in concert including relatives	18,02,46,394	18.89
Total (A)	52,87,30,494	55.42

Category	Number of equity shares	% to total paid-up equity share capital
Public Shareholding		
Individuals	10,47,36,619	10.98
Bodies Corporate	1,28,20,633	1.34
Mutual Funds	8,25,16,130	8.65
Alternative Investment Fund	12,46,677	0.13
NBFC	19,127	0.00
Trusts	1,16,738	0.01
Investor Education and Protection Fund (IEPF)	14,62,859	0.15
Foreign Shareholding		
Non-resident Indians	1,41,12,410	1.48
Foreign Portfolio Investors	20,82,93,803	21.84
Foreign Nationals	43	0.00
Total (B)	42,53,25,039	44.58
Total (A) + (B)	95,40,55,533	100.00

10. List of top ten public shareholders as on March 31, 2022

Sr. No.	Name of the shareholders	Number of equity shares	% to total paid-up equity share capital
1.	ICICI Prudential Value Discovery Fund	5,91,95,020	6.20
2.	Baron Emerging Markets Fund	4,54,03,279	4.76
3.	Valiant Mauritius Partners Offshore Limited	2,85,91,345	3.00
4.	TIMF Holdings	1,61,09,125	1.69
5.	Elevation Capital VI FII Holdings Limited	1,51,21,775	1.59
6.	Valiant Mauritius Partners Limited	1,25,32,623	1.31
7.	Vikram Shankar Pandit	1,16,46,939	1.22
8.	Wells Fargo Emerging Markets Equity Fund	1,15,71,429	1.21
9.	Nippon Life India Trustee Limited - A/C Nippon India Multi Cap Fund	97,29,790	1.02
10.	BNP Paribas Arbitrage - ODI	87,00,579	0.91

11. Dematerialisation of shares, International Securities Identification Number and liquidity

The equity shares of the Company are available for trading in the dematerialised form under both the depositories viz., NSDL and CDSL. The International Securities Identification Number (the "ISIN") allotted to the Company's shares under the depository system is INE780C01023.

Number of shares held in dematerialised and physical mode

Particulars	Number of shareholders	Number of shares	% to total paid up equity share capital
Held in dematerialised mode in NSDL	33,672	91,58,03,169	95.99
Held in dematerialised mode in CDSL	65,110	3,62,06,708	3.80
Held in physical mode	447	20,45,656	0.21
Total	99,229	95,40,55,533	100.00

General Shareholders' Information (Contd.)

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

The requests received for dematerialisation of shares are confirmed by the RTA within the stipulated time period. Rejections, if any, are promptly intimated to the Depositories under advice to the concerned shareholders.

12. Closure of register of members

The register of members of the Company shall remain closed from **Monday, July 11, 2022** to **Friday, July 15, 2022** (both the days inclusive) for the purpose of determining the shareholders entitled to receive the final dividend, if declared.

13. Dividend payment date

The final dividend, if declared by the shareholders, at the 37th AGM scheduled on **Tuesday, August 2, 2022**, will be paid on and from **Friday, August 5, 2022** to those shareholders whose names appear in the statement of beneficial ownership furnished by NSDL and CDSL at the close of the business hours on **Friday, July 8, 2022**, in respect of shares held by them in dematerialised form, and those shareholders whose names appear in the register of members at the close of business hours on **Friday, July 8, 2022**, in respect of shares held by them in physical form.

14. Registration/Updation of PAN and KYC details

Shareholders are requested to register/update/intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Numbers (**PAN**), signature, bank mandates, demat account details, nominations, etc., in the following manner.

- i) **For shares held in electronic form:** to their respective Depository Participants ("DPs")
- ii) **For shares held in physical form:** to the Company/RTA in the prescribed Form ISR-1 and other forms pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/CIR/2021/655 dated November 3, 2021. All the prescribed forms can be downloaded from the Company's website at <https://jmfl.com/investor-relation/overview.html>. The Company has sent communication to the shareholders (holding shares in physical form) requesting them to furnish the required details.

In terms of the above aforementioned SEBI Circular, the folios wherein certain details like PAN, nomination, mobile number, email address, specimen signature, bank details are not made available, are required to be frozen with effect from April 1, 2023. Accordingly, shareholders who have not yet submitted the said details are requested to kindly provide the same to the Company/RTA at the earliest but not later than March 31, 2023, failing which their folios shall be frozen.

15. Updation of Nomination details

As per the provisions of Section 72 of the Companies Act, 2013 (the "Act") and the SEBI Circular dated November 3, 2021, the facility for making the nomination, cancellation or variation of the nomination is available to the shareholders holding the shares in physical form. Shareholders are requested to furnish the following forms to the Company/RTA either through hard copy or email.

Particulars	Forms	Website Link for accessing the forms
Nomination Form	Form SH-13	https://jmfl.com/investor-relations/Form_No_SH13_Nomination_Form.pdf
Declaration to Opt-out of nomination	Form ISR-3	https://jmfl.com/investor-relations/Form_ISR-3_declaration_of_opting_out_of_nomination.pdf
Cancellation or variation of nomination	Form SH-14	https://jmfl.com/investor-relations/Form_No_SH14_cancellation_or_variation_of_nomination.pdf

For shareholders holding the shares in demat mode, the above details can be submitted to their respective DPs.

16. Dividend history for past five years

The following table provides details of dividends declared and paid by the Company in last five years.

Financial year	Date of declaration	Date of payment	Number of shares	Dividend per share (₹)		Total amount of dividend (₹ in Crore)	
2016-17 (Interim Dividend)	January 23, 2017	February 6, 2017	79,37,49,788	0.65	1.50	51.59	119.28
2016-17 (Final Dividend)	July 24, 2017	July 27, 2017	79,63,67,733	0.85		67.69	
2017-18 (Interim Dividend)	January 19, 2018	February 5, 2018	79,76,74,467	0.70	1.80	55.84	148.10
2017-18 (Final Dividend)	July 18, 2018	July 20, 2018	83,87,05,025	1.10		92.26	
2018-19 (Interim Dividend)	January 23, 2019	February 6, 2019	83,99,31,463	0.50	1.00	42.00	
2018-19 (Final Dividend)	July 19, 2019	July 22, 2019	83,99,31,463	0.50		42.00	84.00
2019-20 (Dividend)	July 30, 2020	August 3, 2020	84,12,24,647	0.20	0.20	16.82	16.82
2020-21 (Dividend)	July 28, 2021	July 29, 2021	95,27,22,711	0.50	0.50	47.64	47.64
2021-22 (Interim Dividend)	February 7, 2022	March 5, 2022	95,40,44,762	0.50	0.50	47.70	47.70

17. Tax deducted at source (TDS) on dividend

The dividend, if declared and paid, will be taxable in hands of the shareholders. As per the applicable Income-tax Act, 1961, tax will be deducted from the dividend paid to the shareholders at the applicable rates. For details, shareholders are requested to refer to the Notice of the AGM.

18. Unclaimed dividend

The amount of dividend which remains unclaimed for a period of seven (7) years from the date of transfer of such amount to the unpaid dividend account opened in pursuance of sub-section (1) of the Section 124 of the Act, is required to be transferred to the Investor Education and Protection Fund (the "IEPF") established under Section 125(1) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "IEPF Rules"). Accordingly, the unclaimed dividend (final) in respect of the financial year 2014-15 is due for transfer to the IEPF in August 2022. Shareholders, who have not yet claimed their dividend for the financial year 2014-15 and/or for any subsequent financial years, are requested to claim the same from the Company.

As a measure to reduce the unclaimed dividend, the following efforts are made on an ongoing basis to reach out to such shareholders requesting them, to submit necessary documents for claiming their unclaimed dividend amount.

- Periodic reminder emails and written communication to the shareholders;
- Phone calls to shareholders reminding them to claim their dividends where contact numbers are available;
- Personal verification of the shareholders by visiting to their residences in metro cities;
- Direct credit of dividend to the accounts of shareholders, in case of revalidation requests;
- General notice by way of an advertisement in the newspapers to claim the dividend.

General Shareholders' Information (Contd.)

In terms of the relevant IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends (both for interim and final dividend) for the financial years from 2013-14 to 2019-20 as on the date of the 36th Annual General Meeting held on July 28, 2021, on the website of the IEPF at www.iepf.gov.in and under "Investor Relations" section on the website of the Company at <https://jmfl.com/investor-relation/unclaimed-dividend.html>.

The following table provide the details for which the dividends are remaining to be claimed for last seven (7) years.

Sr. No.	Financial year	Type of dividend	Dividend per share (in ₹)	Date of declaration	Due date for transfer of unclaimed dividend to IEPF	Amount unclaimed (in ₹)
1.	2014-15	Final	0.80	July 30, 2015	August 31, 2022	17,93,796.00
2.	2015-16	Interim	0.60	February 3, 2016	March 10, 2023	18,17,034.60
3.	2015-16	Final	0.85	August 2, 2016	September 6, 2023	23,83,220.65
4.	2016-17	Interim	0.65	January 23, 2017	February 27, 2024	17,44,214.55
5.	2016-17	Final	0.85	July 24, 2017	August 27, 2024	22,35,961.55
6.	2017-18	Interim	0.70	January 19, 2018	February 22, 2025	11,19,587.70
7.	2017-18	Final	1.10	July 18, 2018	August 23, 2025	16,36,041.00
8.	2018-19	Interim	0.50	January 23, 2019	February 28, 2026	12,77,989.00
9.	2018-19	Final	0.50	July 19, 2019	August 23, 2026	12,65,931.50
10.	2019-20	Final	0.20	July 30, 2020	September 3, 2027	5,00,435.80
11.	2020-21	Final	0.50	July 28, 2021	September 1, 2028	6,76,424.00

19. Equity shares in respect of which dividend is unclaimed

All the equity shares in respect of which the dividend has remained unclaimed for seven (7) consecutive years are being/ shall be transferred by the Company in the name of IEPF Authority by way of credit to the Demat Account established by the IEPF Authority, pursuant to the applicable IEPF Rules.

The shares in respect of which the dividend has not been claimed for seven (7) consecutive years from the financial year 2014-15, (barring the equity shares that have already been transferred by the Company to IEPF Authority) shall be transferred by the Company to the IEPF Authority in August 2022.

20. Transfer of dividend/shares to IEPF/IEPF Authority

The details of transfer of unclaimed dividend amount to IEPF by the Company for the financial year 2013-14 and 2014-15 are given below.

Date of transfer	Financial year to which it relates	Amount (in ₹)
September 1, 2021	Financial year 2013-14	16,25,463.95
March 30, 2022	Financial year 2014-15	14,66,308.30

The details of shares transferred by the Company to IEPF Authority during the financial year 2021-22 in pursuance of the above requirement are given below.

Date of transfer	Financial year to which it relates	Number of shares transferred
August 26, 2021	Financial year 2013-14	29,241
April 1, 2022	Financial year 2014-15	19,944

Any shareholder whose unclaimed dividend/shares are thus transferred to IEPF/IEPF Authority may claim his/her/its dividend/shares including all benefits, if any, accruing on such dividends/shares from IEPF/IEPF Authority by following the process laid out under Rule 7 of the IEPF Rules.

In case of any queries/clarifications for claiming the dividend/shares from IEPF/IEPF Authority, shareholders may contact the nodal officer, Mr. Prashant Choksi, Group Head - Compliance, Legal & Company Secretary at prashant.choksi@jmfl.com.

21. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion and likely impact on equity capital

The Company did not have any outstanding GDRs/ADRs/warrants/convertible instruments as on March 31, 2022.

22. Credit rating

Rating	Instruments	Agency
CRISIL A1+	Commercial Papers	CRISIL Limited
ICRA A1+	Commercial Papers	ICRA Limited
CRISIL AA/ Stable	Line of Credit	CRISIL Limited
ICRA AA/ Stable	Line of Credit	ICRA Limited
ICRA AA/ Stable	Non-Convertible Debentures	ICRA Limited

The Company does not have any fixed deposit programme or schemes or proposal involving mobilisation of funds in India or abroad.

23. Registered Office of the Company/correspondence address

Mr. Prashant Choksi
Group Head - Compliance, Legal & Company Secretary
JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025

The Company has the following designated email IDs for its shareholders/investors.

For general communication - ecommunication@jmfl.com
For grievances - shareholdergrievance@jmfl.com

24. Corporate Identification Number of the Company (CIN)

L67120MH1986PLC038784

25. Website

www.jmfl.com

26. Plant Location

Not applicable since the Company is engaged in financial services business and hence does not have any plant.

Certificate

TO THE BOARD OF DIRECTORS OF JM FINANCIAL LIMITED

Certified that for the financial year 2021-22;

- A. We have reviewed financial statements and the cash flow statement for the financial year 2021-22 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal controls of which we are aware.
- D. We have indicated to the auditors and the Audit Committee that there were:
- no significant changes in internal control over financial reporting during the year;
 - no significant changes in accounting policies during the year;
 - There have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: May 24, 2022

Atul Mehra
Joint Managing Director
DIN: 00095542

Adi Patel
Joint Managing Director
DIN: 02307863

Manish Sheth
Chief Financial Officer

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
JM FINANCIAL LIMITED
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025.

We have examined the relevant disclosures provided by the Directors of JM Financial Limited (as enlisted in Table A) to the Company, bearing CIN L67120MH1986PLC038784, having registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 (the "**Company**") for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) documents available on the website of the Ministry of Corporate Affairs and Stock Exchanges (ii) Verification of Directors' Identification Number (DIN) status on the website of the Ministry of Corporate Affairs, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) has been debarred or disqualified from being appointed or continue as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on March 31, 2022.

Table A			
Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in the Company
1.	Mr. Nimesh Kampani	00009071	12/06/1987
2.	Mr. Vishal Kampani	00009079	03/02/2016
3.	Mr. Eknath Kshirsagar	00121824	28/05/2004
4.	Dr. Vijay Kelkar	00011991	19/03/2010
5.	Mr. Keki Dadiseth	00052165	30/10/2012
6.	Mr. Paul Zuckerman	00112255	29/10/2007
7.	Ms. Jagi Mangat Panda	00304690	31/03/2015
8.	Mr. P S Jayakumar	01173236	30/07/2020
9.	Mr. Navroz Udwardia	08355220	09/12/2021
10.	Ms. Roshini Bakshi	01832163	09/12/2021
11.	Mr. Pradip Kanakia	00770347	07/02/2022
12.	Mr. Atul Mehra	00095542	01/10/2021
13.	Mr. Adi Patel	02307863	01/10/2021

General Disclaimer: Our Analysis for this Certificate does not cover the verification of criteria pertaining to appointment as Independent Director under Section 149 the Companies Act, 2013 (the "**Act**") and criteria pertaining to appointment as Managing Director under Section 196 of the Act and Schedule V thereto.

For Makarand M. Joshi & Co.
Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN: F006667D000378005

Place: Mumbai
Date: May 24, 2022

Corporate Governance Compliance Certificate

To
The Board of Directors,
JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400025

We have examined the compliance of conditions of Corporate Governance by JM Financial Limited (“**the Company**”) for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clause (b) to (i) and (t) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).

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

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clause (b) to (i) and (t) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations.

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

**For Makarand M. Joshi & Co.
Company Secretaries**

Kumudini Bhalerao
Partner
FCS: F6667
CP: 6690
PR: 640/2019
UDIN: F006667D000374694

Date: May 24, 2022
Place: Mumbai

List of Website Links

For ease of reference by the members, the hyperlinks for various documents are provided below.

Sr. No.	Particulars	Required Hyperlinks
1.	Annual Report of the Company for the financial year ended 2021-22	https://jmfl.com/annual-report
2.	Notice of the 37 th Annual General Meeting	https://jmfl.com/investor-relation/agm-egm.html
3.	Annual Return in Form MGT-7	https://jmfl.com/investor-relation/agm-egm.html
4.	Disclosure as required under the applicable SEBI Regulations pertaining to Employees' Stock Option Scheme	https://jmfl.com/annual-report
5.	Standalone and Consolidated financial statements for the year ended March 31, 2022	https://jmfl.com/investor-relation/financial-results.html
6.	Familiarisation Programme for Independent Directors	https://jmfl.com/investor-relations/Familiarisation_Programme_for_Independent_Directors.pdf
7.	Board Familiarisation Session organized during the financial year ended 2021-22	https://jmfl.com/investor-relations/Board_Familiarisation.pdf
8.	Policy for Dividend Distribution	https://jmfl.com/investor-relations/Policy_for_Dividend_Distribution.pdf
9.	Policy on Material Subsidiaries	https://jmfl.com/investor-relations/Policy_on_Material_Subsidiaries.pdf
10.	Policy on dealing with Related Party Transactions	https://jmfl.com/investor-relations/Policy_on_dealing_with_related_party_transactions.pdf
11.	Policy on Selection and Appointment of Directors	https://jmfl.com/investor-relations/Policy_on_Selection_and_Appointment_of_Directors.pdf
12.	Policy on Performance Evaluation and Remuneration of the Directors	https://jmfl.com/investor-relations/Policy_on_Performance_Evaluation_and_Remuneration_of_the_Directors.pdf
13.	Code of Conduct for Directors and Senior Management Personnel	https://jmfl.com/investor-relations/Code_of_Conduct_for_Directors_and_Senior_Management_Personnel.pdf
14.	Code for Prevention of Insider Trading	https://jmfl.com/investor-relations/Code_for_Prevention_of_Insider_Trading.pdf
15.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://jmfl.com/investor-relations/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Upsi.pdf
16.	Whistle Blower Policy	https://jmfl.com/investor-relations/Whistle_Blower_Policy.pdf
17.	Corporate Social Responsibility Policy	https://jmfl.com/investor-relations/CSR_Policy.pdf
18.	Composition of Corporate Social Responsibility Committee	https://jmfl.com/investor-relation/board-directors.html
19.	Corporate Social Responsibility Projects	https://jmfl.com/giving-csr/projects
20.	Form 10F, 15G, and 15H prescribed under the Income Tax Act, 1961	https://jmfl.com/investor-relations/form10f.pdf https://jmfl.com/investor-relations/form15g.pdf https://jmfl.com/investor-relations/form15h.pdf
21.	MCA and SEBI Circulars issued on AGM through VC/OAVM	https://jmfl.com/investor-relation/agm-egm.html
22.	Form SH-13, SH-14, ISR-3 and ISR-4	https://jmfl.com/investor-relations/Form_No_SH13_Nomination_Form.pdf https://jmfl.com/investor-relations/Form_No_SH14_cancellation_or_variation_of_nomination.pdf https://jmfl.com/investor-relations/Form_ISR-3_declaration_of_opting_out_of_nomination.pdf https://jmfl.com/investor-relations/Form_ISR-4_service_request_SEBI_Circular_25012022.pdf
23.	Self- declaration for resident and non-residents as prescribed under the Income Tax Act, 1961	https://jmfl.com/investor-relations/Self_declaration_for_resident.docx https://jmfl.com/investor-relations/Self_declaration_for_non_resident.docx
24.	Unclaimed/ Unpaid dividends upto 2019-20	https://jmfl.com/investor-relation/unclaimed-dividend.html

Business Responsibility Report

This Business Responsibility Report (the “BRR”) for the financial year 2021-22 is prepared in accordance with the National Voluntary Guidelines (the “NVG”) on social, environmental and economic responsibilities of business released by the Ministry of Corporate Affairs. The BRR complies with Regulation 34(2)(f) of the Securities and Exchange Board of India (the “SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”). This report covers the Company’s response to the questions on the practices and performance undertaken by it and the companies belonging to the JM Financial Group (the “Group”) towards sustainability as a business imperative.

This BRR is also available on the Company’s website at <https://jmfl.com/annual-report>

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L67120MH1986PLC038784
2.	Name of the Company	JM Financial Limited
3.	Registered Office address	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025
4.	Website	www.jmfl.com
5.	E-mail id	ecommunication@jmfl.com
6.	Financial Year reported	April 1, 2021 to March 31, 2022
7.	Sectors that the Company is engaged in (industrial activity NIC code-wise)	66190 – Investment Banking Services 66309 – Management of other investment funds 64200 – Activities of holding companies

8. List three key products/services that the company manufactures/provides (as in balance sheet)

JM Financial Limited (the “Company”) is a SEBI registered Category I Merchant Banker and Investment Manager to the Private Equity Funds. The Company is engaged in assisting corporates in fund raising as investment bank, providing advisory services in equity and debt capital markets, mergers & acquisitions advisory, private equity syndication, corporate finance advisory business and private equity funds management.

The Company continues to own directly/indirectly substantial/controlling equity interest in various subsidiary companies. During the financial year 2021-22, the reportable business segments of the Company and its subsidiaries were reclassified into the following.

- Investment Bank catering to Institutional, Corporate, Government and Ultra High Networth clients and includes investment banking, institutional equities, research, private equity funds, fixed income, syndication and finance;
- Mortgage Lending which includes both wholesale and retail mortgage lending (home loans, education institutions lending and loan against property);
- Alternative and Distressed Credit which includes the asset reconstruction business and alternative credit funds; and
- Asset management, Wealth management and Securities business (Platform AWS) which provides an integrated investment platform to individual clients and includes wealth management business, broking, PMS and mutual fund business.

9. Total number of locations where business activity is undertaken by the company

National Locations

As on March 31, 2022, the Company and its subsidiaries were having presence in one hundred and twelve (112) locations spread across thirteen (13) states and two (2) union territories in the country.

International Locations

The overseas subsidiaries of the Company have presence in

- Mauritius;
- Singapore;
- United States of America; and

Additionally, the Company also has a representative office in Dubai, namely JM Financial Overseas Holdings Private Limited (DIFC Representative Office).

10. Markets served by the company (Local/State/National/International)

The Company and its subsidiaries serve their customers in India and in the international market.

Section B: Financial Details of the Company (as on March 31, 2022)

1.	Paid up Capital	₹ 95,40,55,533
2.	Gross Turnover	Standalone: ₹ 619.63 Crore Consolidated: ₹ 3,763.28 Crore
3.	Net profit after tax	Standalone: ₹ 327.78 Crore Consolidated: ₹ 773.16 Crore (post non-controlling interest)

- Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax**
The Company has spent ₹ 2.01 Crore towards CSR activities, which amount is marginally higher than 2% of its average net profits for the immediately preceding three financial years calculated in accordance with the applicable provisions of Section 198 of the Companies Act, 2013 (the “Act”).
- List of activities in which expenditure in 4 above has been incurred.**
Activities relating to promoting education among children and disaster management, including relief, rehabilitation.

Section C: Other details

- Does the company have any subsidiary company/companies?**
Yes; Fifteen (15) subsidiary companies.
- Do the subsidiary company/companies participate in the Business Responsibility (BR) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**
Yes; all the above subsidiary companies.
- Do any other entity/entities (e.g. suppliers, distributors, etc.) that the company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
No.

Section D: Business Responsibility Information

1. Details of Director/Directors responsible for Business Responsibility

a.	Details of the Director responsible for implementation of the Business Responsibility policy	Mr. Atul Mehra Joint Managing Director DIN: 00095542
b.	Details of the Business Responsibility head	Mr. Manish Sheth Group Chief Financial Officer DIN: Not applicable since he is not a Director of the Company. Telephone Number: 91-22-6630 3030 Email id: manish.sheth@jmfl.com

National Voluntary Guidelines on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs, advocates the nine (9) principles as stated below.

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Principle 3 Businesses should promote the well-being of all employees.
Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Principle 5 Businesses should respect and promote human rights.	Principle 6 Businesses should respect, protect and make efforts to restore the environment.
Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Principle 8 Businesses should support inclusive growth and equitable development.	Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Business Responsibility Report (Contd.)

2. Principle-wise BR Policy/Policies

Sr. No.	Questions	Ethics, Transparency and accountability	Product life cycle sustainability	Employees' Well-being	Stakeholders' Engagement	Human Rights	Environmental Responsibility	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for:	Yes	No [Refer Note (i)]	Yes	Yes	Yes	No [Refer Note (ii)]	No [Refer Note (iii)]	Yes	Yes
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
3.	Does the policy conform to any national/international standards? If yes, specify?	Yes*	-	Yes*	Yes*	Yes*	-	-	Yes*	Yes*
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
5.	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
6.	Indicate the link for the policy to be viewed online?	(Refer table 1)	-	#	(Refer table 1)	#	-	-	(Refer table 1)	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes#	-	Yes#	Yes#	Yes#	-	-	Yes#	Yes#
8.	Does the company have in-house structure to implement the policy/policies?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
9.	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? (Refer Note iv)	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes

* All policies have been formulated in accordance with the applicable laws and regulations and after considering the best practices as prevailing in the industry.
The policies of the Company are internal documents and are not accessible to the public. These policies have been uploaded on intranet portal of the Company which is accessible, by the employees of the Company.

Notes:

- The core business area is to provide financial services and hence this principle has limited applicability. We, however, strive to comply with all the applicable regulations in respect of our operations.
- Considering that we operate in financial services sector, Principle - 6 is not applicable to us. We however comply with applicable environmental regulations in respect of our office premises. We along with our employees take initiative to reduce consumption of energy and also make continuous efforts to ensure that there is an optimum utilisation of the available resources with minimum or no wastage at all.
- The Company and/or its subsidiaries entities are the members of various industry associations, through which they provide various suggestions with respect to healthy development of the financial market.
- Policies and processes are subject to internal audit and internal reviews from time to time.

Table 1

Name of the Policy	Web link
Code of Conduct for Directors and Senior Management Personnel	https://jmfl.com/investor-relations/Code_of_Conduct_Directors_Senior_Management_Personnel.pdf
Whistle Blower Policy	https://jmfl.com/investor-relations/Whistle_Blower_Policy.pdf
Corporate Social Responsibility Policy	https://jmfl.com/investor-relations/CSR_Policy.pdf
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://jmfl.com/investor-relations/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Upsi.pdf

3. Governance related to Business Responsibility

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the company. Within 3 months, 3-6 months, Annually, More than 1 year.

Annually.

- Does the company publish a BR or sustainability Report? What is the hyperlink for viewing this Report? How frequently it is published?

Yes, the Company publishes its BRR annually. The Company's BR report for the financial year 2021-22, forms part of the annual report which is available on the website of the Company at <https://jmfl.com/annual-report>.

Section E: Principle-wise Performance

Principle 1: Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

The policy covers the Company as well as its subsidiaries and other group companies. The purpose of this Policy is to protect and enhance the Group's

reputation for integrity and fair dealing by setting forth processes that would uphold the highest standard of integrity and ethical behaviour. The continuous success of the Group over the years is a result of our belief in ethical conduct of all its businesses and dealings. Various policies and processes have been developed at the Group level to facilitate transparency, zero-tolerance approach to bribery and corruption while maintaining ethical behavior in all the dealings. The Company prohibits any payment or gift, or any offer or authorization of a payment or gift to any Government agencies or any other persons, in order to secure any improper business advantage for any business related work.

The employees of the Company and the Group are encouraged to ensure transparency in their conduct with various stakeholders. This belief is echoed in the "Code of Conduct", the purpose of which is to protect and enhance the Group's reputation for integrity and fair dealing by setting forth standards for employees behaviour within the Group and outside. This Code further mandates each employee to act honestly, ethically & with integrity and to deal fairly with the stakeholders.

The Company's Code for prevention of insider trading ensures that the employees do not handle unpublished price sensitive information in an unethical manner. The Code conforms to the Company's values of ethics and transparency by following a practice of timely disclosures of important information.

Business Responsibility Report (Contd.)

As part of the Code, the employees of the Company and its Group can also report genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud through the Whistle Blower Policy. This would ensure that business affairs are conducted in a fair, transparent, professional, honest and in an ethical manner.

Though the Group's policies currently do not apply to external stakeholders such as suppliers, contractors, NGOs, etc., the Group encourages them to maintain ethical standards in all their practices and dealings.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the financial year 2021-22, the Company received three (3) complaints from its shareholders mainly relating to non-receipt of dividend, non-receipt of physical copy of annual report and modification in bank account details in dividend pay order, which were satisfactorily resolved. No complaints were pending as on March 31, 2022. The Company has close to 1,00,000 shareholders most of whom are holding shares (99.79% of the total equity shares) in demat mode.

The complaints, if any, received from the stakeholders, other than the above, are promptly and satisfactorily resolved by the management.

The Company and its Group entities have a structured mechanism to deal with the complaints received from the stakeholders, if any. The respective business leaders efficiently and satisfactorily deal with the complaints in a set procedural manner which is fair and transparent. The Group is focused in offering the best services to all its stakeholders and constantly endeavour to redress the concerns, if any.

Principle 2: Product Life Cycle Sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The subsidiaries of the Company provides various service products such as affordable housing loans, education institutions lending, etc., through which it is contributing positively to the socio-economic development. Also, the digitalisation initiatives undertaken by the Group have enabled business continuity even during lockdowns owing to the Covid-19 pandemic. This digitalisation initiative has turned out to be time and cost efficient

during the above period. The 'green initiative' adopted by the Company and supported by its shareholders has led to the paperless communications. This has resulted in substantial reduction in paper consumption.

Further, the Group has set up document sharing portal in place which acts as a link between the Company and its auditors. All those documents which are required to be shared with the auditors are being shared securely through that portal, thereby reducing the use of paper consumption.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Not applicable as JM Financial is an integrated financial services Group. However, the Company on an ongoing basis takes several measures to conserve the consumption of energy and water.

a. *Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?*

Not applicable.

b. *Reduction during usage by consumers (energy, water) has been achieved since the previous year?*

Not applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Not applicable.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Not applicable.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not applicable.

Principle 3: Employee well-being

Businesses should promote the well-being of all employees.

At JM Financial, we believe in investing our efforts towards employees' wellbeing. Building and enhancing the talent pool has always been a top priority initiative. We have adopted various policies, procedures, manuals and conducted online training programs, throughout the year for the protection and welfare of our employees.

Work-Life Balance: JM Financial advocates for a work-life balance. Employees are encouraged to lead a healthy and balanced work life.

Leaves: Our leave cycle is from April 1 to March 31. In case an employee has not availed annual leave during a particular year, the leaves can be carried forward up to December 31 of the succeeding year.

The leave categories are

- Earned Leave: Annual leaves
- Sick Leave: Seven (7) working days and is need based
- Marriage Leave: Five (5) working days, within 3 months of the date of marriage
- Maternity Leave: Paid Maternity Leave of six (6) calendar months
- Paternity Leave: Five (5) working days
- Compassionate Leave: In case of death of any immediate family member, three (3) working days of paid Compassionate Leave is extended to all employees, within Fifteen (15) days of that event.
- Medical Care Leave: Sick Leaves exceeding seven (7) days in a year, are approved under exceptional circumstances (such as hospitalization of employees) and considered as Medical Care Leave.

Apart from the above standard leaves, Covid Care Leave was also introduced during the pandemic. Any employee who tests Covid-19 positive can apply for leave under this category. As the impact of this infection varies on a case to case basis, number of leaves one can avail has not been stipulated and can vary depending on the severity of the case.

Employee Engagement Activities & Celebrations: The employees are engaged via various initiatives both at group as well as entity level. Employees embraced 'new normal' of engaging virtually for all the celebrations throughout the year. Festivals like Diwali and Christmas were celebrated with great enthusiasm. Celebration of Mother's Days and Father's Day included indulging with employees by asking them to share most cherished memories with their parents and these were featured on 'Connect', the intranet portal of the Group.

A Special Musical Event was organised for corporate office employees to welcome new year 2022 in a unique way.

Essence of patriotism was high at work place as Independence Day was celebrated on pan India basis where employees, dressed in their traditional attire, decorated the branch/ corporate offices portraying their spirit of nationalism.

Appreciation week was celebrated in the month of February 2022. Employees were encouraged to share appreciation via various ways as planned by businesses as well as via 'iCheer', online platform.

Women's Day was celebrated in a unique way by encouraging all the female employees to share their thoughts in line with this year's theme, #breakthebias. The male employees participated in the session by sharing their experiences and thoughts. On the occasion of International Women's Day, a week-long celebration was organised in which external and internal experts were invited to share the knowledge on financial planning, managing own finances, amongst other topics.

Initiatives during Covid - 19 pandemic

- Sessions on welcome back to office
To help employees resume offices effectively and by following all the safety measures; various sessions were arranged for "Welcome Back to Office" – covering guidelines to 'New Normal' way of life. The guidelines issued by World Health Organisation were reiterated to all the employees and the queries raised by them were duly addressed. Various alerts and reminders were sent to the employees by way of advisory emails at periodic intervals. The HR Business Partners (the 'HRBPs') played a vital role in tracking health of employees and their families and provided necessary aid with the help of the administrative team, from time to time.
- Tracking of Covid Cases & medical assistance
The organization kept detailed health (Covid Cases) records of its employees and their family. The HRBPs for their respective locations/functions, maintained constant contact with the employees. An internal survey was used to track the covid related medical information of the employees and their family members and assistance was provided in the event of hospitalization, insurance claims, etc.

Health & Well Being:

In order to encourage employees to initiate and maintain a healthy and active lifestyle, thus ensuring their overall fitness and well-being, various fitness initiatives such as virtual yoga sessions, session on diversity & inclusion, live de-stressing sessions, etc., were introduced. These were unique programs provided by the Company to help employees remain physically and mentally active during the stressful pandemic period. The virtual yoga sessions were very much appreciated by the employees.

- **Doctors on call**
Due to the Covid situation, we arranged for Doctor on call for all the employees. There are two empaneled doctors who were available on designated days during the week for telephonic consultation. Employees are informed about the available slots through e-mails.
- **Leave and paid time off**
We encourage work-life balance at JM Financial, which became very crucial post Covid pandemic period.

Business Responsibility Report (Contd.)

The pandemic erased the line between personal and professional time, which took toll on the mental wellbeing of human beings. Additional leave type was introduced as well as employees were encouraged to utilize their regular leaves in order to spend quality time with their family and friends breaking away from the work pressure which the whole world faced during the pandemic.

- Covid-19 vaccination drive**

The safety of our employees and their family is utmost important for us. Covid vaccination drives were arranged for employees and their family members including their parents-in-law. This was well appreciated by the employees and their families.
- Thanking Covid-19 front liners**

In this initiative, the JM Financial family shared a salute to all the Covid-19 front liners for their service to the nation during these extraordinary times. Employees were asked to share pictures of someone from their family (spouse/parents/siblings/children) who remained Covid-19 front liners. We added their pictures in our monthly newsletter 'Essence' thanking each one of them.
- Insurance Coverage**

JM Financial offers competitive benefit package, designed to meet the varying needs of its employees. These benefits are an integral part of the Group and provide employees and their families valuable protection, during their employment with JM Financial.
- Annual Health Check-ups**

Employees are eligible for an Annual Health Check-up, depending on their age group.

Talent Management:

Our people are our most valuable asset and we believe that the ultimate identity and success of our Group is determined by the quality of our employees and their dedication and commitment towards attaining organizational vision. Though primary focus is on the quality, the Group also focuses on providing an equal opportunity regardless of the gender, race, religion, etc. Our endeavour is towards attracting the right talent, assessing them not only on their skills and knowledge but also keeping in mind the organizational values.

Employee Development:

Growth is a significant part of human nature and we have an intrinsic desire to continue to grow and develop throughout various aspects of our lives. Growth and development is present in a work environment where workers receive encouragement and support in the development of their interpersonal, emotional and job skills.

Employee training programs and initiatives have been our integral part of the HR vision and long-term strategic objectives of the Group. Recognizing that our employees are our greatest single resource, the Group is dedicated in providing high quality training to employees through professional training companies and qualified staff. Based on the identified training needs, the Group offers a variety of training programs and development opportunities. We adapted to the new ways to conduct and deliver trainings given the challenging situations where classroom trainings were difficult to conduct. We chose the virtual way of doing all kinds of trainings within the organization and enhance our e-learning portal by adding new modules on various topics. All the trainings were driven virtually with the help of our senior leadership and single point of contact from the Central teams. There was also major focus on e-Learning. Our internal e-Learning portal, 'iLearn', hosted and continue to host number of modules on various behavioural and functional topics. Employees were encouraged to use the portal to the fullest. We have also made the portal available on the Connect mobile app for on the go access to all the learning material available on iLearn. New internally developed courses were made available for all the employees on iLearn.

Our internal Learning and Development initiative:

Knowledge Community, which involves knowledge sharing sessions among business groups on a mélange of topics of relevance. The subject matter experts within the organization are encouraged to conduct these sessions and mailers are sent to all employees of that location inviting them to attend. The event details are also uploaded on iLearn for employees to find all relevant information and sign up.

In addition to helping employees keep abreast with happenings in diverse areas around them, these cross-functional training sessions also inspired bonding across different teams. We felicitate the trainer with a token of appreciation at the end.

The Group Monthly Training Calendar was introduced wherein training programs planned for all businesses were published for all employees. Employees gain the knowledge of all the training programs planned for the particular month across the group and it gives access to them to attend relevant training programs planned by other businesses as well.

- Please indicate the total number of employees**

As on March 31, 2022, the Group had 2,405 permanent employees across all business verticals and entities.
- Please indicate the total number of employees hired on temporary/contractual/casual basis**

The Group had 619 temporary/contractual/casual employees as on March 31, 2022.

- Please indicate the number of permanent women employees**

The Group had 483 permanent women employees as on March 31, 2022.
- Please indicate the number of permanent employees with disabilities**

As on March 31, 2022, the Group had one permanent employee having disability.
- Do you have an employee association that is recognized by management?**

The Group does not have any employee association.
- What percentage of your permanent employees is member of this recognized employee association?**

Not applicable.
- Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

The Group does not engage child labour/forced labour/involuntary labour and does not adopt or allow discriminatory employment practices.

Sr. no.	Category	No. of complaints filed during the financial year 2021-22	No. of complaints pending as on March 31, 2022
1	Child labour / forced labour / involuntary labour		Not applicable
2	Sexual Harassment		None
3	Discriminatory employment		Not applicable

- What percentage of your work force mentioned below were given safety and skill up-gradation training in the last year?**

The details of training provided during the financial year are as follows.

Safety Training:

(a)	Permanent Employees	
(b)	Permanent Women Employees	No physical trainings were provided during the year.
(c)	Casual/Temporary/Contractual Employees	
(d)	Employees with Disabilities	

Skill Up-gradation:

(a)	Permanent Employees	64%
(b)	Permanent Women Employees	20%
(c)	Casual/Temporary/Contractual Employees	Not applicable
(d)	Employees with Disabilities	100%

Principle 4: Stakeholder's engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

- Has the company mapped its internal and external stakeholders?**

Yes, the Company believes that the stakeholder engagement is the greatest source of input for its development activities and it also broadens the horizon for improving one's sustainability performance. The process of mapping the stakeholders is an ongoing exercise and is conducted on regular basis by the Company and its subsidiaries with various stakeholders viz., employees, customers, clients, investors, shareholders, government and regulatory bodies, business associates, media, social organisations, etc.
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?**

As a principle and practice, the Company has always identified and worked with individuals and communities that are disadvantaged, vulnerable and marginalized, under the aegis of *Integrated Rural Transformation Programme*, through the Group's CSR initiatives and activities. The CSR projects in Jamui district of Bihar and Palghar district of Maharashtra are designed on the basis of, and targeted at impacting the families from socio-economically disadvantaged households in far-flung villages, located in difficult terrains. While Jamui district has been identified as one of the 112 *Aspirational Districts* by the NITI Aayog, Palghar district has areas dominated by tribal communities that are deprived of resources and opportunities that may enable them to reach their full potential. During the year, the fatalities resulting from the pandemic necessitated the initiation and implementation of the project - JM Financial Shiksha Samarthan. This project helps impacts children from across the country who are in a vulnerable state of losing out on their formal education (up to grade 12), owing to the loss of either or both parent/s due to Covid.

Apart from these, the Group, through the implementing agency, support other initiatives in the states of Uttar Pradesh and Gujarat, championing the causes of enhancement in healthcare amenities and services along with education for children from insurgent geographies.

Business Responsibility Report (Contd.)

All our projects are conceptualized and implemented in rather arduous terrains, inhabited by communities with abysmally poor standards of living, caused by geographical, socio-economic and political conditions, intersecting with people's lack of awareness and access to their rights and entitlements.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, marginalised stakeholders?

Every CSR project implemented as mentioned above, is a constant and sincere attempt to first reach out to and impact those who are the most deprived. Whether through agri-inputs for farmers, pre-schooling opportunities for the young ones, healthcare services for the unreached or any other of our initiatives - JM Financial Foundation seeks out vulnerable and marginalized groups such as women, elderly persons, scheduled castes and scheduled tribes, to empower them and enhance their lives.

Principle 5: Human rights

Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Group remains committed to respect and protect human rights. The Group has adopted several policies viz., Code of Conduct, Equal Opportunities Policy, Policy against Sexual Harassment, Whistle Blower Policy, Disciplinary Policy, etc., which assists in ensuring that there is no violation of human rights in its conduct – externally or internally. The Group does not hire child labour, forced labour or involuntary labour.

The Group adheres to the statutes which embody the principles of human rights such as non-discrimination, prevention of child labour, prevention of sexual harassment, equal employment opportunities, etc. The Group is committed to a work environment in which all individuals are treated with fairness, respect and dignity. Persons not directly connected to the Group viz., outside vendors, consultants, suppliers or clients are also expected to comply with principles of human rights in all respects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

No complaints relating to human rights violation were received during the FY 2021-22.

Principle 6: Environmental management

Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.

The Company does not have specific policy relating to Principle 6. However, the activities mentioned in Principle 6 are laid down in the CSR Policy of the Company and its subsidiaries to which the same is applicable.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Yes/No. If yes, please give hyperlink for webpage etc.

Yes.

Our Group believes that corporate sustainability extends to the triple bottom line of people, planet and profit. We have increased the radius of business responsibility beyond immediate benefit to long-term good, while ensuring the sustainability of the organization. The Group enables an environment of greater consciousness through a process of collaboration with employees, customers and the community at large. In line with the Group's commitment towards conservation of energy, various initiatives like reduction of paper usage, maintenance of electronic data and records, reduction/elimination in usage of plastic bottles for drinking purposes has been taken. Further, it also raises awareness and encourages the employees to adopt these methods in their day to day activities. We also promote cost efficient environment-friendly measures and build awareness and consciousness of our environment among employees.

Additionally, the Group strives towards imbuing green sustainable products, processes, policies and practices. Our offices have been designed such that they are equipped with energy efficient air conditioners, LED lights and other energy conservation measures. Various measures are taken to reduce the consumption of electricity by installing energy efficient equipment in our office premises.

3. Does the company identify and assess potential environmental risks? Yes/No.

No.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Group makes conscious efforts towards managing and conserving valuable environmental resources in various ways, however there is no direct project related to clean development.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc., Yes/No. If yes, please give hyperlink for web page etc.

The Group promotes ecological sustainability and has taken several measures to minimise its environmental impact caused due to various factors. Digitalisation is one of the platforms, which has helped the Group in reducing the paper and stationery. E-waste is disposed off in an efficient manner.

The above actions of the Group have contributed and continues to contribute towards saving environment by reduction in usage of resources.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not applicable since the Company is not a manufacturing company.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause or legal notices from CPCB/SPCB have been received during the FY 2021-22.

Principle 7: Policy advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

Yes; the Company and its subsidiaries is member of many industry bodies and trade associations such as:

- Confederation of Indian Industry (CII);
- Bombay Chamber of Commerce and Industry (BCCI);
- Federation of Indian Chambers of Commerce and Industry (FICCI);

- IMC Chamber of Commerce and Industry;
- Association of Investment Bankers of India (AIBI);
- Association of Mutual Funds of India (AMFI);
- Association of ARCs in India;
- Financial Intermediaries Association of India (FIAI);
- Young Presidents' Organisation (YPO);
- The Associated Chambers of Commerce & Industry of India (ASSOCHAM);
- The Council of EU Chambers of Commerce in India;
- Association of National Exchanges Members of India (ANMI);
- Bombay Stock Exchange Broker's Forum (BBF);
- Indian Private Equity & Venture Capital Association;
- Commodity Participants Association of India (CPAI).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Our participation with various associations help to understand the industry wide issues and thus help to contribute in developing policies that are beneficial to our stakeholders. The Group through various associations and trade bodies provide suggestions with respect to development and regulation of financial services sector. Various employees including senior management of the Group are members of the committees constituted by regulators and industry bodies.

The Group supports and participates in various discussions and initiatives taken by the government, regulators and the above associations in light of changing business environment for economic development and advancement of financial services industry.

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes, the Company has undertaken and supported CSR projects, that aim at uplifting indigent communities, give them opportunities to develop their aspirations and help in gradually raising their quality of lives. These projects are implemented by JM Financial Foundation – the CSR implementing arm for the JM Financial group and third party organizations identified for the respective project objectives.

Business Responsibility Report (Contd.)

Through both the modes of implementation, the CSR projects of the Company and its subsidiaries (to the extent applicable) are governed by its CSR Policy uploaded on the Company's website at https://jmfl.com/Investor-Relations/CSR_Policy.pdf. This policy upholds the vision for inclusive growth and equitable development, which in turn directs our CSR to be executed under the larger aegis of Integrated Rural Transformation Programme.

Given below is a brief account of the said projects and initiatives implemented and supported by the Company.

New CSR projects initiated and supported in FY 2021-22

This year, the Group launched JM Financial Shiksha Samarthan, to ensure continuity in formal education for children (up to grade 12) who have lost either or both parents to Covid-19. Resultantly, the Group has been able to support private schools children's fees and government school children's ancillary needs. Most importantly, we have been able to become a beacon of hope for widowed parents for whom, hope of their children's future hung by a thread until a few months ago.

Ongoing CSR projects initiated in FY 2020-21

The Company supported students belonging to economically needy families, to pursue their undergraduate studies in Liberal Arts and Sciences at the premium Ashoka University located in Sonapat, Haryana. With the Group's support, 58 such students, named as 'JMF Scholars' have been able to secure admission at the University and acquire an opportunity to shine.

JM Financial Foundation continues to also work on other projects initiated in and implemented largely in Bihar and Maharashtra, among other geographies, prior to the annual action plans. To know more, please refer to the Management Discussion and Analysis Report forming part of the Directors' Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The programmes and projects supported by the Group are primarily undertaken by JM Financial Foundation – the CSR implementing agency of the JM Financial Group.

Some of our initiatives are also implemented in partnership with external organizations, academic institutions and/or governmental bodies.

3. Have you done any impact assessment of your initiative?

The Company in collaboration with the Group, has commissioned an impact assessment for the CSR projects approved by the Board of the Company and its subsidiaries. This assessment of projects has been implemented in Jamui district, Bihar through the Tata Institute of Social Sciences, Mumbai. Similarly, the impact assessment of the project implemented in Palghar district of Maharashtra has been conducted by M/s The 4th Wheel, Mumbai. The reports for these assessments are in the process of being finalized and shall be posted on the website of the Company.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

JM Financial Limited has CSR obligation of ₹ 2.01 Crore for the financial year 2021-22, the entire amount whereof has been spent on JM Financial Shiksha Samarthan.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The projects initiated during the year and in the past are based on a thorough assessment of the community's or the end target group's needs, aspirations and our ability to handhold them. We ensure that prior to beginning any new initiative, we conduct rounds of community meetings, enlist and document community participation, permission and make them accountable for the activities undertaken.

Principle 9: Customer Value

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are no material customer complaints/consumer cases pending as at the end of the FY 2021-22.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Since the Company is engaged in financial services sector business, this question is not applicable to it. However, all necessary disclosure requirements relating to the services offered by the Company are being made in compliance with the applicable laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

None to the best of our knowledge and belief.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Though the Company has not carried out any formal consumer survey to map consumer satisfaction, it always puts the interest of its clients before its own interest. The Group develops a more collaborative relationship with the consumers and places them at the centre of the innovation cycle. The Group contributes towards customers and the broader community by understanding its clients' needs, seeking new opportunities for them, addressing and delivering them the unique solutions as per their expectations.

Independent Auditor's Report

To the Members of JM Financial Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of JM Financial Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p>Revenue from operations</p> <p>See note 2.6 and note 22 to the standalone financial statements</p> <p>Revenue from operations mainly comprises of revenue from investment banking services which includes lead manager's fees, underwriting commission, fees for mergers, acquisitions and advisory assignments; and arranger's fees for mobilizing debt funds.</p> <p>Revenue is recognized when the services for the transaction are determined to be completed or when specific obligations are determined to be fulfilled as per the terms of the engagement. The variety and number of obligations within the contracts can make it complex and requires significant judgement of management to determine completion of the performance condition associated with the revenue.</p> <p>Due to this complexity and significant level of judgement involved, we have identified Revenue from operations as a fraud risk and considered it a Key Audit Matter in respect of standalone financial statements.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> – Obtained process understanding and tested the design and implementation of the controls established by the Company for revenue recognition. – For selected samples, evaluated fulfilment of the performance obligations as per the terms of engagement with customers by checking the underlying documents. – Obtained corroboration from the business teams on the open mandate register and checked the reconciliation prepared by the Company between the mandate register and the revenue recognized in the books of accounts.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information Auditor's

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

Independent Auditor's Report (Contd.)

required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor who had expressed an unmodified opinion on 05 May 2021.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- (A) As required by Section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 30.1 to the standalone financial statements;
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

- (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate

Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

- The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Kapil Goenka

Partner

Membership No. 118189

UDIN: 22118189AJMFXG1122

Mumbai
24 May 2022

Independent Auditor's Report (Contd.)

Annexure A to the Independent Auditor's Report on Standalone Financial Statements of JM Financial Limited for the year ended 31 March 2022

Report on Companies (Auditor's Report) Order, 2020 with reference to the aforesaid financial statements

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of

Benami Property Transactions Act, 1988 and rules made thereunder.

- (ii) (a) The Company is engaged in holding company activities, advisors in equity and debt capital market, management of capital market transactions, mergers and acquisitions advisory, private equity syndication, corporate finance advisory business and administration and management of private equity funds. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets. As per the sanction terms, the Company is not required to file quarterly returns or statement with the bank. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in firms, or limited liability partnership during the year.
- The Company has granted loans and advances in the nature of loans, secured or unsecured to companies and firms during the year, in respect of which the requisite information is as below. The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to limited liability partnership or any other parties during the year.
- The Company has not provided any guarantee or security, to companies, firms, limited liability partnership or any other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
- Subsidiaries*	Nil	Nil	Nil	8,247.47 crores
- Joint ventures*	Nil	Nil	Nil	Nil
- Associates*	Nil	Nil	Nil	Nil
- Others	Nil	Nil	Nil	Nil
Balance outstanding as at balance sheet date				
- Subsidiaries*	Nil	Nil	Nil	439.70 crores
- Joint ventures*	Nil	Nil	Nil	Nil
- Associates*	Nil	Nil	Nil	Nil
- Others	Nil	Nil	Nil	5 crores

* As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of any advances in nature of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan of Rs. 269.70 crores given to JM Financial Asset Reconstruction Company Limited which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of advance in the nature of loan given except an amount of Rs. 5 crores (principal amount) overdue for more than ninety days as at 31 March 2022. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans/advance in the nature of loan falling due during the year were renewed or extended or settled by fresh loans:
- | Name of the parties | Aggregate amount dues renewed or extended or settled by fresh loans | Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year |
|---|---|---|
| JM Financial Asset Reconstruction Company Limited | 170 crores | 2.06% |
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):
- | | All Parties | Promoters | Related Parties |
|--|---------------|-----------|-----------------|
| Aggregate of loans/advances in nature of loan | | | |
| - Repayable on demand (A) | 269.70 crores | Nil | 269.70 crores |
| - Agreement does not specify any terms or period of Repayment (B) | - | - | - |
| Total (A+B) | 269.70 crores | Nil | 269.70 crores |
| Percentage of loans/ advances in nature of loan to the total loans | 60.65% | Nil | 60.65% |
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186

Independent Auditor's Report (Contd.)

of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax and Cess have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Provident Fund, Employees State Insurance or Cess, which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to GST and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	14.26	A.Y. 2012-13 to 2018-19	Commissioner of Income Tax (Appeal)
Finance Act, 1994	Service Tax	8.66	F.Y. 2008-09 to 2014-15	CESTAT

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans

during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(c) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone

financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing

Independent Auditor's Report (Contd.)

has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Kapil Goenka
Partner

Mumbai
24 May 2022

Membership No. 118189
UDIN: 22118189AJMFXG1122

Annexure B to the Independent Auditors' report on the standalone financial statements of JM Financial Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of JM Financial Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating

effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors

of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Kapil Goenka
Partner

Mumbai
24 May 2022

Membership No. 118189
UDIN: 22118189AJMFXG1122

Standalone Balance Sheet

as at March 31, 2022

	Note No.	As at March 31, 2022	As at March 31, 2021
₹ in Crore			
Assets			
Financial assets			
Cash and cash equivalents	4	80.10	10.17
Bank balances other than cash and cash equivalents	5	5.89	4.97
Trade receivables	6	28.38	49.91
Loans	7	438.56	449.61
Investments	8	3,250.97	3,021.36
Other financial assets	9	11.94	21.66
Total financial assets		3,815.84	3,557.68
Non-financial assets			
Current tax assets (net)	10	156.21	159.21
Property, plant and equipment	11	60.28	68.39
Other intangible assets	11	0.32	0.43
Other non-financial assets	12	3.98	4.76
Total non-financial assets		220.79	232.79
Total assets		4,036.63	3,790.47
Liabilities and equity			
Liabilities			
Financial liabilities			
Trade payables	13		
i. Total outstanding dues of micro enterprises and small enterprises		0.07	#
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		8.98	5.03
Lease liabilities	14	65.98	71.76
Other financial liabilities	15	65.79	46.83
Total financial liabilities		140.82	123.62
Non-financial liabilities			
Provisions	16	9.66	12.10
Deferred tax liabilities (net)	17	129.52	118.87
Other non-financial liabilities	18	20.12	33.02
Total non-financial liabilities		159.30	163.99
Equity			
Equity share capital	19	95.41	95.27
Other equity	20	3,641.10	3,407.59
Total equity		3,736.51	3,502.86
Total liabilities and equity		4,036.63	3,790.47
The accompanying notes form an integral part of the financial statements	1 to 48		

Denotes amount below ₹ 50,000/-

In terms of our report of even date attached

For and on behalf of

For and on behalf of the Board of Directors

B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Kapil Goenka

Partner

Membership No. 118189

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Vice Chairman

DIN – 00009079

E A Kshirsagar

Audit Committee Chairman

DIN – 00121824

Atul Mehra

Joint Managing Director

DIN – 00095542

Adi Patel

Joint Managing Director

DIN – 02307863

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place: Mumbai

Date: May 24, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
₹ in Crore			
Income			
Revenue from operations			
Interest income	21	64.46	52.14
Fees and commission income	22	349.01	229.10
Net gain on fair value changes	23	117.06	65.27
Profit on sale of investment in subsidiary		30.02	-
		560.55	346.51
Other income	24	59.08	27.90
Total income		619.63	374.41
Expenses			
Finance costs	25	6.76	7.24
Fees, sub brokerage and other direct expenses		47.22	30.77
Impairment on financial instruments	26	-	4.75
Employee benefits expense	27	116.16	84.31
Depreciation and amortisation expense	11	10.69	11.92
Other expenses	28	22.90	18.59
Total expenses		203.73	157.58
Profit before tax		415.90	216.83
Tax expense	29		
Current tax		77.50	42.40
Deferred tax		10.62	(0.90)
Tax adjustment of earlier years (net)		-	0.10
Total tax expense		88.12	41.60
Profit for the year		327.78	175.23
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		0.11	0.22
(ii) Income tax on above		(0.03)	(0.06)
Total Other Comprehensive Income (net of tax)		0.08	0.16
Total Comprehensive Income		327.86	175.39
Earnings per equity share (EPS)	33		
(face value of ₹1/- each)			
Basic EPS (in ₹)		3.44	1.88
Diluted EPS (in ₹)		3.43	1.88
The accompanying notes form an integral part of the financial statements	1 to 48		

In terms of our report of even date attached

For and on behalf of

For and on behalf of the Board of Directors

B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

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Joint Managing Director

DIN – 02307863

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place: Mumbai

Date: May 24, 2022

Cash Flow Statement

For the year ended March 31, 2022

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	415.90	216.83
Adjustment for :		
Depreciation and amortisation expense	10.69	11.92
Impairment on financial instruments (net)	(3.60)	4.75
Bad debts written off	2.38	-
Amortisation of deferred employee compensation (ESOP)	1.93	4.79
Finance cost on lease liabilities	6.67	7.17
Net gain on fair value changes	(117.06)	(65.27)
Profit on sale of investment in subsidiary	(30.02)	-
Profit on sale of assets	#	#
Interest income	(12.30)	(26.76)
Dividend income	(48.23)	(17.73)
Operating profit before working capital changes	226.36	135.70
Adjustment for :		
Decrease / (Increase) in Loans and advances	12.30	(452.00)
Decrease / (Increase) in Trade receivables	21.51	(29.93)
Decrease in Other financial assets	8.78	3.48
Decrease / (Increase) in Other non-financial assets	0.78	(0.51)
Increase in Trade payables	4.02	1.32
(Decrease) / Increase in provisions	(2.33)	1.04
Increase in Other financial liabilities	18.97	17.98
(Decrease) / Increase in Other non-financial liabilities	(12.90)	4.65
Cash generated from / (used in) operations	277.49	(318.27)
Direct taxes (paid) (net)	(74.50)	(33.61)
Net cash generated from / (used in) operating activities	202.99	(351.88)
B Cash flow from investing activities		
Purchase of investments in subsidiaries and associates	(3.73)	(1.62)
Purchase of investments in other than subsidiaries and associates	(9,148.82)	(8,069.09)
Proceeds from sale of investments in subsidiaries and associate	178.44	-
Proceeds from sale of investments other than subsidiaries and associate	8,891.57	7,643.02
Purchase of Property, plant and equipment	(2.08)	(1.14)
Proceeds from sale of Property, plant and equipment	-	#
Interest received	12.30	26.76
Fixed deposits (placed)/ matured with bank	(0.92)	2.23
Dividend received from subsidiaries	46.14	16.43

Cash Flow Statement

For the year ended March 31, 2022 (Contd.)

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend received from others	2.09	1.30
Net cash (used in) investing activities	(25.01)	(382.11)
C Cash flow from financing activities		
Proceeds from issue of equity shares (net of share issue expenses)	0.14	759.40
(Repayment of) lease liabilities (including interest)	(12.85)	(13.15)
Dividend paid	(95.34)	(16.82)
Net cash (used in) / generated from financing activities	(108.05)	729.43
Net increase / (decrease) in cash and cash equivalents	69.93	(4.56)
Cash & cash equivalents at the beginning of the year	10.17	14.73
Cash & cash equivalents at the end of the year (Refer Note 4)	80.10	10.17

Denotes amount below ₹ 50,000/-

The accompanying notes form an integral part of the financial statements - 1 to 48

In terms of our report of even date attached

For and on behalf of

For and on behalf of the Board of Directors

B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Kapil Goenka

Partner

Membership No. 118189

Nimesh Kampani

Chairman

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Vishal Kampani

Vice Chairman

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E A Kshirsagar

Audit Committee Chairman

DIN – 00121824

Atul MehraJoint Managing
Director

DIN – 00095542

Adi PatelJoint Managing
Director

DIN – 02307863

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place: Mumbai

Date: May 24, 2022

Statement of Changes in Equity

For the year ended March 31, 2022

A. Equity share capital

₹ in Crore

	Balance as at March 31, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
Equity share capital	84.12	11.15	95.27	0.14	95.41

B. Other Equity

₹ in Crore

	Share application money pending allotment	Reserves and Surplus						Retained earnings	Total
		Statutory reserve	Capital reserve	Securities premium reserve	General reserve	Capital redemption reserve	Stock option outstand- ing		
Balance as at March 31, 2020	#	59.44	4.16	1,253.21	201.83	12.89	31.91	925.72	2,489.16
Addition/Reduction during the year									
Profit for the year	-	-	-	-	-	-	-	175.23	175.23
Other comprehensive income	-	-	-	-	-	-	-	0.16	0.16
Total comprehensive income	-	-	-	-	-	-	-	175.39	175.39
Issue of Equity Shares pursuant to qualified institutional placement	-	-	-	759.00	-	-	-	-	759.00
Share issue expenses	-	-	-	(8.05)	-	-	-	-	(8.05)
Employee stock options (Net)	#	-	-	12.12	-	-	(3.21)	-	8.91
Dividends	-	-	-	-	-	-	-	(16.82)	(16.82)
Balance as at March 31, 2021	-	59.44	4.16	2,016.28	201.83	12.89	28.70	1,084.29	3,407.59
Addition/Reduction during the year									
Profit for the year	-	-	-	-	-	-	-	327.78	327.78
Other comprehensive income	-	-	-	-	-	-	-	0.08	0.08
Total comprehensive income	-	-	-	-	-	-	-	327.86	327.86
Employee stock options (Net)	-	-	-	12.98	-	-	(11.99)	-	0.99
Dividends	-	-	-	-	-	-	-	(95.34)	(95.34)
Balance as at March 31, 2022	-	59.44	4.16	2,029.26	201.83	12.89	16.71	1,316.81	3,641.10

Denotes amount below ₹ 50,000/-

The accompanying notes form an integral part of the financial statements 1 to 48

In terms of our report of even date attached

For and on behalf of

For and on behalf of the Board of Directors

B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Kapil Goenka

Partner

Membership No. 118189

Nimesh Kampani

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Director

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Adi Patel

Joint Managing
Director

DIN – 02307863

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place: Mumbai

Date: May 24, 2022

Significant Accounting Policies

and notes to the Financial Statements

1 Corporate Information

JM Financial Limited ("the Company") was incorporated as a Private Limited Company under the name of J.M. Share and Stock Brokers Private Limited on January 30, 1986 under the Companies Act, 1956. Subsequently, the Company became a deemed Public Limited Company (as per the then prevailing laws) upon its promoter, J. M. Financial & Investment Consultancy Services Private Limited becoming a deemed Public Limited Company on June 15, 1988, by virtue of the Companies (Amendment) Act, 1988 read with the Companies Act, 1956. On September 15, 2004, the name of the Company was changed to JM Financial Limited, Public Limited Company as per Companies Act, 1956, as amended.

The Company is engaged in the holding company activities, advisors in equity and debt capital markets, management of capital markets transactions, mergers & acquisitions, advisory, private equity syndication, corporate finance advisory business and administration & management of private equity funds.

2. Significant Accounting Policies

2.1 Basis of preparation and presentation of financial statements

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified) and the guidelines issued by the Securities Exchange Board of India ("SEBI") to the extent applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Historical Cost Convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an

asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the financial statements are presented in Indian Rupees (₹) in crore rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee (₹) to two decimal places.

Previous year figures have been re-grouped or reclassified, to confirm with current year's grouping / classifications.

Significant Accounting Policies

and notes to the Financial Statements (Contd.)

2.2 Business Combination

A common control business combination, involving entities or business in which all the combining entities or business are ultimately controlled by the same party or parties both before and after the business combination and where the controls is not transitory is accounted for using the pooling of interests method.

Other business combination, including entities or business are accounted for using acquisition method.

2.3 Investments in Subsidiaries and Associates

Subsidiaries:

Subsidiaries are all entities over which the company has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in Subsidiaries and Associates are accounted at cost net off impairment loss, if any.

2.4 Property, plant and equipment and Intangible assets

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

Depreciation / amortisation is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	Useful Life
Property, Plant & Equipment	
Office premises	60 years
Leasehold improvements	10 years or lease period whichever is lower
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Motor Vehicles	5 years
Intangible Assets	
Computer Software	5 years

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from

derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of Profit and Loss when the asset is derecognised.

Impairment losses on non-financial assets

As at the end of each year, the Company reviews the carrying amount of its non-financial assets that is PPE and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss.

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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the company becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings, trade payables and other financial liabilities.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from

the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial Assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial

Significant Accounting Policies

and notes to the Financial Statements (Contd.)

recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Financial assets at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the individual asset basis and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Equity Investments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 'Financial Instruments: Presentation' and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit & Loss.

Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains

are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects or initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual

cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that the financial assets is deemed to be impaired.

Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss. At each reporting date these historical default rates are reviewed.

Overview of the Expected Credit Loss principles:

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

Expected credit losses (ECL) are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

Significant Accounting Policies

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A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL on an individual basis.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: Defined as performing assets with upto 30 days past due (DPD). Stage 1 loans will also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: Defined as under-performing assets having 31 to 90 DPD. Stage 2 loans will also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2. Accounts with overdue more than 30 DPD will be assessed for significant increase in credit risks.

Stage 3: Defined as assets with overdue more than 90 DPD. The Company will record an allowance for the life time expected credit losses. These accounts will be assessed for credit impairment.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of Financial Assets

A financial assets is derecognised only when:

- The Company has transferred the right to receive cash flows from the financial assets or

- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligations to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Write-off

Loans and trade receivables are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company or a contract that will or may be settled in the its's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the it's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an assets is included in the 'Finance Costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, there is a legally enforceable right to set off the amounts and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Revenue recognition

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

Revenue from Investment Banking business, which mainly includes the lead manager's fees, selling commission, underwriting commission, fees for mergers, acquisitions & advisory assignments and arrangers' fees for mobilising funds is recognised based on the milestone achieved as set forth under the terms of engagement.

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

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. The EIR is the rate that exactly

Significant Accounting Policies

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discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument. The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

2.7 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves—

- a) the use of an identified asset,

- b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-to-Use asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right-to-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The cost of the right-to-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-to-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-to-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-to-use assets.

Right to use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-to-use assets. Where the carrying amount of the right-to-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Company is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the right-to-use asset arising from the head-lease.

2.8 Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement Profit and Loss in the period in which they arise.

2.9 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.10 Employee benefits

Defined contribution obligation

Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined benefit obligation

The liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company recognizes current service cost, past service cost, if any and interest cost in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustment and changes in actuarial assumptions are recognized in the period in which they occur in the OCI.

Short-term benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.11 Share-based payment arrangements

Equity-settled share-based payments to employees of the Company are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments to employees is recognised as deferred employee compensation and is expensed in the Statement of Profit and Loss over the vesting period with a corresponding increase in stock option outstanding in other equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognizes any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in other equity.

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2.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The Current tax is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.13 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.15 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on shares and other investments partly paid;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.16 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.17 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.19 Dividend on Ordinary Shares

The Company recognises a liability to make cash to equity holders of the Company when the dividend is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, an interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3 Use of Estimates & Judgements

The preparation of financial statements in conformity with Ind AS requires the company's management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The followings are the critical judgements and estimations that have been made by the management in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements and / or key source of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

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Fair value measurement and valuation processes

Some of the Company's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset, the company used market observable data to the extent it is available information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in note 39.

Revenue

Revenue from investment banking services (mainly includes lead manager's fee, selling commission, underwriting commission, fees for mergers, acquisitions and advisory assignments and arranger's fees for mobilising debt funds) is recognised when the services for the transaction are determined to be completed or when specific obligation are determined to be fulfilled as set forth under the terms of the engagement. The variety and number of the obligations within the contracts can make it complex and requires management judgements to determine completion of the performance condition associated with the revenue.

Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profits and all tax bases of assets and liabilities the company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Notes

to the Financial Statements

4. Cash and cash equivalents

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Cash in hand	-	-
Balances with banks:		
In current accounts	1.85	10.17
In deposit accounts	78.25	-
Total	80.10	10.17

5. Bank balances other than cash and cash equivalents

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
Under lien against which facilities are not availed	1.10	-
In earmarked accounts (refer notes 5.1 and 5.2)	4.79	4.97
Total	5.89	4.97

5.1 Balances with banks in deposit accounts earns interest at fixed rate based on daily bank deposit rates for a period ranging from one day to 365 days.

5.2 Balances with banks in earmarked account pertains to unclaimed dividend ₹1.65 crore (Previous year ₹1.96 crore) and bank fixed deposits ₹ 3.14 crore (Previous year ₹ 3.01 crore).

6. Trade receivables

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Unsecured:		
Considered good	28.38	49.91
Considered doubtful	-	2.36
	28.38	52.27
Less: Impairment loss allowance (Refer note 39)	-	(2.36)
Total	28.38	49.91

6.1 No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes

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6.2 Trade receivables are generally on credit terms of 30 to 90 days and generally no interest is charged on overdue balances.

₹ in Crore

	Outstanding for following periods from due date of payment					As at March 31, 2022 Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables-considered good	28.38	-	-	-	-	28.38
(ii) Undisputed trade receivables-significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade receivables-significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-
Total	28.38	-	-	-	-	28.38

	Outstanding for following periods from due date of payment					As at March 31, 2021 Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	49.91	-	-	-	-	49.91
(ii) Undisputed Trade receivables-significant increase in credit risk	-	1.77	0.59	-	-	2.36
(iii) Undisputed Trade receivables-credit impaired	-	(1.77)	(0.59)	-	-	(2.36)
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade receivables-significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-
Total	49.91	-	-	-	-	49.91

7. Loans

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
At amortised cost		
- To Related parties / Promoters / Directors / KMPs		
Term loans	-	-
Demand loans	-	-
Inter Corporate Deposits (refer note 7.1 and 37)	439.70	452.00
Accrued interest	-	-
- To Others		
Term loans	-	-
Demand loans	-	-
Inter Corporate Deposits	5.00	5.00
	444.70	457.00
Less: Impairment loss allowance (Refer note 39)	(6.14)	(7.39)
Total	438.56	449.61

7.1 The loans are given in India and to other than public sectors.

7.2 Details of loans repayable on demand:

₹ in Crore

Type of borrower	As at March 31, 2022		As at March 31, 2021	
	Loan outstanding	% of total loans	Loan outstanding	% of total loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	269.70	60.65%	452.00	98.91%

7.3 There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

8. Investments

₹ in Crore

	As at March 31, 2022		
	Quantity (Nos.)	At cost	FVTPL
I Trade investments			
Unquoted			
a) Investment in equity shares of ₹10/- each (fully paid up unless stated)			
In subsidiaries:			
JM Financial Services Limited	5,00,00,000	107.50	107.50
JM Financial Properties and Holdings Limited	30,00,000	3.00	3.00
Infinite India Investment Management Limited	16,00,000	2.38	2.38
JM Financial Products Limited	54,26,15,050	559.20	559.20
JM Financial Credit Solutions Limited	13,19,431	529.40	529.40
JM Financial Asset Management Limited	3,17,52,500	134.07	134.07
JM Financial Asset Reconstruction Company Limited	20,41,97,279	372.74	372.74
CR Retail Malls (India) Limited	2,00,00,000	43.74	43.74
JM Financial Overseas Holdings Private Limited, Mauritius of US\$ 1 each	1,20,00,000	60.27	60.27
In associate company:			
JM Financial Trustee Company Private Limited	25,000	0.03	0.03
b) Investment in preference shares of ₹10/- each (fully paid up)			
In subsidiaries:			
JM Financial Properties and Holdings Limited (10% Optionally Convertible Preference Shares)	9,50,50,000	95.05	95.05
JM Financial Institutional Securities Limited (0.01% Optionally Convertible Preference Shares)	70,00,000	7.00	7.00
JM Financial Services Limited (6% Compulsorily Convertible Preference Shares)	75,00,000	50.25	50.25

Notes

to the Financial Statements (Contd.)

₹ in Crore

	As at March 31, 2022			
	Quantity (Nos.)	At cost	FVTPL	Total
c) Investment in Debentures				
In subsidiaries:				
JM Financial Asset Reconstruction Company Limited (12% Compulsorily Convertible Debentures of face value of ₹ 373/- each)	9,36,832	34.94		34.94
		1,999.57		1,999.57
II Other investments				
a) Investment in equity shares (fully paid up)				
Quoted				
NEL Holdings South Limited (formerly knowns as NEL Holdings Limited) of ₹10/- each	12,30,442		0.41	0.41
			0.41	0.41
Unquoted				
National Stock Exchange of India Ltd of ₹ 1/- each	8,00,500		126.16	126.16
Bran Engineering Private Limited of ₹ 10/- each	1,80,000		#	#
Teracom Limited of ₹ 10/- each	2,60,000		#	#
			126.16	126.16
b) Investments in preference shares				
Unquoted				
VCK Forex Services Private Limited of ₹ 100/- each (6% Redeemable Non-Cumulative Preference Shares)	5,00,000		#	#
c) Investment in venture capital fund/alternative investment fund units				
Unquoted:				
Urban Infrastructure Opportunity Fund of face value of Rs 23,930/- each	983		#	#
Paragon Partners Growth Fund I of face value of ₹ 100/- each	4,35,286		7.70	7.70
VEC Strategic Growth Fund of face value of ₹ 1,000/- each	18		#	#
JM Financial India Fund - Scheme A - Class D units of ₹ 100/- each	44,131		0.39	0.39
JM Financial India Fund III - Scheme C - Class D units of ₹ 100/- each	36		0.14	0.14
JM Financial India Fund - Scheme A - Class C units of ₹ 1/- each	3,07,434		0.03	0.03
JM Financial India Fund - Scheme B - Class C units of ₹ 1/- each	2,64,806		0.03	0.03
JM Financial India Fund III - Scheme C - Class C units of ₹ 1/- each	41,590		#	#
JM Financial India Fund III - Scheme D - Class C units of ₹ 1/- each	33,107		#	#
JM Financial India Fund (Settlor's contribution) of ₹ 1/- each	NA		#	#
JM Financial India Fund III (Settlor's contribution) of ₹ 1/- each	NA		#	#
JM Financial Property Fund I - Class C units of ₹ 10,000/- each (Partly paid up of ₹ 3,411.07)	75,000		5.27	5.27
JM Financial Property Fund I - Class B units of ₹ 10,000/- each (Partly paid up of ₹ 9,833.96)	50		0.05	0.05
JM Financial Property Fund II - Class B units of ₹ 10,000/- each	46		0.05	0.05

₹ in Crore

	As at March 31, 2022			
	Quantity (Nos.)	At cost	FVTPL	Total
JM Financial Property Fund (Settlor's contribution) of ₹ 10,000/- each	NA		#	#
JM Financial India Fund II - Class D units of ₹ 1,00,000/- each	6,650		80.63	80.63
JM Financial India Growth Fund III - Class D units of ₹ 1,00,000/- each (Partly paid up)	5,000		16.50	16.50
			110.79	110.79
d) Investments in Mutual Funds				
Unquoted:				
JM Large Cap Fund - Dividend Option##	16,072		0.01	0.01
JM Liquid Fund - (Direct) Growth Option	4,20,86,678		245.77	245.77
UTI Liquid Cash Plan - Direct Growth Plan	3,25,722		88.92	88.92
HDFC Liquid Fund - Direct Growth Plan	3,60,894		151.02	151.02
ICICI Prudential Liquid Fund - Direct Growth Plan	22,27,515		70.22	70.22
Kotak Mahindra Liquid Fund - Direct Growth Plan	1,61,151		69.34	69.34
Aditya Birla Sun Life Liquid Fund - Direct Growth Plan	12,32,935		42.31	42.31
Axis Liquid Fund - Direct Growth Plan	6,46,284		152.79	152.79
Nippon India Liquid Fund - Direct Growth Plan	1,73,914		90.58	90.58
Franklin Templeton India Liquid Fund - Direct Growth Plan	1,62,565		52.00	52.00
Mirae Asset Cash Management Fund - Direct Growth Plan	2,27,262		51.08	51.08
			1,014.04	1,014.04
Total		1,999.57	1,251.40	3,250.97
(i) Investments outside India		60.27	-	60.27
(ii) Investments in India		1,939.30	1,251.40	3,190.70
Total		1,999.57	1,251.40	3,250.97

8. Investments

₹ in Crore

	As at March 31, 2021			
	Quantity (Nos.)	At cost	FVTPL	Total
I Trade investments				
Unquoted				
a) Investment in equity shares of ₹10/- each (fully paid up unless stated)				
In subsidiaries:				
JM Financial Services Limited	5,00,00,000	107.50		107.50
JM Financial Properties and Holdings Limited	30,00,000	3.00		3.00
Infinite India Investment Management Limited	16,00,000	2.38		2.38
JM Financial Products Limited	54,14,88,750	555.47		555.47
JM Financial Credit Solutions Limited	13,19,431	529.40		529.40
JM Financial Asset Management Limited	3,17,52,500	134.07		134.07
JM Financial Asset Reconstruction Company Limited	20,41,97,279	372.74		372.74
CR Retail Malls (India) Limited	2,00,00,000	43.74		43.74

Notes

to the Financial Statements (Contd.)

₹ in Crore				
	As at March 31, 2021			
	Quantity (Nos.)	At cost	FVTPL	Total
JM Financial Overseas Holdings Private Limited, Mauritius of US\$ 1 each	1,20,00,000	60.27		60.27
In associate company:				
JM Financial Trustee Company Private Limited	25,000	0.03		0.03
b) Investment in preference shares of ₹10/- each (fully paid up)				
In subsidiaries:				
JM Financial Properties and Holdings Limited (10% Optionally Convertible Preference Shares)	9,50,50,000	95.05		95.05
JM Financial Institutional Securities Limited (0.01% Optionally Convertible Preference Shares)	70,00,000	7.00		7.00
JM Financial Services Limited (6% Compulsorily Convertible Preference Shares)	75,00,000	50.25		50.25
c) Investment in Debentures				
In subsidiaries:				
JM Financial Asset Reconstruction Company Limited (12% Compulsorily Convertible Debentures of face value of ₹ 373/- each)	49,16,104	183.37		183.37
		2,144.27		2,144.27
II Other investments				
a) Investment in equity shares (fully paid up)				
Quoted				
NEL Holdings South Limited (formerly knowns as NEL Holdings Limited) of ₹10/- each	12,30,442		0.20	0.20
			0.20	0.20
Unquoted				
National Stock Exchange of India Ltd of ₹ 1/- each	10,98,350		113.10	113.10
Bran Engineering Private Limited of ₹ 10/- each	1,80,000		#	#
Teracom Limited of ₹ 10/- each	2,60,000		#	#
			113.10	113.10
b) Investments in preference shares				
Unquoted				
VCK Forex Services Private Limited of ₹ 100/- each (6% Redeemable Non-Cumulative Preference Shares)	5,00,000		#	#
c) Investment in venture capital fund/alternative investment fund units				
Unquoted:				
Urban Infrastructure Opportunity Fund of face value of ₹ 27,430/- each	983		0.06	0.06
Paragon Partners Growth Fund I of face value of ₹ 100/- each	4,55,818		6.06	6.06
VEC Strategic Growth Fund of face value of ₹ 1,000/- each	18		#	#
JM Financial India Fund - Scheme A - Class D units of ₹ 100/- each	44,131		0.39	0.39

₹ in Crore				
	As at March 31, 2021			
	Quantity (Nos.)	At cost	FVTPL	Total
JM Financial India Fund III - Scheme C - Class D units of ₹ 100/- each	36		0.14	0.14
JM Financial India Fund - Scheme A - Class C units of ₹ 1/- each	3,07,434		0.03	0.03
JM Financial India Fund - Scheme B - Class C units of ₹ 1/- each	2,64,806		0.03	0.03
JM Financial India Fund III - Scheme C - Class C units of ₹ 1/- each	41,590		#	#
JM Financial India Fund III - Scheme D - Class C units of ₹ 1/- each	33,107		#	#
JM Financial India Fund (Settlor's contribution) of ₹ 1/- each	NA		#	#
JM Financial India Fund III (Settlor's contribution) of ₹ 1/- each	NA		#	#
JM Financial Property Fund I - Class C units of ₹ 10,000/- each (Partly paid up of ₹ 3,411.07)	75,000		6.59	6.59
JM Financial Property Fund I - Class B units of ₹ 10,000/- each (Partly paid up of ₹ 9,833.96)	50		0.05	0.05
JM Financial Property Fund II - Class B units of ₹ 10,000/- each	50		0.05	0.05
JM Financial Property Fund (Settlor's contribution) of ₹ 10,000/- each	NA		#	#
JM Financial India Fund II - Class D units of ₹ 1,00,000/- each	5,597		61.50	61.50
			74.90	74.90
d) Investments in Mutual Funds				
Unquoted:				
JM Large Cap Fund - Dividend Option##	16,072		0.01	0.01
JM Liquid Fund - (Direct) Growth Option	575,29,277		323.58	323.58
UTI Liquid Cash Plan - Direct Growth Plan	2,67,251		90.08	90.08
HDFC Liquid Fund - Direct Growth Plan	1,85,550		75.06	75.06
ICICI Prudential Liquid Fund - Direct Growth Plan	24,62,841		75.05	75.05
Kotak Mahindra Liquid Fund - Direct Growth Plan	1,80,477		75.07	75.07
Aditya Birla Sun Life Liquid Fund - Direct Growth Plan	15,09,008		50.04	50.04
			688.89	688.89
TOTAL		2,144.27	877.09	3,021.36
(i) Investments outside India		60.27	-	60.27
(ii) Investments in India		2,084.00	877.09	2,961.09
TOTAL		2,144.27	877.09	3,021.36

Denotes amount below ₹ 50,000/-

Represents initial contribution as a 'Sponsor' towards setting up of JM Financial Mutual Fund.

9. Other financial assets

₹ in Crore		
	As at March 31, 2022	As at March 31, 2021
Security deposits	6.20	6.58
Receivable in respect of stock option plan	0.44	2.52
Employees advances	0.03	0.04
Interest accrued	2.14	11.34
Other receivables (refer note 9.1)	3.13	1.18
Total	11.94	21.66

9.1 Include advance, expenses recoverable, etc.

Notes

to the Financial Statements (Contd.)

10. Current tax assets (Net)

	As at March 31, 2022	As at March 31, 2021
Advance Tax (Net of provisions)	156.21	159.21
Total	156.21	159.21

11. Property, plant and equipment and intangible assets

	Gross carrying amount				Accumulated depreciation / amortisation				Net carrying amount
	As at April 1, 2021	Addi- tions	Deduc- tions	As at March 31, 2022	As at April 1, 2021	Addi- tions	Deduc- tions	As at March 31, 2022	As at March 31, 2022
A) Property, plant and equipment									
Owned assets:									
Office premises	0.65	1.86	-	2.51	0.08	0.02	-	0.10	2.41
Furniture and fixtures	0.03	-	-	0.03	0.01	#	-	0.01	0.02
Office equipment	0.18	0.01	#	0.19	0.10	0.03	#	0.13	0.06
Computers	2.59	0.19	0.09	2.69	1.96	0.35	0.09	2.22	0.47
Leasehold improvements	0.55	-	-	0.55	0.12	0.06	-	0.18	0.37
Motor vehicles	2.48	-	-	2.48	2.13	0.27	-	2.40	0.08
Leased assets:									
Office premises (Right to use asset) - (refer note 35)	84.93	-	3.89	81.04	19.15	9.53	3.89	24.79	56.25
Motor vehicles (refer note 11.1)	1.97	0.38	0.64	1.71	1.44	0.29	0.64	1.09	0.62
Total (A)	93.38	2.44	4.62	91.20	24.99	10.55	4.62	30.92	60.28
B) Intangible assets (refer note 11.2)									
Software	1.18	0.03	0.01	1.20	0.75	0.14	0.01	0.88	0.32
Total (B)	1.18	0.03	0.01	1.20	0.75	0.14	0.01	0.88	0.32
Total (A+B)	94.56	2.47	4.63	92.40	25.74	10.69	4.63	31.80	60.60

11.1 vendor has a lien over the assets taken on lease.

11.2 The intangibles assets are other than internally generated.

Denotes amount below ₹ 50,000/-

	Gross carrying amount				Accumulated depreciation / amortisation				Net carrying amount
	As at April 1, 2020	Addi- tions	Deduc- tions	As at March 31, 2021	As at April 1, 2020	Addi- tions	Deduc- tions	As at March 31, 2021	As at March 31, 2021
A) Property, plant and equipment									
Owned assets:									
Office premises	0.65	-	-	0.65	0.06	0.02	-	0.08	0.57
Furniture and fixtures	0.03	-	-	0.03	0.01	#	-	0.01	0.02
Office equipment	0.17	0.01	-	0.18	0.07	0.03	-	0.10	0.08
Computers	2.06	0.53	-	2.59	1.57	0.39	-	1.96	0.63
Leasehold improvements	0.55	-	-	0.55	0.06	0.06	-	0.12	0.43
Motor vehicles	2.48	-	-	2.48	1.59	0.54	-	2.13	0.35
Leased assets:									
Office premises (Right to use asset) - (refer note 35)	84.02	2.58	1.67	84.93	10.38	10.36	1.59	19.15	65.78
Motor vehicles (refer note 11.1)	1.84	0.27	0.14	1.97	1.21	0.37	0.14	1.44	0.53
Total (A)	91.80	3.39	1.81	93.38	14.95	11.77	1.73	24.99	68.39
B) Intangible assets (refer note 11.2)									
Software	0.85	0.33	-	1.18	0.60	0.15	-	0.75	0.43
Total (B)	0.85	0.33	-	1.18	0.60	0.15	-	0.75	0.43
Total (A+B)	92.65	3.72	1.81	94.56	15.55	11.92	1.73	25.74	68.82

11.1 vendor has a lien over the assets taken on lease.

11.2 The intangible assets are other than internally generated.

Denotes amount below ₹ 50,000/-

12. Other non financial assets

	As at March 31, 2022	As at March 31, 2021
Capital advances	0.12	1.34
Balances with Government authorities	3.07	2.91
Prepaid expenses	0.79	0.51
Total	3.98	4.76

13. Payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises (refer note 13.1)	0.07	#
Total outstanding dues of creditors other than micro and small enterprises	8.98	5.03
Total	9.05	5.03

Notes

to the Financial Statements (Contd.)

13.1 Dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as under.

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.07	#
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	0.07	#

13.2 Trade payable ageing schedule:

₹ in Crore

	Outstanding for following periods from due date of payment				As at March 31, 2022 Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.07	-	-	-	0.07
(ii) Others	8.97	#	-	0.01	8.98
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	9.04	#	-	0.01	9.05

₹ in Crore

	Outstanding for following periods from due date of payment				As at March 31, 2021 Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	#	-	-	-	#
(ii) Others	5.00	0.01	0.01	0.01	5.03
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	5.00	0.01	0.01	0.01	5.03

Denotes amount below ₹ 50,000/-

14. Lease liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Lease liability for office premises (refer note 35)	65.29	71.16
Lease liability for motor vehicles (refer note 14.1 and 35)	0.69	0.60
Total	65.98	71.76

14.1 Secured by way of hypothecation of vehicles.

15. Other financial liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Employee benefits payable	61.70	42.56
Directors' commission payable	1.54	1.48
Unclaimed dividend	1.65	1.96
Security Deposits	0.90	0.83
Total	65.79	46.83

16. Provisions

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
For Employee benefits:		
- Gratuity (refer note 36)	5.44	5.41
- Compensated absence	2.48	2.08
For Clawback obligation	1.74	4.61
Total	9.66	12.10

17. Deferred tax liabilities (Net)

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Investments	115.43	115.43
Net fair value gain on financial assets measured at FVTPL	21.99	12.33
Fiscal allowance on Property, plant & equipments	(0.83)	(0.87)
Fiscal allowance on expenditure, etc.	(3.17)	(2.34)
Impairment loss allowance on financial assets measured at cost	(0.29)	(1.20)
Disallowances under Section 43B of the Income Tax Act, 1961	(1.99)	(1.88)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	(1.62)	(2.58)
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	-	(0.02)
Total	129.52	118.87

17.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2022

₹ in Crore

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in Other Equity	Closing balance
Investments	115.43	-	-	-	115.43
Net fair value gain on financial assets measured at FVTPL	12.33	9.66	-	-	21.99
Fiscal allowance on Property, plant & equipments	(0.87)	0.04	-	-	(0.83)
Fiscal allowance on expenditure, etc.	(2.34)	(0.83)	-	-	(3.17)

Notes

to the Financial Statements (Contd.)

Deferred tax (asset) / liability	₹ in Crore				
	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in Other Equity	Closing balance
Impairment loss allowance on financial assets measured at cost	(1.20)	0.91	-	-	(0.29)
Disallowances under Section 43B of the Income Tax Act, 1961	(1.88)	(0.14)	0.03	-	(1.99)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	(2.58)	0.96	-	-	(1.62)
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	(0.02)	0.02	-	-	-
Total	118.87	10.62	0.03	-	129.52

For the year ended March 31, 2021

Deferred tax (asset) / liability	₹ in Crore				
	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in Other Equity	Closing balance
Investments	112.92	2.51	-	-	115.43
Net fair value gain on financial assets measured at FVTPL	14.28	(1.95)	-	-	12.33
Fiscal allowance on Property, plant & equipments	(0.86)	(0.01)	-	-	(0.87)
Fiscal allowance on expenditure, etc.	(1.30)	(1.04)	-	-	(2.34)
Impairment loss allowance on financial assets measured at cost	-	(1.20)	-	-	(1.20)
Disallowances under Section 43B of the Income Tax Act, 1961	(1.99)	0.05	0.06	-	(1.88)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	(0.84)	0.96	-	(2.70)	(2.58)
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	(0.04)	0.02	-	-	(0.02)
Donations (Section 80G of the Income Tax Act, 1961)	0.25	(0.25)	-	-	-
Total	122.42	(0.90)	0.06	(2.70)	118.87

17.2 Tax Losses for which no deferred tax asset has been recognised :

	₹ in Crore			
	Year ended March 31, 2022	Expiry date	Year ended March 31, 2021	Expiry date
Brought forward losses (allowed to be carried forward for specified period)	-	-	-	-
Brought forward losses (allowed to be carried forward for specified period)	-	-	-	-
Total	-	-	-	-

18. Other non financial liabilities

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Money received in advance	-	19.68
Statutory dues	19.13	12.67
Others	0.99	0.67
Total	20.12	33.02

19. Equity share capital

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Authorised:		
152,02,00,000 (Previous year 152,02,00,000) equity shares of ₹ 1/- each	152.02	152.02
4,38,00,000 (Previous year 4,38,00,000) preference shares of ₹ 10/- each	43.80	43.80
	195.82	195.82
Issued, Subscribed and Paid up Capital:		
95,40,55,533 (Previous year 95,27,22,711) equity shares of ₹1/- each fully paid-up.	95.41	95.27
Total	95.41	95.27

19.1 Reconciliation of the number of equity shares outstanding:

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount (₹ in Crore)	Number	Amount (₹ in Crore)
Shares outstanding at the beginning of the year	95,27,22,711	95.27	84,12,24,647	84.12
Shares allotted upon exercise of stock options	13,32,822	0.14	14,98,064	0.15
Shares issued and allotted pursuant to the qualified institutional placement (refer note 19.5 below)	-	-	11,00,00,000	11.00
Shares outstanding at the end of the year	95,40,55,533	95.41	95,27,22,711	95.27

19.2 Terms and rights attached to equity shares:

The Company has only one class of equity shares. The shareholders are entitled to one vote per share, dividend, as and when declared by the Board of directors and shareholders and residual assets, if any, after payment of all liabilities, in the event of liquidation of the Company.

19.3 Details of shareholders holding more than 5 percent shares:

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of total Holding	No. of Shares held	% of total holding
J. M. Financial & Investment Consultancy Services Private Limited	22,27,34,100	23.35%	21,65,34,100	22.73%
Nimesh Kampani*	12,57,50,000	13.18%	12,57,50,000	13.20%
J. M. Assets Management Private Limited	10,35,42,908	10.85%	10,30,42,908	10.82%
ICICI Prudential Value Discovery Fund	5,91,95,020	6.20%	4,67,90,974	4.91%

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

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19.4 Details of promoter and promoters group:

Shares held by promoter and promoters group at the end of the year

Sr No	Name of the Promoter & promoters group	No of shares as at March 31, 2022	Percentage of total shares as at March 31, 2022	No of shares as at March 31, 2021	Percentage of total shares as at March 31, 2021	Percentage of change during the year
1	J. M. Financial & Investment Consultancy Services Private Limited	22,27,34,100	23.35%	21,65,34,100	22.73%	0.62%
2	Nimesh Kampani*	12,57,50,000	13.18%	12,57,50,000	13.20%	-0.02%
3	Aruna Kampani	3,25,51,250	3.41%	3,43,51,250	3.61%	-0.20%
4	Vishal Kampani	1,26,22,236	1.32%	1,20,00,000	1.26%	0.06%
5	Amishi Akash Gambhir	80,00,000	0.84%	80,00,000	0.84%	-
6	J. M. Assets Management Private Limited	10,35,42,908	10.85%	10,30,42,908	10.82%	0.03%
7	JSB Securities Limited	65,05,000	0.68%	65,05,000	0.68%	-
8	SNK Investments Private Limited	1,21,60,000	1.27%	1,17,60,000	1.23%	0.04%
9	Persepolis Investment Company Private Limited	23,50,000	0.25%	22,50,000	0.24%	0.01%
10	Kampani Consultants Limited	8,85,000	0.09%	6,85,000	0.07%	0.02%
11	JM Financial Trustee Company Private Limited	16,30,000	0.17%	11,30,000	0.12%	0.05%

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

19.5 During the year ended March 31, 2021, the Company issued and allotted 11,00,00,000 equity shares of the face value of ₹ 1/- each to the eligible qualified institutional buyers at the issue price of ₹ 70/- per equity share aggregating ₹ 770 Crore through Qualified Institutional Placement (QIP) in accordance with Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended and Section 42 of the Companies Act, 2013 and other applicable provisions of the Companies Act, as Amended and the rules made thereunder.

20. Other equity

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Share application money pending allotment	-	-
Capital reserve	4.16	4.16
Securities premium reserve	2,029.26	2,016.28
General reserve	201.83	201.83
Statutory reserve	59.44	59.44
Capital redemption reserve	12.89	12.89
Stock option outstanding	17.53	31.63
Deferred employee compensation	(0.82)	(2.93)
Stock option outstanding	16.71	28.70
Retained earnings	1,316.81	1,084.29
Total	3,641.10	3,407.59

Movement in Other equity

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Share application money pending allotment		
Opening balance	-	#
Add: stock options exercised but pending allotment	-	-
Less: Shares allotted during the year	-	#
Closing balance	-	-
Capital reserve	4.16	4.16
Securities premium reserve		
Opening balance	2,016.28	1,253.21
Add: On shares allotted pursuant to the qualified institutional placement	-	759.00
Add: On shares allotted upon exercise of stock options by the Employees	12.98	12.12
Less: Share issue expenses (net of deferred tax)	-	(8.05)
Closing balance	2,029.26	2,016.28
General reserve	201.83	201.83
Statutory reserve (under section 45-IC of The Reserve Bank of India Act, 1934)	59.44	59.44
Capital redemption reserve	12.89	12.89
Stock option outstanding		
Opening balance	31.63	33.78
Add: Additions on account of fresh grants during the year	-	14.22
Less: Transferred to securities premium upon exercise of stock options	(12.98)	(12.12)
Less: Reduction on account of options lapsed during the year	(1.12)	(4.25)
	17.53	31.63
Less: Deferred employee compensation	(0.82)	(2.93)
Closing balance	16.71	28.70
Retained earnings:		
Opening balance	1,084.29	925.72
Add: Profit for the year	327.78	175.23
Add/(less): Other Comprehensive Income	0.08	0.16
Less: Dividends paid		
Final dividend	(47.64)	(16.82)
Interim dividend	(47.70)	-
Closing balance	1,316.81	1,084.29
Total	3,641.10	3,407.59

20.1 Share application money pending allotment represents equity shares to be issued pursuant to Employee Stock Option Scheme.

20.2 Capital reserve and capital redemption reserves represents reserves created pursuant to the business combination up to year end.

20.3 Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

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20.4 General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

20.5 Statutory reserve is the reserve created by transferring the sum not less than 20% of its net profit after tax in terms of Section 45-IC of The Reserve Bank of India Act, 1934.

20.6 Stock option outstanding relates to the stock options granted by the Company to employees under an Employee Stock options Plan (refer note 31)

20.7 Retained earnings represents profits that the company earned till date, less any transfers to General Reserve, Statutory Reserves, Dividends and other distributions paid to the shareholders.

21. Interest income

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
At Amortised Cost		
Interest on Loans	52.16	29.91
Interest on investments	12.30	22.23
Total	64.46	52.14

22. Fees and commission income

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Management and other fees	349.01	229.10
Total	349.01	229.10

23. Net gain on fair value changes

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net gain on financial instruments designated at FVTPL	117.06	65.27
Total	117.06	65.27

23.1 Net gain on fair value changes:

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
- Realised	57.89	33.63
- Unrealised	59.17	31.64
Total	117.06	65.27

24. Other income

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Dividend from investments in subsidiaries	46.14	16.43
Dividend from other investments	2.09	1.30
Interest income –others (refer note 24.1)	#	4.53
Finance income on rent deposit	0.50	0.50
Group support service fees	4.68	3.96
Lease rent	0.27	0.27
Reversal of impairment of financial instrument	3.60	-
Miscellaneous income	1.80	0.91
Total	59.08	27.90

24.1 Interest income is earned on financial assets carried at amortised cost

25. Finance costs

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
On financial liabilities (at Amortised Cost):		
- Lease liabilities (refer note 35)	6.67	7.17
- Others	0.09	0.07
Total	6.76	7.24

26. Impairment on financial instruments

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
On Financial instruments (at Amortised Cost):		
- Trade receivables	-	2.36
- Loans	-	2.39
Total	-	4.75

27. Employee benefits expense

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries, bonus and allowances (refer note 31)	112.29	81.16
Contribution to provident and other funds	2.96	2.38
Gratuity (refer note 36)	0.72	0.70
Staff welfare expenses	0.19	0.07
Total	116.16	84.31

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28. Other expenses

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Support service fees	2.50	2.50
Rates and taxes	2.08	2.45
Donation	3.11	2.34
Legal and professional fees	2.15	1.97
Bad debts written off	2.38	-
Directors' commission	1.54	1.48
Fund expenses	0.65	1.03
Subscription and membership	1.35	1.02
Repairs and maintenance	0.66	0.73
Directors' sitting fees	0.65	0.62
Insurance expenses	0.80	0.58
Motor car expenses	0.51	0.52
Electricity expenses	0.45	0.51
Advertisement and other related expenses	0.47	0.42
Communication expenses	0.35	0.35
Information technology expenses	0.22	0.31
Auditors' remuneration (refer note 34)	0.41	0.26
Printing and stationery expenses	0.22	0.19
Travelling and conveyance expenses	0.41	0.13
Miscellaneous expenses	1.99	1.18
Total	22.90	18.59

29. Tax expense

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Current tax	77.50	42.40
Deferred tax	10.62	(0.90)
Tax adjustment of earlier years (net)	-	0.10
Total income tax expenses recognised in Statement of Profit and Loss	88.12	41.60
Income Tax expense recognised in OCI	0.03	0.06

Reconciliation of total tax charge

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	415.90	216.83
Income tax rate	25.168%	25.168%
Income tax expense	104.67	54.57

₹ in Crore

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Tax Effect of:		
Effect of income that is exempt from tax	(12.14)	(4.23)
Items that are allowable or disallowable in determining taxable profits (net)	1.37	1.74
Loss/ (Income) taxable at differential rate (net)	(5.73)	(2.57)
Adjustment in respect of earlier years (net)	-	0.10
Utilization of brought forward losses	-	(6.11)
Others	(0.05)	(1.90)
Total	(16.55)	(12.97)
Income tax expense recognised in Statement of Profit and Loss	88.12	41.60

30. Contingent liabilities and commitments:

30.1 Contingent liabilities* :

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
(i) Income Tax Matters under dispute:		
Primarily relates to demands received from income tax authorities for various assessment years, on account of disallowances of expenses u/s 14A of the Income Tax Act, 1961, etc.	34.11	36.65
(ii) Service Tax Matters under dispute:		
Relates to demand received from central excise and service tax authorities in respect of Service Tax on FII Brokerage received in provision of Stock Broking Services, etc.	9.00	9.00

* In respect of above disputed demand, the Company is hopeful of succeeding in appeals and as such does not expect any significant liability to materialize.

30.2 Commitments:

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.03	0.35
b) Uncalled liability on account of commitment to subscribe to investment and other partly paid investments	55.04	35.90

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31 Employee Stock Option Scheme (ESOS)

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

There was no grant of stock options during the financial year 2021-22. During the previous financial year 2020-21, the Nomination and Remuneration Committee had granted 18,56,913 options under Series 13 at an exercise price of ₹ 1/- per option to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Outstanding at the beginning of the year	34,98,444	36,45,232
Add: Granted during the year	-	18,56,913
Less: Exercised and shares allotted during the year	13,32,822	14,93,064
Less: Forfeited/cancelled during the year	-	28,861
Less: Lapsed during the year	1,42,547	4,81,776
Outstanding at end of year	20,23,075	34,98,444
Exercisable at end of year	9,64,560	11,49,121

The Company follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

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

Tranches	% 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
Tranche-1	33.33%	-	6,18,971	-	April 17, 2021	-	76.68
Tranche-2	33.33%	-	6,18,971	-	April 17, 2022	-	76.54
Tranche-3	33.33%	-	6,18,971	-	April 17, 2023	-	76.44
		-	18,56,913				

The following table summarizes the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)		Risk-free interest rate		Volatility		Dividend Yield	
	Current Year	Previous Year (Series 13)	Current Year	Previous Year (Series 13)	Current Year	Previous Year (Series 13)	Current Year	Previous Year (Series 13)
Tranche-1	-	2.75	-	4.96%	-	0.4768	-	0.26%
Tranche-2	-	3.75	-	5.48%	-	0.4854	-	0.26%
Tranche-3	-	4.50	-	5.95%	-	0.4717	-	0.26%

Details of options granted under various series are as under:

	Series 8	Series 9	Series 10	Series 11	Series 12	Series 13
Grant date	16/04/2015	12/05/2016	20/04/2017	12/04/2018	18/04/2019	17/04/2020
Options granted	14,44,440	12,55,515	23,19,636	18,48,018	6,62,130	18,56,913
Options exercised till March 31, 2022	12,81,480	11,42,099	17,35,174	11,90,391	2,95,734	3,41,564
Options forfeited/ cancelled till March 31, 2022	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed till March 31, 2022	96,294	40,799	3,40,356	3,34,777	1,13,259	4,51,650
Outstanding at end of year	66,666	72,617	2,44,106	3,22,850	2,53,137	10,63,699
Exercisable at end of year	66,666	72,617	2,44,106	3,22,850	95,148	1,63,173
Vesting of options	1/3 rd Options each on completion of first, second and third year from the date of grant of options	1/3 rd Options each on completion of first, second and third year from the date of grant of options	1/3 rd Options each on completion of first, second and third year from the date of grant of options	1/3 rd Options each on completion of first, second and third year from the date of grant of options	1/3 rd Options each on completion of first, second and third year from the date of grant of options	1/3 rd 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
Exercise price(refer note[i] below)	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00
Pricing formula	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	As was determined by the Nomination and Remuneration Committee at its meeting held on April 20, 2017	As was determined by the Nomination and Remuneration Committee at its meeting held on April 12, 2018	As was determined by the Nomination and Remuneration Committee at its meeting held on April 18, 2019	As was determined by the Nomination and Remuneration Committee at its meeting held on April 17, 2020

Notes: [i] Additionally, an aggregate amount of ₹ 1.13 Crore (Previous year ₹ 4.51 Crore) being the difference between the exercise price and fair value of options has been reimbursed by the subsidiary companies with which the Employees are/were employed/associated.

[ii] As no options were outstanding in respect of Series 1 to Series 7 as on March 31, 2022, the details of options granted has not been included above.

[iii] Esop cost recognised in Statement of Profit and Loss ₹ 1.93 Crore (Previous year ₹ 4.79 Crore)

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

₹ in Crore

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
JM Financial Institutional Securities Limited	0.39	1.38
JM Financial Services Limited	0.42	1.55
JM Financial Products Limited	0.39	1.14
JM Financial Credit Solutions Limited*	(0.06)	0.61
JM Financial Asset Management Limited*	-	(0.17)
Infinite India Investment Management Limited	-	#
JM Financial Asset Reconstruction Company Limited	#	0.13
JM Financial Capital Limited	0.01	0.04
JM Financial Home Loans Limited*	(0.02)	(0.17)
Total	1.13	4.51

amount below ₹ 50,000

* on account of options lapsed

33 Earnings Per Equity Share (EPS)

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the year, as under:

		For the Year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year (₹ in Crore)	A	327.78	175.23
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	95,35,56,246	93,02,93,133
Basic earnings per share (in ₹)	A/B	3.44	1.88
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	95,35,56,246	93,02,93,133
Add: Weighted average number of potential equity shares on account of employee stock options	C	18,45,189	27,66,744
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	D=B+C	95,54,01,435	93,30,59,877
Diluted earnings per share (in ₹)	A/D	3.43	1.88

34 Payment to Auditors (Excluding Goods and Service Tax)

₹ in Crore

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Audit fees	0.32	0.19
Certification and other matters	0.08	0.06
Reimbursement of expenses	0.01	0.01
	0.41	0.26
Fees paid to in connection with QIP debited to Securities premium reserve as Share issue expenses	-	0.35
Total	0.41	0.61

35 Lease transactions

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2022:

₹ in Crore

Category of leased assets	Gross block			As at March 31, 2022	Accumulated depreciation			As at March 31, 2022	Net block As at March 31, 2022
	As at April 1, 2021	Addition	Deletion		As at April 1, 2021	Addition	Deletion		
Office premises	84.93	-	3.89	81.04	19.15	9.53	3.89	24.79	56.25
Motor vehicles	1.97	0.38	0.64	1.71	1.44	0.29	0.64	1.09	0.62
Total	86.90	0.38	4.53	82.75	20.59	9.82	4.53	25.88	56.87

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2021:

₹ in Crore

Category of leased assets	Gross block			As at March 31, 2021	Accumulated depreciation			As at March 31, 2021	Net block As at March 31, 2021
	As at April 1, 2020	Addition	Deletion		As at April 1, 2020	Addition	Deletion		
Office premises	84.02	2.58	1.67	84.93	10.38	10.36	1.59	19.15	65.78
Motor vehicles	1.84	0.27	0.14	1.97	1.21	0.37	0.14	1.44	0.53
Total	85.86	2.85	1.81	86.90	11.59	10.73	1.73	20.59	66.31

The aggregate depreciation expenses on right to use assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Lease liability for office premises		
Opening balance	71.16	74.51
Additions during the year	-	2.46
Deletions during the year	-	(0.08)
Finance cost accrued during the year	6.44	6.82
Payment of lease liabilities	(12.31)	(12.55)
Closing balance	65.29	71.16

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Lease liability for motor vehicles		
Opening balance	0.60	0.72
Additions during the year	0.38	0.27
Finance cost accrued during the year	0.23	0.35
Payment of lease liabilities	(0.52)	(0.74)
Closing balance	0.69	0.60

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Table showing contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

	₹ in Crore	
	Office premises	
	As at March 31, 2022	As at March 31, 2021
Less than One year	11.99	12.31
One to Five years	50.59	49.20
More than Five years	27.71	41.09
Total	90.29	102.60

	₹ in Crore	
	Motor vehicles	
	Minimum lease payments	
	As at March 31, 2022	As at March 31, 2021
Not later than one year	0.31	0.28
Later than one year and not later than five years	0.38	0.32
Total	0.69	0.60

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

36 Employee Benefits

Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund & other funds aggregating ₹ 2.96 crore (Previous year ₹ 2.38 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Defined benefit obligation

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest rate risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at March 31, 2022	As at March 31, 2021
Discount rate	7.20%	6.90%
Expected rate of salary increase	7% per annum	7% per annum
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

b) Amount recognised in the Statement of Profit and Loss in respect of these defined benefit obligation

	As at March 31, 2022	As at March 31, 2021
Current service cost	0.37	0.39
Net interest cost	0.35	0.31
Total amount recognised in the Statement of Profit and Loss.	0.72	0.70
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.13)	(0.04)
- Actuarial (gain)/loss from change in experience adjustments	0.02	(0.18)
Total amount recognised in other comprehensive income	(0.11)	(0.22)

amount below ₹ 50,000

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss.

c) Movement in the present value of the defined benefit obligation are as follows:

	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	5.41	5.03
Current service cost	0.37	0.39
Interest cost	0.35	0.31
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	-	-
Actuarial (gain)/loss from change in financial assumptions	(0.13)	(0.04)
Actuarial (gain)/loss from change in experience adjustments	0.02	(0.18)
Benefits paid	(0.64)	(0.16)
Liabilities assumed/(settled)	0.06	0.06
Closing defined benefit obligation	5.44	5.41

Notes

to the Financial Statements (Contd.)

- d) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

	₹ in Crore	
	March 31, 2022	March 31, 2021
Defined benefit obligation (base)	5.44	5.41

	As at March 31, 2022		As at March 31, 2021	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	5.24	5.55	5.20	5.53
Impact of increase in 50 bps on DBO	(3.81%)	1.85%	(3.95%)	2.15%
Defined benefit obligation on decrease in 50 bps	5.67	5.34	5.64	5.29
Impact of decrease in 50 bps on DBO	4.11%	(1.84%)	4.26%	(2.16%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

e) Projected benefits payable:

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Expected benefits for year 1	0.69	0.82
Expected benefits for year 2	0.86	0.27
Expected benefits for year 3	0.25	0.84
Expected benefits for year 4	0.62	0.24
Expected benefits for year 5	0.64	0.59
Expected benefits for year 6	0.60	0.60
Expected benefits for year 7	0.67	0.57
Expected benefits for year 8	0.16	0.64
Expected benefits for year 9	0.16	0.14
Expected benefits for year 10 and above	6.75	6.49

The weighted average duration of the defined benefit obligation is 7.91 years (previous year 8.20 years)

- f) The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

37 Disclosure in respect of related parties pursuant to Ind AS 24 on 'Related Party Disclosures':

List of related parties

I) Parties where control exists:

a) Subsidiaries

JM Financial Institutional Securities Limited (IED)
 JM Financial Services Limited (Financial Services)
 JM Financial Properties and Holdings Limited (Properties)
 Infinite India Investment Management Limited (Infinite)
 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)
 JM Financial Asset Management Limited (AMC)
 JM Financial Asset Reconstruction Company Limited and its subsidiaries (ARC)
 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) Parties with whom the transactions were carried out during the current / previous year

a) Associate

JM Financial Trustee Company Private Limited (Trustee)

b) Key management personnel

Mr. Vishal Kampani (VNK) (Non-executive Vice Chairman)
 Mr. Atul Mehra (ASM) (Joint Managing Director) (w.e.f. October 1, 2021)
 Mr. Adi Patel (ARP) (Joint Managing Director) (w.e.f. October 1, 2021)

c) Non-Executive / Independent Directors

Non-executive Chairman:

Mr. Nimesh Kampani (NNK)

Independent Directors:

Mr. E A Kshirsagar (EAK)
 Mr. Darius E Udadia (DEU) (up to October 20, 2021)
 Mr. Paul Zuckerman (PSZ)

Notes

to the Financial Statements (Contd.)

Dr. Vijay Kelkar (VLK)
Mr. Keki Dadiseth (KBD)
Mr. P S Jayakumar (PSJ)
Mr. Navroz Udawadia (NDU) (w.e.f. December 9, 2021)
Mr. Pradip Kanakia (PMK) (w.e.f. February 7, 2022)
Ms. Jagi Mangat Panda (JMP)
Ms. Roshini Bakshi (RHB) (w.e.f. December 9, 2021)

d) Close Members of the Family (Relatives) of Key management personnel

Mr. Nimesh Kampani (NNK)
Ms. Aruna N Kampani (ARNK)
Ms. Amishi Gambhir (AG)
Ms. Madhu Kampani (MVK)
Ms. Suvidha Atul Mehra (SAM)
Ms. Sammiksha Atul Mehra (SMM)
Ms. Sasha Atul Mehra (SSM)
Ms. Zenobia Adi Patel (ZAP)

e) Individual exercising control or significant influence in reporting entity i.e. the company and close members of the family (relatives) of any such person

Mr. Nimesh Kampani (NNK)
Close Members of the Family (Relatives):
Ms. Aruna N Kampani (ARNK)
Mr. Vishal Kampani (VNK)
Ms. Amishi Gambhir (AG)
Mr. Harith Kampani (HK)

f) Entities where close members of the family (relatives) of key management personnel are able to exercise significant influence

J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)
J. M. Assets Management Private Limited (J.M.Assets)
JM Financial Trustee Company Private Limited (Trustee)
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)
Capital Market Publishers India Private Limited (CMPL)
DayOne Learning Solutions (OPC) Private Limited (DayOne)

Related Party Disclosures:

	Subsidiaries*		Associate		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (₹ in Crore)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Investments Sold to														
Credit Solutions	178.44	-	-	-	-	-	-	-	-	-	-	-	178.44	-
Employee related liabilities transfers to														
Credit Solutions	0.09	-	-	-	-	-	-	-	-	-	-	-	0.09	-
Employee related liabilities transfers from														
IED	-	0.06	-	-	-	-	-	-	-	-	-	-	-	0.06
Credit Solutions	0.17	-	-	-	-	-	-	-	-	-	-	-	0.17	-
ICDs placed														
ARC	370.00	515.00	-	-	-	-	-	-	-	-	-	-	370.00	515.00
Products	500.00	-	-	-	-	-	-	-	-	-	-	-	500.00	-
Properties	6,727.47	4,415.00	-	-	-	-	-	-	-	-	-	-	6,727.47	4,415.00
Financial Services	250.00	866.00	-	-	-	-	-	-	-	-	-	-	250.00	866.00
Home Loans	50.00	-	-	-	-	-	-	-	-	-	-	-	50.00	-
Capital	250.00	380.00	-	-	-	-	-	-	-	-	-	-	250.00	380.00
ICDs repaid by														
ARC	282.30	163.00	-	-	-	-	-	-	-	-	-	-	282.30	163.00
Properties	6,727.47	4,415.00	-	-	-	-	-	-	-	-	-	-	6,727.47	4,415.00
Products	500.00	-	-	-	-	-	-	-	-	-	-	-	500.00	-
Financial Services	350.00	766.00	-	-	-	-	-	-	-	-	-	-	350.00	766.00
Home Loans	50.00	-	-	-	-	-	-	-	-	-	-	-	50.00	-

Notes

to the Financial Statements (Contd.)

	Subsidiaries*		Associate		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (₹ in Crore)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Capital	250.00	380.00	-	-	-	-	-	-	-	-	-	-	250.00	380.00
Loan given														
Astute	100.00	-	-	-	-	-	-	-	-	-	-	-	100.00	-
Loan repaid														
Astute	100.00	-	-	-	-	-	-	-	-	-	-	-	100.00	-
Dividend received from														
Products	5.43	16.23	-	-	-	-	-	-	-	-	-	-	5.43	16.23
Financial Services	40.45	-	-	-	-	-	-	-	-	-	-	-	40.45	-
Credit Solutions	0.26	0.20	-	-	-	-	-	-	-	-	-	-	0.26	0.20
IED	#	#	-	-	-	-	-	-	-	-	-	-	#	#
Fees Sharing, Sub brokerage Paid to														
Financial Services	21.80	4.40	-	-	-	-	-	-	-	-	-	-	21.80	4.40
IED	24.24	26.08	-	-	-	-	-	-	-	-	-	-	24.24	26.08
Brokerage Paid to														
HK	-	-	-	-	-	-	-	-	0.13	-	-	-	-	0.13
Placement fees paid to														
Financial Services	0.24	0.65	-	-	-	-	-	-	-	-	-	-	0.24	0.65
Dividend paid to														
JMFCS	-	-	-	-	-	-	-	-	-	21.83	4.33	-	21.83	4.33
J.M.Assets	-	-	-	-	-	-	-	-	-	10.33	2.06	-	10.33	2.06
JSB	-	-	-	-	-	-	-	-	-	0.65	0.13	-	0.65	0.13
KCL	-	-	-	-	-	-	-	-	-	0.08	0.01	-	0.08	0.01

	Subsidiaries*		Associate		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (₹ in Crore)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
SNK	-	-	-	-	-	-	-	-	-	-	-	-	1.20	0.24
NNK	-	-	-	-	-	-	-	-	12.58	2.52	-	-	12.58	2.52
ARNK	-	-	-	-	-	-	-	-	3.44	0.71	-	-	3.44	0.71
VNK	-	-	-	-	-	-	-	1.22	0.23	-	-	-	1.22	0.23
AG	-	-	-	-	-	-	-	-	0.80	0.16	-	-	0.80	0.16
PICPL	-	-	-	-	-	-	-	-	-	-	0.23	0.03	0.23	0.03
Trustee	-	-	0.14	0.02	-	-	-	-	-	-	-	-	0.14	0.02
KBD	-	-	-	-	#	#	-	-	-	-	-	-	#	#
ARP	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-
ASM	-	-	-	-	-	-	-	-	0.03	-	-	-	0.03	-
VLK	-	-	-	-	#	#	-	-	-	-	-	-	#	#
Group support fees received from														
Credit Solutions	1.98	1.98	-	-	-	-	-	-	-	-	-	-	1.98	1.98
ARC	2.50	1.98	-	-	-	-	-	-	-	-	-	-	2.50	1.98
JMFCS	-	-	-	-	-	-	-	-	-	0.20	-	-	0.20	-
Lead managers fees received from														
Products	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10	-
Rating support fees received from														
Credit Solutions	2.40	3.19	-	-	-	-	-	-	-	-	-	-	2.40	3.19
ARC	1.70	2.24	-	-	-	-	-	-	-	-	-	-	1.70	2.24

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to the Financial Statements (Contd.)

	Subsidiaries*		Associate		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (₹ in Crore)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rent received from														
Financial Services	0.27	0.27	-	-	-	-	-	-	-	-	-	-	0.27	0.27
Interest received from														
ARC	54.63	37.92	-	-	-	-	-	-	-	-	-	-	54.63	37.92
Astute	0.75	-	-	-	-	-	-	-	-	-	-	-	0.75	-
Properties	6.66	4.89	-	-	-	-	-	-	-	-	-	-	6.66	4.89
Products	0.36	-	-	-	-	-	-	-	-	-	-	-	0.36	-
Home Loans	0.02	-	-	-	-	-	-	-	-	-	-	-	0.02	-
Financial Services	1.64	8.76	-	-	-	-	-	-	-	-	-	-	1.64	8.76
Capital	0.20	0.33	-	-	-	-	-	-	-	-	-	-	0.20	0.33
Support Service Charges Paid to														
JMFICS	-	-	-	-	-	-	-	-	-	-	2.50	2.50	2.50	2.50
Rent paid to														
Properties	10.01	9.54	-	-	-	-	-	-	-	-	-	-	10.01	9.54
JMFICS	-	-	-	-	-	-	-	-	-	-	0.95	0.93	0.95	0.93
J.M.Assets	-	-	-	-	-	-	-	-	-	-	0.84	1.68	0.84	1.68
Subscription for online data paid to														
CMPL	-	-	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.03

	Subsidiaries*		Associate		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (₹ in Crore)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Remuneration paid to (refer note iii)														
VNK	-	-	-	-	-	-	1.13	1.54	-	-	-	-	1.13	1.54
ARP	-	-	-	-	-	-	5.06	-	-	-	-	-	5.06	-
ASM	-	-	-	-	-	-	4.98	-	-	-	-	-	4.98	-
Professional fees paid to														
KBD	-	-	-	-	0.04	0.04	-	-	-	-	-	-	0.04	0.04
Directors Sitting fees														
NNK	-	-	-	-	-	-	-	-	0.08	-	-	-	-	0.08
VNK	-	-	-	-	-	-	0.03	-	-	-	-	-	0.03	-
EAK	-	-	-	-	0.11	0.10	-	-	-	-	-	-	0.11	0.10
DEU	-	-	-	-	0.04	0.07	-	-	-	-	-	-	0.04	0.07
PSZ	-	-	-	-	0.10	0.10	-	-	-	-	-	-	0.10	0.10
VLK	-	-	-	-	0.10	0.10	-	-	-	-	-	-	0.10	0.10
KBD	-	-	-	-	0.09	0.06	-	-	-	-	-	-	0.09	0.06
JMP	-	-	-	-	0.07	0.06	-	-	-	-	-	-	0.07	0.06
PSJ	-	-	-	-	0.07	0.06	-	-	-	-	-	-	0.07	0.06
PMK	-	-	-	-	0.02	-	-	-	-	-	-	-	0.02	-
RHB	-	-	-	-	0.02	-	-	-	-	-	-	-	0.02	-
Directors Commission														
VNK	-	-	-	-	-	-	0.10	-	-	-	-	-	0.10	-
EAK	-	-	-	-	0.25	0.25	-	-	-	-	-	-	0.25	0.25

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to the Financial Statements (Contd.)

	Subsidiaries*		Associate		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (₹ in Crore)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
DEU	-	-	-	-	0.10	0.20	-	-	-	-	-	-	0.10	0.20
PSZ	-	-	-	-	0.20	0.20	-	-	-	-	-	-	0.20	0.20
VLK	-	-	-	-	0.23	0.23	-	-	-	-	-	-	0.23	0.23
KBD	-	-	-	-	0.20	0.20	-	-	-	-	-	-	0.20	0.20
JMP	-	-	-	-	0.20	0.20	-	-	-	-	-	-	0.20	0.20
PSJ	-	-	-	-	0.20	0.20	-	-	-	-	-	-	0.20	0.20
PMK	-	-	-	-	0.03	-	-	-	-	-	-	-	0.03	-
RHB	-	-	-	-	0.03	-	-	-	-	-	-	-	0.03	-
Expenses reimbursed to														
Properties	1.48	1.56	-	-	-	-	-	-	-	-	-	-	1.48	1.56
JMFICS	-	-	-	-	-	-	-	-	-	-	0.08	-	0.08	0.08
IED	0.68	0.41	-	-	-	-	-	-	-	-	-	-	0.68	0.41
ARC	0.25	0.22	-	-	-	-	-	-	-	-	-	-	0.25	0.22
Expenses recovered from														
IED	0.45	0.32	-	-	-	-	-	-	-	-	-	-	0.45	0.32
Infinite	0.01	#	-	-	-	-	-	-	-	-	-	-	0.01	#
Credit Solutions	0.08	0.02	-	-	-	-	-	-	-	-	-	-	0.08	0.02
Home Loans	0.01	#	-	-	-	-	-	-	-	-	-	-	0.01	#
ARC	0.06	0.02	-	-	-	-	-	-	-	-	-	-	0.06	0.02
Properties	0.01	0.01	-	-	-	-	-	-	-	-	-	-	0.01	0.01
Products	0.12	0.02	-	-	-	-	-	-	-	-	-	-	0.12	0.02
CRRM	#	#	-	-	-	-	-	-	-	-	-	-	#	#
Financial Services	0.18	-	-	-	-	-	-	-	-	-	-	-	0.18	-

	Subsidiaries*		Associate		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (₹ in Crore)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
AMC	0.05	-	-	-	-	-	-	-	-	-	-	-	0.05	-
Capital	#	-	-	-	-	-	-	-	-	-	-	-	#	-
Comtrade	#	-	-	-	-	-	-	-	-	-	-	-	#	-
Trustee	-	-	#	-	-	-	-	-	-	-	-	-	#	-
JMFICS	-	-	-	-	-	-	-	-	-	0.01	0.01	-	0.01	0.01
Property deposits refund received														
J.M.Assets	-	-	-	-	-	-	-	-	-	0.84	-	-	0.84	-
Outstanding Balances:														
Investments	1,999.54	2,144.24	0.03	0.03	-	-	-	-	-	-	-	-	1,999.57	2,144.27
Security deposits received from														
Financial Services	1.00	1.00	-	-	-	-	-	-	-	-	-	-	1.00	1.00
Security deposits paid to														
Properties	7.21	7.21	-	-	-	-	-	-	-	-	-	-	7.21	7.21
JMFICS	-	-	-	-	-	-	-	-	-	0.54	0.54	-	0.54	0.54
J.M.Assets	-	-	-	-	-	-	-	-	-	-	0.84	-	-	0.84
ICDs receivable														
Financial Services	-	100.00	-	-	-	-	-	-	-	-	-	-	-	100.00
ARC	439.70	352.00	-	-	-	-	-	-	-	-	-	-	439.70	352.00
Interest receivable														
ARC	2.10	11.32	-	-	-	-	-	-	-	-	-	-	2.10	11.32

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to the Financial Statements (Contd.)

	Subsidiaries*		Associate		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total (₹ in Crore)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Receivable from														
Credit Solutions	0.64	-	-	-	-	-	-	-	-	-	-	-	0.64	-
ARC	0.42	0.61	-	-	-	-	-	-	-	-	-	-	0.42	0.61
Amount payable to														
IED	0.17	1.63	-	-	-	-	-	-	-	-	-	-	0.17	1.63
Financial Services	7.83	2.20	-	-	-	-	-	-	-	-	-	-	7.83	2.20
VNK	-	-	-	-	-	-	0.10	-	-	-	-	-	0.10	-
ARP	-	-	-	-	-	-	4.15	-	-	-	-	-	4.15	-
ASM	-	-	-	-	-	-	4.18	-	-	-	-	-	4.18	-
EAK	-	-	-	-	-	-	-	0.25	-	-	-	-	0.25	0.25
DEU	-	-	-	-	-	-	-	0.10	-	-	-	-	0.10	0.20
PSZ	-	-	-	-	-	-	-	0.21	-	-	-	-	0.21	0.20
VLK	-	-	-	-	-	-	-	0.23	-	-	-	-	0.23	0.23
KBD	-	-	-	-	-	-	-	0.20	-	-	-	-	0.20	0.20
JMP	-	-	-	-	-	-	-	0.20	-	-	-	-	0.20	0.20
PSJ	-	-	-	-	-	-	-	0.20	-	-	-	-	0.20	0.20
PMK	-	-	-	-	-	-	-	0.03	-	-	-	-	0.03	-
RHB	-	-	-	-	-	-	-	0.03	-	-	-	-	0.03	-

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

(ii) There are no provisions for doubtful debts or amount written off or written back during the year/period in respect of debts due from/ due to related parties.

(iii) The remuneration excludes provision for gratuity as the incremental liability has been accounted for the Company as a whole.

(iv) The transactions disclosed above are exclusive of GST and Service tax, as applicable.

(v) Refer note. 8.1.

38 Maturity analysis of assets and liabilities

	₹ in Crore					
	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
1 Financial assets						
A Cash and cash equivalents	80.10	-	80.10	10.17	-	10.17
B Bank balances other than cash and cash equivalents	5.89	-	5.89	4.97	-	4.97
C Trade receivables	28.38	-	28.38	49.91	-	49.91
D Loans	438.56	-	438.56	449.61	-	449.61
E Investments	1,014.03	2,236.94	3,250.97	697.87	2,323.49	3,021.36
F Other financial assets	6.09	5.85	11.94	15.83	5.83	21.66
	1,573.05	2,242.79	3,815.84	1,228.36	2,329.32	3,557.68
2 Non-financial assets						
A Current tax assets (Net)	-	156.21	156.21	-	159.21	159.21
B Property, plant and equipment	-	60.28	60.28	-	68.39	68.39
C Other intangible assets	-	0.32	0.32	-	0.43	0.43
D Other non-financial assets	3.80	0.18	3.98	4.68	0.08	4.76
	3.80	216.99	220.79	4.68	228.11	232.79
Total assets	1,576.85	2,459.78	4,036.63	1,233.04	2,557.43	3,790.47

	₹ in Crore					
	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
1 Financial liabilities						
A Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.07	-	0.07	#	-	#
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8.98	-	8.98	5.03	-	5.03
B Lease liabilities	6.42	59.56	65.98	6.15	65.61	71.76
C Other financial liabilities	65.79	-	65.79	46.00	0.83	46.83
	81.26	59.56	140.82	57.18	66.44	123.62
2 Non-financial liabilities						
A Provisions	3.17	6.49	9.66	2.90	9.20	12.10
B Deferred tax liabilities (net)	-	129.52	129.52	-	118.87	118.87
C Other non-financial liabilities	20.04	0.08	20.12	32.86	0.16	33.02
	23.21	136.09	159.30	35.76	128.23	163.99
Total Liabilities	104.47	195.65	300.12	92.94	194.67	287.61

Note: Information on maturity pattern is based on the reasonable assumptions made by the management.

Notes

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39 Financial Instruments

a) Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves attributable to the equity shareholders of the Company. The primary objective of the company, when managing capital, is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure, so as to maximize shareholders' value. As at March 31, 2022, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or reinvestments into business based on its long term financial plans.

The Company monitors capital structure on the basis of total debt to equity and maturity profile of overall debt portfolio of the Company.

₹ in Crore		
Borrowings	As at March 31, 2022	As at March 31, 2021
Gross debt (excluding finance lease obligations)	-	-
Total equity	3,736.51	3,502.86
Adjusted net debt to equity ratio	-	-

b) Categories of financial instruments

₹ in Crore				
As at March 31, 2022	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	80.10	80.10
Bank balances other than cash and cash equivalents	-	-	5.89	5.89
Trade receivables	-	-	28.38	28.38
Loans	-	-	438.56	438.56
Investments in subsidiaries and associates	-	-	1,999.57	1,999.57
Investments other than those in subsidiaries and associates	1,251.40	-	-	1,251.40
Other Financial assets	-	-	11.94	11.94
Total	1,251.40	-	2,564.44	3,815.84
Financial liabilities				
Trade payables	-	-	9.05	9.05
Lease liabilities	-	-	65.98	65.98
Other financial liabilities	-	-	65.79	65.79
Total	-	-	140.82	140.82

₹ in Crore				
As at March 31, 2021	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	10.17	10.17
Bank balances other than cash and cash equivalents	-	-	4.97	4.97
Trade receivables	-	-	49.91	49.91
Loans	-	-	449.61	449.61
Investments in subsidiaries and associates	-	-	2,144.27	2,144.27
Investments other than those in subsidiaries and associates	877.09	-	-	877.09
Other financial assets	-	-	21.66	21.66
Total	877.09	-	2,680.59	3,557.68
Financial liabilities				
Trade payables	-	-	5.03	5.03
Lease liabilities	-	-	71.76	71.76
Other financial liabilities	-	-	46.83	46.83
Total	-	-	123.62	123.62

c) Fair value measurement:

This note provides information about how the Company determines fair value of various financial assets and financial liabilities.

(i) Financial instruments measured at Fair Value:

₹ in Crore					
As at March 31, 2022	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	1,014.04	1,014.04	-	-	1,014.04
Investments in VCF	110.79	-	110.79	-	110.79
Investments in Equity Instruments	126.57	0.41	-	126.16	126.57
Total	1,251.40	1,014.45	110.79	126.16	1,251.40

₹ in Crore					
As at March 31, 2021	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	688.89	688.89	-	-	688.89
Investments in VCF	74.90	-	74.90	-	74.90
Investments in Equity Instruments	113.30	0.20	-	113.10	113.30
Total	877.09	689.09	74.90	113.10	877.09

Notes:

Level 1: Fair Value measurements are based on quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of equity are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: These includes instruments which does not have an active market hence the fair value is determined using observable market data such as latest declared NAV/ recent market deals.

Notes

to the Financial Statements (Contd.)

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2022.

	₹ in Crore	
	Equity Shares	VCF Units
As at March 31, 2020	176.93	45.14
Acquisitions	-	-
Net (Loss)/Gain on fair value changes	48.20	-
Realisations	(112.03)	-
Reclassification from level 3 to level 2	-	(45.14)
As at March 31, 2021	113.10	-
Net (Loss)/Gain on fair value changes	69.40	-
Realisations	(56.34)	-
As at March 31, 2022	126.16	-

Sensitivity for instruments:

Nature of the instrument	Fair Value As at March 31, 2022	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2022	
				FV Increase	FV Decrease
Investment in Equity Shares	126.16	Impact estimated by the management considering current market conditions	5%	4.20	(4.20)

Nature of the instrument	Fair Value As at March 31, 2021	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2021	
				FV Increase	FV Decrease
Investment in Equity Shares	113.10	Impact estimated by the management considering current market conditions	5%	0.58	(0.58)

Impact on observable and unobservable inputs:

Impact of illiquidity, volatility and Covid-19 pandemic have been considered on the observable and unobservable inputs used for the purpose of valuation.

During the financial year 2019-20, the Company had changed the classification of certain investments in equity instruments and venture capital fund units from level 2 to level 3. The investment in venture capital units were reclassified to level 2 from level 3 in the financial year 2020-21. However, level 3 classification is continued for such investment in equity instruments during the financial year 2021-22. Further, necessary adjustments have been made to the timing of cash flows and values of collaterals to be realized for the purpose of determination of the fair values of financial assets carried at FVTPL.

(ii) Financial instruments measured at amortised cost:

The carrying amount of financial assets and liabilities measured at amortised cost are reasonable approximation of their fair values. Since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

d) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including currency risk and interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a financial institution, the Company is exposed to several risks including market risk, credit risk and liquidity risk. The Company has established a risk management and audit framework to identify, assess, monitor and manage these risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for identifying, reviewing, monitoring and taking measures for risk profile and for risk measurement system of the Company.

i) Credit risk

Credit Risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, other balances with banks, loans and other receivables.

The Company has adopted a Policy of dealing with counter parties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counter parties are continuously monitored.

Credit risk arising from trade receivables are reviewed periodically and based on past experience and history. Management is confident of recovering all the dues. Credit risk arises from Investments and other balances with banks is limited and there is no collateral held against these because the counter parties are bank and recognised financial institutions with high credit ratings assigned by the credit rating agencies.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit loss
Stage 1	Performing assets	12 Months ECL
Stage 2	Under performing assets	Lifetime ECL
Stage 3	Assets overdue more than 90days past due	Lifetime ECL

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a reporting date. It shall include outstanding loan amount, accrued interest and expected drawdowns on non-discretionary loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

Notes

to the Financial Statements (Contd.)

The table below shows the credit quality and the exposure to credit risk of loans based on the year-end stage classification. The amounts presented are gross of impairment allowances.

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Stage 1	439.70	452.00
Stage 2	-	-
Stage 3	5.00	5.00
Total	444.70	457.00

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans:

	₹ in Crore			
	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	452.00	-	5.00	457.00
New assets originated or purchased	8,247.47	-	-	8,247.47
Assets derecognised or repaid (excluding write off)	(8,259.77)	-	-	(8,259.77)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Gross carrying amount closing balance	439.70	-	5.00	444.70

	₹ in Crore			
	As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	5.00	5.00
New assets originated or purchased	6,176.00	-	-	6,176.00
Assets derecognised or repaid (excluding write off)	(5,724.00)	-	-	(5,724.00)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Gross carrying amount closing balance	452.00	-	5.00	457.00

	₹ in Crore			
	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - Opening Balance	2.39	-	5.00	7.39
New assets originated or purchased	2.33	-	-	2.33
Assets derecognised or repaid (excluding write off)	(3.58)	-	-	(3.58)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	1.14	-	5.00	6.14

	₹ in Crore			
	As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - Opening Balance	-	-	5.00	5.00
New assets originated or purchased	3.14	-	-	3.14
Assets derecognised or repaid (excluding write off)	(0.75)	-	-	(0.75)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	2.39	-	5.00	7.39

An analysis of ageing of the gross carrying amount and the changes in the ECL allowances in relation to trade receivables:

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Past due 0-180 days	28.38	49.91
More than 180 days	-	2.36
Total	28.38	52.27

Movement of Provision for Impairment:

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Opening balance	2.36	-
Provisions made	-	2.36
Provisions written back	2.36	-
Closing balance	-	2.36

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity may be affected due to severe liquidity crunch in the market or due to market disruptions where the Company is unable to access public funds. The Company's exposure to liquidity risk arises primarily from mismatch of maturities of financial assets and liabilities.

However the Company believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

The Company attempts to minimize this risk through a mix of strategies such as short-term funding. The Company also monitors liquidity risk through adequate bank sanction limits at the beginning of each fiscal. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term.

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Exposure to liquidity risk

The table below summaries the maturity profile remaining contractual maturity period at the balance sheet date for its financial liabilities based on undiscounted cash flows.

March 31, 2022	₹ in Crore				
	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	9.05	9.05	-	-	-
Leased Liabilities	65.98	6.42	14.89	19.51	25.16
Other financial liabilities	65.79	65.79	-	-	-
Total	140.82	81.26	14.89	19.51	25.16
Financial Assets					
Cash and Cash Equivalents	80.10	80.10	-	-	-
Bank balances other than cash and cash equivalents	5.89	5.89	-	-	-
Trade Receivables	28.38	28.38	-	-	-
Loans	438.56	438.56	-	-	-
Financial Assets at Amortised Cost	11.94	6.09	0.02	-	5.83
Investments (other than investment in subsidiaries and associates)	1,251.40	1,014.03	-	-	237.37
Total	1,816.27	1,573.05	0.02	-	243.20

March 31, 2021	₹ in Crore				
	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	5.03	5.03	-	-	-
Leased Liabilities	71.76	6.15	13.44	16.54	35.63
Other financial liabilities	46.83	46.00	0.83	-	-
Total	123.62	57.18	14.27	16.54	35.63
Financial Assets					
Cash and Cash Equivalents	10.17	10.17	-	-	-
Bank balances other than cash and cash equivalents	4.97	4.97	-	-	-
Trade Receivables	49.91	49.91	-	-	-
Loans	449.61	449.61	-	-	-
Financial Assets at Amortised Cost	21.66	15.83	0.39	-	5.44
Investments (other than investment in subsidiaries and associates)	877.09	697.87	-	-	179.22
Total	1,413.41	1,228.36	0.39	-	184.66

iii) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and equity price risk as explained below:

a) Foreign currency risk:

The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. The Company is exposed to currency risk significantly on account of its trade payables and trade receivables denominated in foreign currency. The functional currency of the Company is Indian Rupee. The Company wherever required hedges its foreign currency risk by using Derivative Instruments (Forward Contracts).

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follow:

i) Derivatives outstanding as at the reporting date:

	Currency type	As at March 31, 2022		As at March 31, 2021	
		Amount in Foreign Currency	₹ in Crore	Amount in Foreign Currency	₹ in Crore
Trade receivable	USD	-	-	27,64,535	20.24

ii) Foreign currency exposures not hedged by a derivative instrument or otherwise are given below:

	Currency type	As at March 31, 2022		As at March 31, 2021	
		Amount in Foreign Currency	₹ in Crore	Amount in Foreign Currency	₹ in Crore
Trade receivable	USD	12,16,386	9.18	3,37,502	2.47

Foreign currency sensitivity analysis:

The Company is mainly exposed to USD. The following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against Indian Rupees.

Effect in INR	% Change	Profit or Loss	
		March 31, 2022	March 31, 2021
USD	5% Increase	0.46	0.14
	5% Decrease	(0.46)	(0.14)

denotes amount below ₹50,000/-

b) Equity Price Risk:

Equity price risk is related to the change in market reference price of the instruments in quoted and unquoted securities. The fair value of some of the Company's investments exposes to company to equity price risks. In general, these securities are not held for trading purposes.

Equity Price Sensitivity analysis:

The fair value of equity instruments other than investment in subsidiaries and associates as at March 31, 2022, and March 31, 2021 was ₹ 0.41 Crore and ₹0.20 Crore respectively. A 5% change in price of equity instruments held as at March 31, 2022 and March 31, 2021 would result in

% Change	Profit or Loss	
	March 31, 2022	March 31, 2021
5% Increase	0.02	0.01
5% Decrease	(0.02)	(0.01)

40 Earnings in foreign currency

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Income from investment banking services	69.64	37.18
Total	69.64	37.18

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41 Expenditure in foreign currency

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Directors commission and fees	0.20	0.20
Travelling expenses	0.04	-
Legal and professional fees	0.01	0.08
Others	0.22	0.23
Total	0.47	0.51

42 Details of expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereto.

	₹ in Crore	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year.	2.01	1.24
b) Amount spent during the year:	2.01	1.24
Amount provided for on-going projects	-	-
Total	2.01	1.24
c) Short fall at the end of the year	-	-
d) Total Previous years shortfall	-	-
e) Reason for shortfall	-	-
f) Amount contributed to a trust controlled by the Group	-	-
g) Nature of CSR Activities	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	2.01	1.24

43 Dividend Payable to Non-Resident Shareholders:

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends payable to non-resident shareholders (including Foreign Institutional Investors) are as under:

	2021-22 (Interim Dividend)	2021-22 (Final Dividend)	2020-21 (Final Dividend)
a) Number of non-resident shareholders	1,309	1,103	1,163
b) Number of equity shares held by them	21,80,21,046	22,05,61,719	18,87,41,737
c) (i) Amount of dividend paid (Gross) (₹ in Crore)	10.90	11.03	3.77
(ii) Tax deducted at source (₹ in Crore)	2.33	2.33	0.78
(iii) year to which dividend relates	2021-22	2020-21	2019-20

44 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ in Crore			
Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Asset Reconstruction Company Limited	Subsidiary	484.70 (352.00)	439.70 (352.00)
JM Financial Services Limited	Subsidiary	170.00 (430.00)	- (100)
JM Financial Capital Limited	Subsidiary	250.00 (200.00)	- (-)
JM Financial Properties and Holdings Limited	Subsidiary	500.00 (500.00)	- (-)
JM Financial Products Limited	Subsidiary	250.00 (-)	- (-)
JM Financial Home Loans Limited	Subsidiary	50.00 (-)	- (-)
Astute Investments	Partnership Firm	100.00 (-)	- (-)

All the above loans and advances have been given for business purposes.
Figures in brackets are for the previous year.

45. The Board of Directors of the Company has recommended a final dividend of ₹ 1.15 per equity share of the face value of ₹1/- each for the year ended March 31, 2022 (Previous Year: ₹ 0.50 per equity share). The said dividend will be paid, if approved by the shareholders at the Thirty Seventh Annual General Meeting.

46. Additional Disclosures:

Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

Relationship with struck off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Compliance with number of layers of companies

The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Notes

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Utilisation of Borrowed funds and Share premium

- (A) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

Disclosure of ratios

	As at March 31, 2022	As at March 31, 2021
Capital to risk-weighted assets ratio (CRAR)	Not applicable	Not applicable
Tier I CRAR	Not applicable	Not applicable
Tier II CRAR	Not applicable	Not applicable
Liquidity Coverage Ratio	Not applicable	Not applicable

47. In assessing the fair value of financial instruments, recoverability of its receivables, investments and providing for loss allowance as per Expected Credit Loss, the Company has considered internal and external information up to the date of approval of these financial statements. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of its assets. The extent to which the COVID-19 pandemic will impact future results, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro economic condition, the impact of the pandemic may be different from the ones estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future periods.

48. The Financial Statements are approved by the Board of Directors at its meeting held on May 24, 2022.

In terms of our report of even date attached

For and on behalf of

For and on behalf of the Board of Directors

B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Kapil Goenka

Partner

Membership No. 118189

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Vice Chairman

DIN – 00009079

E A Kshirsagar

Audit Committee Chairman

DIN – 00121824

Place: Mumbai

Date: May 24, 2022

Atul Mehra

Joint Managing
Director

DIN – 00095542

Adi Patel

Joint Managing
Director

DIN – 02307863

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Form AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies as on March 31, 2022

Part "A": Subsidiaries

(₹ / US\$ / SGD in Crore)

Name of the Subsidiary	Currency	Share Capital	Other Equity ^a	Total assets including investments	Total liabilities ^b	Investments ^c	Turnover	Profit / (Loss) before Tax	Provision for tax	Profit / (Loss) after Tax	Proposed Dividend	% of shareholding
JM Financial Products Limited	₹	544.50	1,407.45	6,520.05	4,568.10	509.12	678.39	165.48	36.90	128.58	5.45	99.65%
JM Financial Services Limited	₹	50.00	481.15	2,145.66	1,614.51	-	599.81	147.59	25.55	122.04	50.45	100.00%
JM Financial Commtrade Limited	₹	5.00	21.98	27.76	0.78	25.55	1.40	0.80	0.13	0.67	-	100.00%
JM Financial Institutional Securities Limited	₹	6.30	129.67	218.04	82.07	81.30	154.83	44.58	11.53	33.05	#	100.00%
JM Financial Capital Limited	₹	225.00	48.10	951.37	678.27	15.00	54.21	16.18	3.70	12.48	-	100.00%
Infinite India Investment Management Limited	₹	1.60	19.07	22.98	2.31	19.95	2.66	1.55	0.39	1.16	-	100.00%
CR Retail Malls (India) Limited	₹	20.00	17.65	148.71	111.06	81.56	17.22	4.93	1.29	3.64	-	100.00%
JM Financial Credit Solutions Limited	₹	2.83	3,939.33	9,113.19	5,171.03	919.22	1,136.10	392.72	103.66	289.06	0.71	46.68%
JM Financial Home Loans Limited	₹	164.82	129.57	829.51	535.12	-	91.74	5.45	1.10	4.35	0.16	93.98% ^e
JM Financial Asset Reconstruction Company Limited [Refer Note (d)]	₹	344.64	1,463.48	4,283.44	2,475.32	972.29	519.43	230.31	58.32	171.99	-	59.25% ^e
JM Financial Asset Management Limited	₹	53.33	151.58	217.00	12.09	174.87	21.38	(14.23)	0.01	(14.24)	-	59.54%
JM Financial Properties and Holdings Limited	₹	3.00	180.09	379.60	196.51	91.38	306.32	59.47	15.40	44.07	-	100.00%
JM Financial Overseas Holdings Private Limited	₹*	90.97	64.12	155.60	0.51	51.38	3.77	0.61	0.04	0.57	-	100.00%
JM Financial Singapore Pte. Ltd.	US\$	1.20	0.84	2.05	0.01	0.68	0.05	0.01	#	0.01	-	100.00%
JM Financial Singapore Pte. Ltd.	₹*	43.92	(40.77)	5.53	2.38	-	3.59	(4.72)	0.27	(4.99)	-	100.00%
JM Financial Securities, INC	SGD	0.79	(0.73)	0.10	0.04	-	0.06	(0.08)	0.01	(0.09)	-	100.00%
JM Financial Securities, INC	₹*	#	9.72	12.00	2.28	-	14.29	0.78	0.78	#	-	100.00%
JM Financial Securities, INC	US\$	#	0.13	0.16	0.03	-	0.19	0.01	0.01	#	-	100.00%

* Exchange rate as on March 31, 2022 (or last working day prior to March 31, 2022): 1 US\$ = ₹ 75.81 and 1 SGD = ₹ 55.95

Amount less than ₹ / US\$ / SGD 50,000

Notes

^a Other Equity includes Non-controlling interest, wherever applicable.^b Total liabilities exclude share capital and other equity.^c Investments exclude investment in subsidiaries under consolidation.^d The numbers presented are as per consolidated financial statements of JM Financial Asset Reconstruction Company Limited (JMFARC).^e Compulsory convertible debentures issued by JMFARC and JM Financial Home Loans Limited are not taken into consideration.

Form AOC - 1 (Contd.)

Part "B": Associate

(₹ in Crore)

Particulars	JM Financial Trustee Company Private Limited
Latest audited Balance Sheet Date	March 31, 2022
Shares of Associate held by the Company at the year end	
Nos.	25,000
Amount Invested in Associate	0.03
Extent of Holding%	25.00%
Description of ownership to determine significant influence	Ownership of 20% or more of the voting power
Reason why the associate is not consolidated	Ownership of not more than 50 % of the voting Power and no control over the Board
Net worth attributable to shareholding as per latest audited Balance Sheet	12.03
Profit for the year	0.11
(i) Considered in Consolidation	0.02
(ii) Not Considered in Consolidation	0.09

Note:

- 1) Significant influence has been determined as per Indian Accounting Standard 28 "Investments in Associates and Joint Ventures" specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman
DIN – 00009071

Vishal Kampani

Vice Chairman
DIN – 00009079

E A Kshirsagar

Audit Committee Chairman
DIN – 00121824

Atul Mehra

Joint Managing Director
DIN – 00095542

Adi Patel

Joint Managing Director
DIN – 02307863

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Independent Auditor's Report

To the Members of JM Financial Limited
Report on the Audit of the Consolidated Financial Statements
Opinion

We have audited the consolidated financial statements of JM Financial Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and reports of other auditors on separate financial statements of such subsidiaries and associate as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2022, of its consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year then ended.

A. Description of Key Audit Matter of Holding Company

Revenue from operations	
See note 2.6 and note 22 to the standalone financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Revenue from operations mainly comprises of revenue from investment banking services which includes lead manager's fees, underwriting commission, fees for mergers, acquisitions and advisory assignments; and arranger's fees for mobilizing debt funds.</p> <p>Revenue is recognized when the services for the transaction are determined to be completed or when specific obligations are determined to be fulfilled as per the terms of the engagement. The variety and number of obligations within the contracts can make it complex and requires significant judgement of management to determine completion of the performance condition associated with the revenue.</p> <p>Due to this complexity and significant level of judgement involved, we have identified Revenue from operations as a fraud risk and considered it a Key Audit Matter in respect of standalone financial statements.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> - Obtained process understanding and tested the design and implementation of the controls established by the Company for revenue recognition. - For selected samples, evaluated fulfilment of the performance obligations as per the terms of engagement with customers by checking the underlying documents. - Obtained corroboration from the business teams on the open mandate register and checked the reconciliation prepared by the Company between the mandate register and the revenue recognized in the books of accounts.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

B. Description of Key Audit Matters of Subsidiary Company- JM Financial Credit Solutions Limited ('JMFCSL') as provided by the auditor of JMFCSL

The key audit matter	How the matter was addressed in our audit
<p>Impairment of loans and advances to customers</p> <p>Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss ("ECL") estimation model.</p> <p>The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECL are:</p> <ul style="list-style-type: none"> - Data inputs – The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data which has been used to create assumptions in the model. - Staging – Ind AS 109 requires the Company to classify loans and advances into various stages based on applicable prudential regulatory norms and assessment of significant increase in credit risk considering the quantitative and qualitative information. Significant management judgment is involved in determining the significant increase in credit risk and related staging. - Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD, LGD including value of collateral are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. - Economic scenarios – Ind AS 109 requires the Company to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them, including changes to methodology, especially when considering the current uncertain economic environment arising from Covid-19. - Qualitative adjustments/ management overlays – Adjustments to the model-driven ECL results as overlays are recorded by management to address emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of Covid-19. 	<p>During the course of their audit, the auditor of JMFCSL performed the following procedures:</p> <ul style="list-style-type: none"> - Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance process. We tested the relevant manual, general IT and application controls over key systems used in the impairment loss allowance process. - Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, completeness and accuracy of reports and management's review process over the computation of impairment allowance and the related disclosures on credit risk management. - Testing the 'Governance Framework' controls over implementation and model monitoring in line with Reserve Bank of India guidelines. - Tested management's controls over authorization and computation of post model adjustments and management overlays. - Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and verified that the computations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings. - Sample testing over key inputs, data and assumptions impacting ECL computations to assess the completeness, accuracy and relevance of data and reasonableness of the periods considered, economic forecasts, and model assumptions applied. - Test of details on post model adjustments, considering the size and complexity of management overlays with a focus on Covid-19 related overlays, in order to assess the reasonableness of the adjustments by challenging key assumptions, and inspecting the computation methodology. - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowances in the financial statements are appropriate and sufficient.

Independent Auditor’s Report (Contd.)

The key audit matter	How the matter was addressed in our audit
<p>The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. The extent to which the Covid-19 pandemic will impact the Company’s current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point.</p> <p>Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter.</p> <p><u>Disclosures:</u></p> <p>The disclosures regarding the Company’s application of Ind AS 109 are key to explaining the key judgements and significant inputs to the Ind AS 109 ECL results.</p>	<p>- Involvement of specialists – We involved financial risk management specialists for the following:</p> <p>a) Evaluating the appropriateness of the Company’s Ind AS 109 impairment methodologies and reasonableness of assumptions used (including management overlays).</p> <p>b) For model refresh undertaken during the year, evaluating whether the refresh was appropriate by assessing the updated model / methodology.</p> <p>c) The reasonableness of the Company’s considerations of the impact of the current economic environment due to Covid-19 on the impairment loss allowance determination.</p>
<p>IT systems and controls</p> <p>The Company’s key financial accounting and reporting processes are dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.</p>	<p>During the course of their audit, the auditor of JMFCSL performed the following procedures:</p> <p>We have involved IT Specialists in performing the following key procedures:</p> <p>a) Performed control testing on user access management, change management and system application controls over key financial accounting and reporting systems.</p> <p>b) Tested key automated controls operating over the information technology systems in relation to financial accounting and reporting systems, including system access and system change management.</p> <p>c) Tested the design and operating effectiveness of key controls over user access management which includes granting access/right, new user creation, removal of user rights and super user access rights management over the in-scope systems.</p> <p>d) For selected key general IT controls over financial and reporting systems, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process.</p> <p>e) Other areas that were tested include password policies, controls over changes to applications, its associated operating systems and databases and controls to ensure that developers don’t have access to change applications, the operating system or databases in the production environment.</p> <p>f) Obtained an understanding of the cyber security controls implemented by the organization.</p>

C. Description of Key Audit Matter of Subsidiary Company- JM Financial Asset Reconstruction Company Limited (‘JMFARC’) as provided by the auditor of JMFARC

The key audit matter	How the matter was addressed in our audit
<p>Fair Valuation of Group’s financial instruments</p> <p>The valuation of the financial instruments is based on a recovery range provided by the External Rating Agency and other unobservable inputs. These assets are classified as level 3 in the valuation hierarchy and the same are not actively traded.</p> <p>The fair values of the said financial instruments can only be estimated using a combination of the recovery range provided by the External Rating Agency, estimated cash flows, collateral values, discount rate used and other assumptions. Further, the Group has applied judgements in estimating the cash flows considering the current uncertain economic environment with the range of possible effects unknown to the Group arising out of the Covid-19 Pandemic.</p> <p>In view of the complexities and significant judgements involved we have considered the valuation of these financial instruments as a key audit matter.</p>	<p>During the course of their audit, the auditor of JMFARC performed the following procedures:</p> <ul style="list-style-type: none"> - We have tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments and financial assets including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates etc. - Analysed reasonableness of the determination of the appropriate recovery rate and estimated cash flows and the other relevant judgments and estimates, if any; and we assessed the information used to determine the key assumptions; - Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; - Compared the management’s assumption of discount rate with the supporting internal/ external evidence; - We assessed the reasonableness of the judgements in estimating the cash flows in response to Covid-19 related economic uncertainty and corroborated the assumptions based on the information used by the Group; - Read and assessed the disclosure made in the consolidated financial statements for assessing the compliance with respect to the disclosure requirements.

D. Description of Key Audit Matter of Subsidiary Company- JM Financial Services Limited (‘JMFSL’) as provided by the auditor of JMFSL

The key audit matter	How the matter was addressed in our audit
<p>Information Technology</p> <p>IT systems and controls</p> <p>The Company’s key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly.</p>	<p>During the course of their audit, the auditor of JMFSL performed the following procedures:</p> <ul style="list-style-type: none"> • Performed testing of the design of General IT Controls (GITCs) for the audit period which included controls over access to program and data, program changes, system changes, program development, computer operations (job processing, data backup, system backup, incident management) over financial accounting and reporting systems and related IT systems (referred to as ‘in-scope systems’).

Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
<p>The Company uses an ERP system for its overall financial reporting. The Company's General Ledger used in financial reporting along with other IT systems are used to process transactions of accounts relevant for financial reporting.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p>	<ul style="list-style-type: none"> • Testing the operating effectiveness of GITCs for the audit period over the in-scope systems as follows: <ul style="list-style-type: none"> – User access creation, modification and revocation process – User access review process – Segregation of duties – Password policies – Application change management procedures – Computer Operations process (automated jobs) • Understanding IT application controls for the audit period for significant accounts, reports, reconciliations and system processing for significant accounts determined by us during our risk assessment. We tested the change management controls to determine that these controls remained unchanged during the audit period and in case of changes, whether standard process was followed. In certain areas where General IT Controls needed strengthening for change management, we tested remediating/ compensating manual controls to check whether the control objectives are met. • Understanding IT infrastructure records for the in-scope systems i.e., operating systems and databases.

E. Description of Key Audit Matter of Subsidiary Company- JM Financial Home Loans Limited ('JMFHLL') as provided by the auditor of JMFHLL

The key audit matter	How the matter was addressed in our audit
<p>Impairment of loans measured at amortised cost</p> <p>The management estimates impairment provision using collective model-based approach for the loan exposure other than those subject to specific provision. We have reported this as a key audit matter because measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:</p> <ul style="list-style-type: none"> • Timely identification of the impaired loans in accordance with Ind AS 109 • Key assumptions in respect of determination of probability of defaults and loss given defaults including consideration of collateral values • Inputs and judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment within the range of possible effects unknown to the Company arising out of the Covid-19 pandemic • The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the management in determination of the ECL. 	<p>During the course of their audit, the auditor of JMFHLL performed the following procedures:</p> <ul style="list-style-type: none"> • Test the design and effectiveness of internal controls implemented by the management for following: <ul style="list-style-type: none"> o Identification of credit deterioration and consequently impaired loans o Validation of the critical components viz. Exposure at Default (EAD), Probability of Default (PD) and Loss given default (LGD) used for the impairment provision o Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision o Completeness and accuracy of the data inputs used • Test the completeness and accuracy of data from underlying systems used in the model including the bucketing of loans into delinquency bands. Assess and test the key underlying assumptions and significant judgements used by management.

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • For loans identified by management as potentially impaired, examine on a sample basis, the calculation of the impairment, assess the underlying assumptions and corroborate these to supporting evidence. • Examine a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and form our own judgement as to whether that was appropriate through examining information such as the counterparty's payment history. • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision. • We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.

F. Description of Key Audit Matter of Subsidiary Company- JM Financial Products Limited ('JMFPL') as provided by the auditor of JMFPL

The key audit matter	How the matter was addressed in our audit
<p>Expected Credit Loss (ECL) on Loans and Advances</p> <p>The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</p> <p>The elements of estimating ECL which involved increased level of audit focus are the following:</p> <p>a) Data inputs – The application of ECL model requires several data inputs.</p> <p>b) Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.</p> <p>c) Qualitative and quantitative factors used in staging the loan assets measured at amortised cost.</p>	<p>During the course of their audit, the auditor of JMFPL performed the following procedures:</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>a) Testing the design and effectiveness of internal controls over the following:</p> <ul style="list-style-type: none"> - key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. - key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors. - management's controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model. <p>b) Also, for a sample of ECL allowance on loan assets tested:</p> <ul style="list-style-type: none"> - we tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. - we have relied on the PD's and LGD provided by the Company.

Independent Auditor's Report (Contd.)

The key audit matter	How the matter was addressed in our audit
d) Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from ongoing Covid-19 pandemic.	c) We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee. d) Testing management's controls on compliance with disclosures to confirm the compliance with the provisions of relevant provisions of Ind AS 109 and the RBI.
e) Adjustments to model driven ECL results to address emerging trends.	e) Evaluating the appropriateness of the Company's Ind AS 109 impairment methodologies and reasonableness of assumptions used, including management overlays. f) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology. g) The reasonableness of the Company's considerations of the impact of the current ongoing economic environment due to Covid-19 on the ECL determination. h) Read and assessed the disclosures included in the financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.

Other Information (or another title if appropriate, such as "Information Other than the Consolidated Financial Statements and Auditor's Report Thereon")

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view

and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal

financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures and joint operations to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (Contd.)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 13 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹13,920.79 Crore as at March 31, 2022, total revenues (before consolidation adjustments) of ₹ 1,758.89 Crore and net cash flows (before consolidation adjustments) amounting to ₹ 109.75 Crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit and other comprehensive income of ₹ 0.02 Crore for the year ended March 31, 2022, in respect of its associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We

have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

(b) The consolidated financial statements of the Group and its associate for the year ended March 31, 2021 were audited by the predecessor auditor who had expressed an unmodified opinion on May 05, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and associate companies incorporated in India, none of the directors of the Group and its associate companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and its associate, as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at March 31, 2022 on the consolidated financial position of the Group and its associate. Refer Note 37 to the consolidated financial statements.

b) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2022.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary and associate companies incorporated in India during the year ended March 31, 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary and associate companies

incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary and associate companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary and associate companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary and associate companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India is in compliance with Section 123 of the Act.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary and associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section

Independent Auditor's Report (Contd.)

197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary and associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189
UDIN: 22118189AJMEXI7340

Mumbai
May 24, 2022

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in our report of even date)

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	JM Financial Credit Solutions Limited	U74140MH1980PLC022644	Subsidiary	iii (c), iii (d), vii (b)
2	JM Financial Products Limited	U74140MH1984PLC033397	Subsidiary	iii (c), iii (d), iii (f), vii (b)
3	Infinite India Investment Management Limited	U74140MH2006PLC163489	Subsidiary	vii (b)
4	JM Financial Services Limited	U67120MH1998PLC115415	Subsidiary	iii(f)
5	JM Financial Asset Management Limited	U65991MH1994PLC078879	Subsidiary	iii (a), vii (b), xvii
6	JM Financial Asset Reconstruction Company Limited	U67190MH2007PLC174287	Subsidiary	iii (c), iii (d), vii (b), ix (f)
7	JM Financial Properties and Holdings Limited	U65990MH2010PLC201513	Subsidiary	iii (a), iii (c), iii (d)
8	CR Retail Malls (India) Limited	U92190MH1999PLC122208	Subsidiary	iii (a), xvii
9	JM Financial Capital Limited	U65190MH2015PLC270754	Subsidiary	iii (c), iii (f), vii (b)
10	JM Financial Home Loans Limited	U65999MH2016PLC288534	Subsidiary	iii (c), iii (d)
11	JM Financial Commtrade Limited	U51100MH2005PLC153110	Subsidiary	iii (a), iii (c), vii (b)

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189
UDIN: 22118189AJMEXI7340

Mumbai
May 24, 2022

Independent Auditor's Report (Contd.)

Annexure B to the Independent Auditor's report on the consolidated financial statements of JM Financial Limited for the year ended March 31, 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph (2(A)(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of JM Financial Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and associate company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 9 subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Kapil Goenka

Partner

Mumbai

May 24, 2022

Membership No. 118189

UDIN: 22118189AJMEXI7340

Consolidated Balance Sheet

as at March 31, 2022

	Note No.	As at March 31, 2022	As at March 31, 2021
₹ in Crore			
Assets			
Financial Assets			
Cash and cash equivalents	4	1,262.94	826.38
Bank balances other than cash and cash equivalents	5	1,296.93	1,248.57
Derivative financial instruments	6	-	5.06
Trade receivables	7	499.09	508.62
Loans	8	15,071.52	11,222.71
Investments	9	3,639.29	5,801.65
Other financial assets	10	3,016.18	2,977.55
Total Financial Assets		24,785.95	22,590.54
Non-Financial Assets			
Current tax assets	11	336.70	299.73
Deferred tax assets	21	240.94	164.48
Property, plant and equipment	12	352.92	361.88
Capital work-in-progress	12	3.05	0.86
Other intangible assets	12	8.35	8.54
Goodwill on consolidation		52.44	52.44
Other non-financial assets	13	34.15	36.38
Total Non-Financial Assets		1,028.55	924.31
Total Assets		25,814.50	23,514.85
Liabilities and Equity			
Liabilities			
Financial Liabilities			
Derivative financial instruments	6	-	4.82
Trade payables	14		
i. Total outstanding dues of micro enterprises and small enterprises		1.64	0.49
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		844.31	763.44
Debt securities	15	9,651.16	8,493.03
Borrowings (other than debt securities)	16	3,806.60	3,873.18
Lease liabilities	17	40.28	38.98
Other financial liabilities	18	442.92	395.27
Total Financial Liabilities		14,786.91	13,569.21
Non-Financial Liabilities			
Current tax liabilities	19	3.59	3.20
Provisions	20	48.45	50.68
Deferred tax liabilities	21	153.10	136.68
Other non-financial liabilities	22	196.81	79.03
Total Non-Financial Liabilities		401.95	269.59

Consolidated Balance Sheet

as at March 31, 2022 (Contd.)

	Note No.	As at March 31, 2022	As at March 31, 2021
₹ in Crore			
Equity			
Equity share capital	23	95.41	95.27
Other equity	24	7,590.80	6,904.63
Equity attributable to owners of the Company		7,686.21	6,999.90
Non-controlling interests		2,819.57	2,604.82
Non-controlling interests of security receipts holders under Distressed Credit Business		119.86	71.33
Total Equity		10,625.64	9,676.05
Total Liabilities and Equity		25,814.50	23,514.85
The accompanying notes form an integral part of the consolidated financial statements	1 to 54		

In terms of our report of even date attached

For and on behalf of

For and on behalf of the Board of Directors

B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Kapil Goenka

Partner

Membership No. 118189

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Vice Chairman

DIN – 00009079

E A Kshirsagar

Audit Committee Chairman

DIN – 00121824

Atul MehraJoint Managing
Director

DIN – 00095542

Adi PatelJoint Managing
Director

DIN – 02307863

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place: Mumbai

Date: May 24, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
₹ in Crore			
Income			
Revenue from operations			
Interest income	25	1,850.71	1,908.54
Fees and commission income	26	816.96	628.53
Brokerage income	27	330.54	256.61
Net gain on fair value changes	28	588.59	311.91
Net gain on derecognition of financial instruments carried at amortised cost	29	0.05	6.60
Other operating income	30	120.31	85.28
		3,707.16	3,197.47
Other income	31	56.12	29.16
Total Income		3,763.28	3,226.63
Expenses			
Finance costs	32	1,081.73	1,110.87
Impairment on financial instruments	33	348.36	256.76
Employee benefits expense	34	547.81	440.83
Depreciation and amortisation expense	12	37.78	39.75
Other expenses	35	399.56	311.57
Total Expenses		2,415.24	2,159.78
Profit before tax		1,348.04	1,066.85
Tax expense:	36		
Current tax		415.46	313.59
Deferred tax		(60.24)	(52.73)
Tax adjustment of earlier years(net)		0.45	(0.07)
Total tax expense		355.67	260.79
Profit for the year		992.37	806.06
Add : Share in profit of associate		0.02	2.11
Profit after tax and share in profit of associate		992.39	808.17
Other Comprehensive Income (OCI)			
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		3.66	(2.74)
(ii) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		0.81	2.74
- Share in Other Comprehensive Income of associate		#	#
- Income tax on above		(0.20)	(0.69)
Total Other Comprehensive Income (Net of tax)		4.27	(0.69)
Total Comprehensive Income		996.66	807.48

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022 (Contd.)

	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
₹ in Crore			
Net Profit Attributable to:			
Owners of the Company		773.16	590.14
Non-controlling interests		219.23	218.03
Other Comprehensive Income Attributable to:			
Owners of the Company		4.34	(0.81)
Non-controlling interests		(0.07)	0.12
Total Comprehensive Income Attributable to:			
Owners of the Company		777.50	589.33
Non-controlling interests		219.16	218.15
Earnings per equity share (EPS)	38		
(face value of ₹1/- each)			
Basic EPS (in ₹)		8.11	6.34
Diluted EPS (in ₹)		8.09	6.32
The accompanying notes form an integral part of the consolidated financial statements	1 to 54		

Denotes amount below ₹ 50,000/-

In terms of our report of even date attached

For and on behalf of

For and on behalf of the Board of Directors

B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Kapil Goenka

Partner

Membership No. 118189

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Vice Chairman

DIN – 00009079

E A Kshirsagar

Audit Committee Chairman

DIN – 00121824

Atul MehraJoint Managing
Director

DIN – 00095542

Adi PatelJoint Managing
Director

DIN – 02307863

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place: Mumbai

Date: May 24, 2022

Consolidated Cash Flow Statement

for the year ended March 31, 2022

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	1,348.04	1,066.85
Adjustment for :		
Depreciation and amortisation expense	37.78	39.75
Amortisation of deferred employee compensation (ESOP)	4.36	10.46
Impairment on financial instruments	348.36	256.76
Assets written-off	4.28	2.44
Loss on sale of property, plant and equipment (PPE)	0.15	0.11
Net gain on fair value changes	(588.59)	(311.91)
Dividend income	(3.83)	(1.89)
Interest income	(112.66)	(68.46)
Finance cost on lease liabilities	4.44	4.99
Operating profit before working capital changes	1,042.33	999.10
Adjustment for :		
(Increase) in trade receivables	(3.42)	(188.53)
Decrease in derivative financial instruments (net)	0.24	0.42
(Increase)/Decrease in loans (net)	(4,178.12)	417.19
Decrease/(Increase) in other financial assets	137.41	(463.31)
Decrease in other non-financial assets	4.68	10.03
Increase in trade payables	82.02	324.08
Increase in other financial liabilities	47.96	167.60
(Decrease)/Increase in provisions	(1.42)	5.54
Increase in other non-financial liabilities	117.78	11.32
Cash (used in)/generated from operations	(2,750.54)	1,283.44
Direct taxes paid (net)	(452.49)	(314.16)
Net cash (used in)/generated from operating activities	(3,203.03)	969.28
B Cash flow from investing activities		
Purchase of investments	(239.08)	(1,995.79)
Proceeds from sale of investments	2,803.55	411.83
Purchase of PPE	(17.03)	(6.36)
Proceeds from sale of PPE	0.23	0.29
(Increase) in other bank balances	(48.36)	(729.07)
Interest received	112.66	68.46
Dividend received	3.83	1.89
Net cash generated from / (used in) investing activities	2,615.80	(2,248.75)

Consolidated Cash Flow Statement

for the year ended March 31, 2022 (Contd.)

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
C Cash flow from financing activities		
Proceeds from issue of shares on exercise of options	0.14	0.15
Proceeds from issue of shares (Qualified Institutional Placement) – net of share issue expenses	-	759.25
Proceeds from issue of securities / security receipts (SRs) to non-controlling interest (NCI) shareholders	49.44	-
(Repayment) on redemption of SRs to Non-controlling SR holders	-	(39.41)
(Repayment of) debt component of Compulsorily Convertible Debentures to NCI shareholders	(1.62)	(1.44)
Proceeds from Debt Securities (net)	1,158.13	257.77
(Repayment of) / Proceeds from other borrowings (net)	(66.58)	356.33
(Repayment of) lease liabilities (including interest)	(19.75)	(19.10)
Dividend paid on equity shares	(95.97)	(17.60)
Net cash generated from financing activities	1,023.79	1,295.95
Net increase in cash and cash equivalents	436.56	16.48
Cash and cash equivalents at the beginning of the year	826.38	809.90
Cash and cash equivalents at the end of the year (Refer note 4)	1,262.94	826.38
The accompanying notes form an integral part of the consolidated financial statements 1 to 54		

In terms of our report of even date attached

For and on behalf of

For and on behalf of the Board of Directors

B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Kapil Goenka

Partner

Membership No. 118189

Nimesh Kampani

Chairman

DIN – 00009071

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Audit Committee Chairman

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Director

DIN – 00095542

Adi PatelJoint Managing
Director

DIN – 02307863

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place: Mumbai

Date: May 24, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity share capital

	Balance as at March 31, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
Equity Share Capital	84.12	11.15	95.27	0.14	95.41

₹ in Crore

B. Other Equity

₹ in Crore

	Share application money pending allotment	Reserves and Surplus										Other Comprehensive Income		Non-Controlling Interest (NCI)*	Total			
		Statutory Reserve - I	Statutory Reserve - II	Capital Reserve	Reserve on acquisition / dilution in subsidiary companies	Securities Premium Reserve	Capital Redemption Reserve	Stock Option Outstanding	Capital Reserve on Consolidation	General Reserve	Impairment Reserve	Initial Corpus	Retained earnings			Foreign Currency Translation Reserve	Share of OCI of Associate	Other equity attributable to the owners of the Company
Balance as at March 31, 2020	#	753.99	1.48	21.85	125.22	1,252.56	27.77	28.98	174.64	205.25	-	#	2,943.00	19.91	#	5,554.65	2,495.66	8,050.31
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	590.14	-	-	590.14	218.03	808.17
OCI	-	-	-	-	-	-	-	-	-	-	-	-	1.93	(2.74)	#	(0.81)	0.12	(0.69)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	592.07	(2.74)	#	589.33	218.15	807.48
Employee Stock Options (Net)	#	-	-	-	-	12.12	-	(2.12)	-	-	-	-	-	-	-	10.00	0.46	10.46
Issue of Equity shares (QIP)	-	-	-	-	-	759.00	-	-	-	-	-	-	-	-	-	759.00	-	759.00
Share issue expenses	-	-	-	-	-	(8.05)	-	-	-	-	-	-	-	-	-	(8.05)	-	(8.05)
Transfer to Other Reserves	-	102.90	0.64	-	-	-	-	-	-	-	14.43	-	(117.97)	-	-	-	-	-
On acquisition of equity shares of subsidiary company from NCI shareholders	-	-	-	-	0.06	-	-	-	-	-	-	-	-	-	-	0.06	(1.67)	(1.61)
On account of change in controlling interest of Subsidiary company in its subsidiary trusts	-	-	-	-	-	-	-	-	-	-	-	#	-	-	-	-	21.19	21.19
On account of infusion in subsidiary company	-	-	-	-	16.46	-	-	-	-	-	-	-	-	-	-	16.46	(16.46)	-
On redemption of SRs to Non-controlling SR holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39.41)	(39.41)
On repayment of debt component of Compulsorily convertible debentures to NCI shareholders in subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.44)	(1.44)
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	(16.82)	-	-	(16.82)	(0.33)	(17.15)
Balance as at March 31, 2021	-	856.89	2.12	21.85	141.74	2,015.63	27.77	26.86	174.64	205.25	14.43	#	3,400.28	17.17	#	6,904.63	2,676.15	9,580.78

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022 (Contd.)

B. Other Equity

₹ in Crore

	Share application money pending allotment	Reserves and Surplus										Other Comprehensive Income		Non-Controlling Interest (NCI)*	Total			
		Statutory Reserve - I	Statutory Reserve - II	Capital Reserve	Reserve on acquisition / dilution in subsidiary companies	Securities Premium Reserve	Capital Redemption Reserve	Stock Option Outstanding	Capital Reserve on Consolidation	General Reserve	Impairment Reserve	Initial Corpus	Retained earnings			Foreign Currency Translation Reserve	Share of OCI of Associate	Other equity attributable to the owners of the Company
Balance as at March 31, 2021	-	856.89	2.12	21.85	141.74	2,015.63	27.77	26.86	174.64	205.25	14.43	#	3,400.28	17.17	#	6,904.63	2,676.15	9,580.78
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	773.16	-	-	773.16	219.23	992.39
OCI	-	-	-	-	-	-	-	-	-	-	-	-	0.68	3.66	#	4.34	(0.07)	4.27
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	773.84	3.66	#	777.50	219.16	996.66
Employee Stock Options (Net)	-	-	-	-	-	12.98	-	(9.15)	-	-	-	-	-	-	-	3.83	0.53	4.36
Transfer to Other Reserves	-	86.37	0.87	-	-	-	-	-	-	-	93.67	-	(180.91)	-	-	0.18	(3.91)	(3.73)
On acquisition of equity shares of subsidiary company from NCI shareholders	-	-	-	-	0.18	-	-	-	-	-	-	-	-	-	-	-	-	49.44
On account of infusion in subsidiary company / trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.62)
On repayment of debt component of Compulsorily convertible debentures to NCI shareholders in subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.62)
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	(95.34)	-	-	(95.34)	(0.32)	(95.66)
Balance as at March 31, 2022	-	943.26	2.99	21.85	141.92	2,028.61	27.77	17.71	174.64	205.25	108.10	#	3,897.87	20.83	#	7,590.80	2,939.43	10,530.23

The accompanying notes form an integral part of the consolidated financial statements 1 to 54

* Denotes amount below ₹ 50,000/-

Including non-controlling interests of security receipts holders under distressed credit business

In terms of our report of even date attached

For and on behalf of

BSR & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Kapil Goenka

Partner

Membership No. 118189

Place: Mumbai

Date: May 24, 2022

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman

DIN – 00009071

Atul Mehra

Joint Managing Director

DIN – 00095542

Vishal Kampani

Vice Chairman

DIN – 00009079

Adi Patel

Joint Managing Director

DIN – 02307863

E A Kshirsagar

Audit Committee Chairman

DIN – 00121824

Prashant Choksi

Company Secretary

DIN – 02307863

Manish Sheth

Chief Financial Officer

Significant Accounting Policies

and notes to the Consolidated Financial Statements

1. Corporate Information

JM Financial Limited (“the Company”) along with its subsidiaries (collectively referred to as “the Group”) and an associate is an integrated and diversified financial services group. The Group’s primary businesses include (a) Investment Bank (IB) which caters to Institutional, Corporate, Government and Ultra High Networth clients and includes investment banking, institutional equities and research, private equity funds, fixed income, syndication and finance; (b) Mortgage Lending includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP); (c) Alternative and Distressed Credit includes the asset reconstruction business and alternative credit funds; and (d) Asset management, Wealth management and Securities business (Platform AWS) provides an integrated investment platform to individual clients and includes wealth management business, broking, PMS and mutual fund business.

The Company’s equity shares are listed on the BSE Limited and National Stock Exchange of India Limited in India.

2. Significant accounting policies

2.1 Basis of preparation and presentation of financial statements

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the “Act”) (to the extent notified), and the guidelines issued by the Reserve Bank of India (“RBI”), the National Housing Bank (“NHB”) and the Securities Exchange Board of India (“SEBI”) to the extent applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Historical Cost Convention

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or

estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Cash flow statement has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”.

Amounts in the financial statements are presented in Indian Rupees (₹) in Crore rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupees (₹) to two decimal places.

Previous year figures have been re-grouped or reclassified, to confirm with current year’s grouping / classifications.

2.2 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

2.2.1 Subsidiaries

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intra-Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2.2 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group loses control of a subsidiary, a gain or loss is recognised in the Consolidated Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified /permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

2.3 Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to

Significant Accounting Policies

and notes to the Consolidated Financial Statements (Contd.)

recognize the Group's share of post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that

- Deferred tax assets or liabilities related to employee benefits arrangements are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether

there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at fair value at subsequent

reporting dates with the corresponding gain or loss being recognised in Statement of Profit and Loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed of.

Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- 1) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- 2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- 3) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- 4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- 5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
- 6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost established at the date of acquisition of the business less accumulated impairment loss if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGU) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, if the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the units pro-rata based on the carrying amount of each asset in the unit, any impairment loss or goodwill is not reversed in subsequent period.

On disposal of relevant CGU the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.6 Property, plant and equipment and Intangible assets

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

Depreciation / amortisation is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	Useful life
Property, Plant & Equipment	
Office Premises	60 years
Leasehold building	60 years or lease period whichever is lower
Leasehold improvements	10 years or lease period whichever is lower
Computers	3 years
Servers and Networks	6 years
Office equipment	5 years
Furniture and fixtures	10 years
Motor Vehicles	5 years
Intangible Assets	
Computer Software	5 years

Significant Accounting Policies

and notes to the Consolidated Financial Statements (Contd.)

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis for those assets whose useful lives are not as per the Companies Act, 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of Profit and Loss when the asset is derecognised.

Impairment losses on non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.7 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognised when the Group becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e., day 1

profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial Assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g., debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.
- However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:
 - the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
 - the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Financial assets at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the individual asset basis and the Group's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to Statement of Profit and Loss but transferred within equity.

Significant Accounting Policies

and notes to the Consolidated Financial Statements (Contd.)

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Equity Investments at FVTOCI

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 "Financial Instruments: Presentation" and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTOCI are never recycled to Statement of Profit and Loss. Dividends are recognised in Statement of Profit and Loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend

will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of financial assets

Overview of the Expected Credit Loss principles:

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

Expected credit losses (ECL) are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the

12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group measures ECL on an individual basis, or on a collective basis for loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: Defined as performing assets with upto 30 days past due (DPD). Stage 1 loans will also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.
- Stage 2: Defined as under-performing assets having 31 to 90 DPD. Stage 2 loans will also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2. Accounts with overdue more than 30 DPD will be assessed for significant increase in credit risks.
- Stage 3: Defined as assets with overdue more than 90 DPD. The Company will record an allowance for the life time expected credit losses. These accounts will be assessed for credit impairment.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Significant Accounting Policies

and notes to the Consolidated Financial Statements (Contd.)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, there is a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with customer and excludes amounts collected on behalf of third parties.

Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Revenue from Investment Banking business, which mainly includes the lead manager's fees, selling commission, underwriting commission, fees for mergers, acquisitions & advisory assignments and arrangers' fees for mobilising funds is recognised based on the milestone achieved as set forth under the terms of engagement.

Management fee is recognised at specific rates agreed for the relevant schemes applied on the daily net assets of each scheme under the asset management segment.

Brokerage income for executing clients' transactions in the secondary market in 'Cash' and 'Futures and Options' segments are recognised upon rendering of the services on a trade date basis.

Fees earned from primary market operations, i.e., procuring subscription from investors for public offerings of companies are recorded on determination of the amount due, once the allotment of securities is completed and as and when performance obligation is satisfied. Fees earned for mobilising bonds, fixed deposits for companies and funds for mutual funds from investors is recorded on monthly, quarterly or annual basis as set forth in terms of the engagement.

Income from structured products including processing fees, income from depository participant business and income from portfolio management services are recognised when the services are determined to be completed. Income from advisory fees is recognised as and when related performance obligations are satisfied.

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

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument. The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

Management fees and incentive income under Distressed Credit business is recognised as per terms of the relevant trust deed/ offer documents.

2.9 Leases

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

Significant Accounting Policies

and notes to the Consolidated Financial Statements (Contd.)

As a lessee

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves—

- the use of an identified asset,
- the right to obtain substantially all the economic benefits from use of the identified asset, and
- the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognizes a Right to Use asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right to Use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the right to use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right to use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right to use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right to use assets.

Right to use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right to use assets. Where the carrying amount of the right to use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Lease liability has been presented in Note 17 "Lease liabilities" and Right to Use asset has been presented in Note 12 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the right to use asset arising from the head-lease.

2.10 Foreign currency transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign

currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

2.11 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.12 Employee benefits

Defined contribution obligation

Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined benefit obligation

The liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Group recognises current service cost, past service cost, if any and interest cost in the statement of Profit and Loss. Remeasurement gains and losses arising

from experience adjustment and changes in actuarial assumptions are recognized in the period in which they occur in the OCI.

Short-term benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

2.13 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments to employees is recognized as deferred employee compensation and is expensed in Statement of Profit and Loss over the vesting period with a corresponding increase in stock option outstanding in other equity.

At the end of each year, the Group revisits its estimate of the number of equity instruments expected to vest and recognises any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in other equity.

2.14 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Significant Accounting Policies

and notes to the Consolidated Financial Statements (Contd.)

Current tax

The Current tax is based on the taxable profit for the year of the Group. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.15 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.16 Segment Reporting

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.17 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- i. an entity has a present obligation (legal or constructive) as a result of a past event; and
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- ii. a present obligation arising from past events when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements.

2.18 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- i. estimated amount of contracts remaining to be executed on capital account and not provided for;
- ii. uncalled liability on shares and other investments partly paid;
- iii. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.19 Statement of Cash Flows

Cash Flow Statement is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Cash flow statement exclude items which are not available for general use as on the date of Balance Sheet, if any.

2.20 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash at banks and on hand, Cheques on hand and short term deposits.

2.21 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.22 Dividend on Ordinary Shares

The Group recognises a liability to make cash to equity holders of the Group when the dividend is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, an interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3 Significant accounting judgements and key sources of estimation uncertainties:

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Consolidation of Entities where Group holds less than majority of voting rights:

An entity is consolidated as a subsidiary if the Company has control over the said entity based on the management evaluation of investments and related agreements/ deeds and determine that the Group has control over the said

Significant Accounting Policies

and notes to the Consolidated Financial Statements (Contd.)

entity in terms of Ind AS 110 on Consolidated Financial Statements. Control shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders' agreements or voting agreements or in any other manner.

Fair Valuation:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group has applied appropriate valuation techniques and inputs to the valuation model and has engaged third party external rating agencies to perform the valuations.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 48.

Expected Credit Loss:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis,

based on the Group's historical experience and credit assessment and including forward-looking information.

The inputs used and process followed by the Group in determining the increase in credit risk have been detailed in Note 50.

Taxation:

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profits and all tax bases of assets and liabilities the company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Notes

to the Consolidated Financial Statements

4. Cash and Cash Equivalents

	As at March 31, 2022	As at March 31, 2021
Cash	0.16	0.12
Cheques on hand	-	0.08
Balances with banks:		
- In current accounts	473.78	575.90
- In deposit accounts	789.00	250.28
Total	1,262.94	826.38

5. Bank Balances other than Cash and Cash Equivalents

	As at March 31, 2022	As at March 31, 2021
In deposit accounts		
Under lien against which facilities are availed (refer note 5.1)	1,081.56	1,077.08
Under lien against which facilities are not availed (refer note 5.1)	200.57	165.01
Other bank balances (refer notes 5.2 and 5.3)	14.80	6.48
Total	1,296.93	1,248.57
Notes:		
5.1 Balances with banks in deposit accounts to the extent held as margin money or security against the borrowings, guarantees and other commitments.	1,282.13	1,242.09
5.2 Includes earmarked bank balances against unclaimed dividend	1.65	1.96
5.3 Includes other earmarked bank balances	4.46	4.30

6. Derivative Financial Instruments

	As at March 31, 2022	As at March 31, 2021
Embedded Derivatives (in Nifty Linked Debentures) (Refer Note 6.1)		
Fair value of asset	-	5.06
Total	-	5.06
Fair value of liability	-	4.82
Total	-	4.82

6.1 The Group entered into derivative contracts (Options) to cover the exposure on issued Nifty linked debentures.

7. Trade Receivables

	As at March 31, 2022	As at March 31, 2021
Secured, considered good	160.46	90.49
Unsecured, considered good	366.83	432.92
Less: Impairment loss allowance	(28.20)	(14.79)
	499.09	508.62
Unsecured, considered doubtful	0.68	4.53
Less: Impairment loss allowance	(0.68)	(4.53)
	-	-
Total	499.09	508.62

Notes

to the Consolidated Financial Statements (Contd.)

7.1 Trade receivable ageing schedule:

As at March 31, 2022	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	336.52	31.99	67.07	46.18	45.53	527.29
(ii) Undisputed Trade Receivables-significant increase in credit risk	0.02	0.05	0.22	-	0.39	0.68
(iii) Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables-significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
Total*	336.54	32.04	67.29	46.18	45.92	527.97

As at March 31, 2021	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	385.42	35.05	51.71	40.63	10.60	523.41
(ii) Undisputed Trade Receivables-significant increase in credit risk	0.01	3.36	0.68	0.42	0.06	4.53
(iii) Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables-significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
Total*	385.43	38.41	52.39	41.05	10.66	527.94

* excludes impairment loss allowance

8. Loans

	As at March 31, 2022	As at March 31, 2021
(At amortised cost)		
- To Related parties / Promoters / Directors / KMPs		
Term Loans	-	-
Demand Loans	-	-
Inter Corporate Deposits	-	-
Accrued Interest	-	-
- To Others		
Term Loans	14,117.82	10,641.87
Demand Loans	1,615.37	953.45
Inter Corporate Deposits	30.00	30.00
Accrued Interest	235.63	196.08
	15,998.82	11,821.40
Less: Impairment loss allowance	(927.30)	(598.69)
	15,071.52	11,222.71
Break up of loans into secured and unsecured		
Secured by tangible assets (including real estate mortgages, shares, bonds, mutual funds, etc.)	15,755.28	11,819.25
Unsecured	243.54	2.15
	15,998.82	11,821.40
Less: Impairment loss allowance	(927.30)	(598.69)
Total	15,071.52	11,222.71

Note:

8.1 The loans are given in India to parties other than public sectors.

9. Investments

	As at March 31, 2022	As at March 31, 2021
(At amortised cost)		
Investment in Associate		
JM Financial Trustee Company Private Limited	0.03	0.03
Add : Share in post-acquisition profit	12.00	11.98
	12.03	12.01
(At FVTPL)		
Equity Instruments	304.21	200.73
Preference Shares	24.98	16.43
Debt Instruments	59.84	36.42
Government Securities	48.93	24.98
Security Receipts	916.84	1,053.61
Convertible Warrants	6.82	9.72
Venture Capital Fund (VCF) Units	110.81	74.93
Alternative Investment Funds (AIF) Units	25.52	21.84
Real Estate Investment Trust (REIT) Units	4.40	16.74
Mutual Fund Units	2,124.90	4,334.23
Equity Oriented Mutual Fund Units (Refer Note 9.1)	0.01	0.01
	3,627.26	5,789.64
Total	3,639.29	5,801.65

Notes

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	As at March 31, 2022	As at March 31, 2021
Break-up of Investments:		
Investments in India	3,587.91	5,766.87
Investments outside India	51.38	34.78
	3,639.29	5,801.65
Less: Impairment loss allowance	-	-
Total	3,639.29	5,801.65

Note:

9.1 Includes investment in units of equity oriented mutual fund of ₹ 0.01 Crore which represents initial contribution as a 'Sponsor' towards setting up of JM Financial Mutual Fund.

10. Other Financial Assets

	As at March 31, 2022	As at March 31, 2021
(At FVTPL)		
Financial Assets of Distressed Credit business	2,293.41	2,222.82
Securities held as stock in trade	400.45	432.93
Assets held for Arbitrage activities	235.39	259.26
	2,929.25	2,915.01
(At Amortised Cost)		
Advances recoverable in cash	53.85	30.80
Security deposits	14.91	17.33
Accrued Interest on fixed deposits	10.02	8.14
Other deposits	7.82	5.81
Employees advances	0.33	0.46
	86.93	62.54
Total	3,016.18	2,977.55

11. Current Tax Assets

	As at March 31, 2022	As at March 31, 2021
Advance tax	336.70	299.73
Total	336.70	299.73

12. Property, Plant and Equipment and Intangible Assets

	Gross carrying amount				As at March 31, 2022	Accumulated Depreciation / Amortisation				As at March 31, 2022	Net Carrying Amount As at March 31, 2022
	As at April 1, 2021	Additions for the year	Deductions for the year	Currency Fluctuation		As at April 1, 2021	Additions for the year	Deductions for the year	Currency Fluctuation		
A) PROPERTY, PLANT AND EQUIPMENT											
Owned assets:											
Land	0.44	-	-	-	0.44	-	-	-	-	-	0.44
Leasehold Building	54.90	-	-	-	54.90	4.16	1.04	-	-	5.20	49.70
Office premises	261.74	1.86	-	-	263.60	18.65	4.67	-	-	23.32	240.28
Leasehold improvements	16.22	0.71	0.66	-	16.27	10.34	2.27	0.38	-	12.23	4.04
Computers	26.85	4.99	0.83	0.01	31.02	18.40	4.38	0.82	#	21.96	9.06
Office equipment	7.26	0.84	0.54	-	7.56	5.47	0.99	0.51	-	5.95	1.61
Furniture and fixtures	30.65	0.31	0.20	#	30.76	15.58	4.18	0.15	#	19.61	11.15
Motor Vehicles	4.26	-	-	-	4.26	3.34	0.52	-	-	3.86	0.40
Leased assets:											
Office premises (Right to use asset)	58.10	16.56	6.56	0.03	68.13	24.51	14.62	5.45	0.01	33.69	34.44
Motor vehicles (refer note 12.1)	4.97	1.29	2.18	-	4.08	3.06	1.27	2.05	-	2.28	1.80
TOTAL (A)	465.39	26.56	10.97	0.04	481.02	103.51	33.94	9.36	0.01	128.10	352.92
B) INTANGIBLE ASSETS (refer note 12.2)											
Software	24.71	3.65	0.01	-	28.35	16.17	3.84	0.01	-	20.00	8.35
TOTAL (B)	24.71	3.65	0.01	-	28.35	16.17	3.84	0.01	-	20.00	8.35
C) CAPITAL WORK-IN-PROGRESS											3.05
TOTAL (A+B+C)	490.10	30.21	10.98	0.04	509.37	119.68	37.78	9.37	0.01	148.10	364.32

Denotes amount below ₹ 50,000/-

	Gross carrying amount				As at March 31, 2021	Accumulated Depreciation / Amortisation				As at March 31, 2021	Net Carrying Amount As at March 31, 2021
	As at April 1, 2020	Additions for the year	Deductions for the year	Currency Fluctuation		As at April 1, 2020	Additions for the year	Deductions for the year	Currency Fluctuation		
A) PROPERTY, PLANT AND EQUIPMENT											
Owned assets:											
Land	0.44	-	-	-	0.44	-	-	-	-	-	0.44
Leasehold Building	54.90	-	-	-	54.90	3.12	1.04	-	-	4.16	50.74
Office premises	261.74	-	-	-	261.74	13.99	4.66	-	-	18.65	243.09
Leasehold improvements	15.70	0.95	0.43	-	16.22	8.26	2.28	0.20	-	10.34	5.88
Computers	24.54	2.64	0.33	#	26.85	13.48	5.25	0.33	#	18.40	8.45
Office equipment	7.29	0.45	0.48	-	7.26	4.68	1.25	0.46	-	5.47	1.79
Furniture and fixtures	30.68	0.24	0.27	#	30.65	11.59	4.20	0.21	#	15.58	15.07
Motor Vehicles	4.26	-	-	-	4.26	2.47	0.87	-	-	3.34	0.92
Leased assets:											
Office premises (Right to use asset)	56.87	9.46	8.32	0.09	58.10	14.51	14.56	4.59	0.03	24.51	33.59
Motor vehicles (refer note 12.1)	5.59	0.63	1.25	-	4.97	2.51	1.54	0.99	-	3.06	1.91
TOTAL (A)	462.01	14.37	11.08	0.09	465.39	74.61	35.65	6.78	0.03	103.51	361.88
B) INTANGIBLE ASSETS (refer note 12.2)											
Software	22.21	2.59	0.09	-	24.71	12.07	4.10	-	-	16.17	8.54
TOTAL (B)	22.21	2.59	0.09	-	24.71	12.07	4.10	-	-	16.17	8.54
C) CAPITAL WORK-IN-PROGRESS											0.86
TOTAL (A+B+C)	484.22	16.96	11.17	0.09	490.10	86.68	39.75	6.78	0.03	119.68	371.28

Denotes amount below ₹ 50,000/-

Notes: 12.1 Vendor has lien over the assets taken on lease.

12.2 The Intangible assets are other than internally generated.

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13. Other Non Financial Assets

	As at March 31, 2022	As at March 31, 2021
Capital advances	3.97	1.52
Balances with government authorities	19.13	25.08
Prepaid expenses	10.05	8.74
Advances receivable in kind	1.00	0.98
Others	-	0.06
Total	34.15	36.38

14. Trade Payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises (Refer note 14.1)	1.64	0.49
Total outstanding dues of creditors other than micro and small enterprises	905.66	826.65
Less: Receivable from National Spot Exchange Limited (NSEL) on account of clients [Refer note 14.2]	(61.35)	(63.21)
Total	844.31	763.44
	845.95	763.93

Note:

14.1 Total outstanding dues of micro and small enterprises:

The amounts due to Micro and Small Enterprises (MSME) as defined in 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 Group. Disclosures pertaining to Micro and Small Enterprises are as under:

	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.64	0.49
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	1.64	0.49

14.2 This amount is payable to the clients only if and to the extent the same is received from NSEL.

14.3 Trade payable ageing schedule:

As at March 31, 2022	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.64	-	-	-	1.64
(ii) Others	842.10	1.18	0.59	0.44	844.31
(iii) Disputed dues – MSME	-	-	-	-	-
(vi) Disputed dues – Others	-	-	-	-	-
Total	843.74	1.18	0.59	0.44	845.95

As at March 31, 2021	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.49	-	-	-	0.49
(ii) Others	761.42	0.93	0.61	0.48	763.44
(iii) Disputed dues – MSME	-	-	-	-	-
(vi) Disputed dues – Others	-	-	-	-	-
Total	761.91	0.93	0.61	0.48	763.93

15. Debt Securities

	As at March 31, 2022	As at March 31, 2021
(At amortised cost)		
Secured		
Non-convertible debentures (Refer Notes 15.1, 15.3 & 15.5)	6,661.10	6,800.27
	6,661.10	6,800.27
Unsecured		
Commercial papers (Refer Note 15.4)	2,700.00	1,103.00
Less: Unamortised discount on commercial papers	(49.50)	(43.91)
	2,650.50	1,059.09
Interest Accrued	339.56	633.67
Total	9,651.16	8,493.03
Debt securities in India	9,651.16	8,493.03
Debt securities outside India	-	-
Total	9,651.16	8,493.03

15.1 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD):

	As at March 31, 2022	As at March 31, 2021
Secured:		
Public issue - Face value of ₹ 1,000 each		
9.50% NCD redeemable in year 2021-22	-	31.12
9.90% NCD redeemable in year 2021-22	-	44.17
0% NCD redeemable in year 2021-22*	-	40.15
9.25 % Tranche I -Option I redeemable in year 2021-22	-	116.42
0% Tranche I -Option II redeemable in year 2021-22*	-	24.35
10.20% NCD redeemable in year 2022-23	63.80	194.84
0% NCD redeemable in year 2022-23*	10.81	38.70
10.00% Tranche II -Option I redeemable in year 2022-23	98.69	98.44
0% Tranche II -Option II redeemable in year 2022-23*	31.73	31.04
9.70% NCD redeemable in year 2023-24	12.41	12.42

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₹ in Crore

	As at March 31, 2022	As at March 31, 2021
9.29% NCD redeemable in year 2023-24	11.34	11.38
0% NCD redeemable in year 2023-24*	4.44	4.54
9.50% Tranche I -Option III redeemable in year 2023-24	365.01	362.49
9.11% Tranche I -Option IV redeemable in year 2023-24	16.68	16.67
10.10% Tranche II -Option III redeemable in year 2023-24	48.75	47.61
9.67% Tranche II -Option IV redeemable in year 2023-24	42.29	42.37
9.85% NCD redeemable in year 2024-25	15.36	15.32
10.04% NCD redeemable in year 2024-25	66.92	66.90
10.30% NCD redeemable in year 2024-25	29.50	29.49
10.50% NCD redeemable in year 2024-25	100.10	99.86
9.48% NCD redeemable in year 2024-25	12.60	12.64
9.90% NCD redeemable in year 2024-25	10.27	10.34
0% NCD redeemable in year 2024-25*	4.08	4.14
6.55% NCD redeemable in year 2025-26	54.19	-
0% NCD redeemable in year 2026-27*	8.27	8.25
7.91% NCD redeemable in year 2026-27	61.79	-
8.20% NCD redeemable in year 2026-27	253.95	-
9.75% Tranche I -Option V redeemable in year 2028-29	214.75	214.77
9.34% Tranche I -Option VI redeemable in year 2028-29	11.94	11.76
10.25% Tranche II -Option V redeemable in year 2028-29	24.70	24.81
9.81% Tranche II -Option VI redeemable in year 2028-29	16.15	15.80
10.00% NCD redeemable in year 2029-30	2.37	2.37
9.57% NCD redeemable in year 2029-30	4.91	4.95
8.30% NCD redeemable in year 2030-31	6.80	-
	1,604.60	1,638.11
Private Placement - Face value of ₹ 10,00,000 each		
8.75 % NCD redeemable in year 2021-22	-	100.00
9.10% NCD redeemable in year 2021-22	-	33.33
9.35% Tranche XIV Option B redeemable in the year 2021-22*	-	14.00
9.50% Tranche XVI redeemable in the year 2021-22*	-	21.00
9.75% Tranche XVII redeemable in the year 2021-22*	-	5.00
9.80% NCD redeemable in the year 2021-22*	-	47.00
10.25% NCD redeemable in the year 2021-22*	-	331.00
10.25% NCD redeemable in the year 2021-22	-	25.00
10.20% Tranche XX Option B redeemable in the year 2021-22*	-	10.00
10.38% NCD redeemable in the year 2021-22*	-	30.00
10.50 % NCD redeemable in year 2021-22	-	20.00
0% NCD redeemable in year 2021-22*	-	30.00
0% NCD redeemable in year 2021-22*	-	683.90
9.00% NCD redeemable in year 2021-22	-	10.00
9.50% NCD redeemable in year 2021-22	-	25.00
9.70% NCD redeemable in year 2021-22	-	30.00

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
9.34% NCD redeemable in year 2021-22	-	109.80
10% NCD redeemable in the year 2021-22	-	25.00
5.77% NCD redeemable in year 2022-23**	-	150.00
5.84% NCD redeemable in year 2022-23**	150.00	-
9.10% NCD redeemable in year 2022-23	33.34	33.34
10.00% NCD redeemable in year 2022-23	-	50.00
10.48% Tranche XXIII redeemable in the year 2022-23*	50.00	50.00
0% NCD redeemable in year 2022-23*	110.00	110.00
7.75% NCD redeemable in year 2022-23	300.00	300.00
9.00% NCD redeemable in year 2022-23	50.00	50.00
8.40% NCD redeemable in year 2022-23	150.00	150.00
11.50% NCD redeemable in the year 2022-23	148.00	148.00
9.25% NCD redeemable in the year 2022-23	5.10	5.10
8.25% NCD redeemable in the year 2022-23	10.00	10.00
8% Tranche XXXII redeemable in the year 2023-24**	75.00	-
8.5% Tranche XXXIII redeemable in the year 2023-24**	27.00	-
8% Tranche XXXIV redeemable in the year 2023-24**	55.00	-
7.75% NCD redeemable in year 2023-24	125.00	-
9.10% NCD redeemable in year 2023-24	58.33	58.33
9.20% NCD redeemable in the year 2023-24	50.00	50.00
9.40% NCD redeemable in year 2023-24	200.00	200.00
9.10% NCD redeemable in year 2023-24	66.67	100.00
8.25% NCD redeemable in year 2023-24	40.00	40.00
8.00% NCD redeemable in year 2024-25	100.00	-
8.25% Tranche XXXV redeemable in the year 2024-25**	70.00	-
8.35% NCD redeemable in year 2024-25	300.00	-
10.85% NCD redeemable in year 2024-25	597.00	600.00
10.10% NCD redeemable in the year 2024-25	6.30	6.30
8.50% NCD redeemable in the year 2024-25	50.00	50.00
8% NCD redeemable in the year 2025-26	10.00	10.00
8% NCD redeemable in the year 2026-27	5.00	-
9.75% NCD redeemable in year 2026-27	100.00	100.00
8.65% NCD redeemable in year 2027-28	50.00	50.00
9.75 % NCD redeemable in year 2027-28	100.00	100.00
8.65% NCD redeemable in year 2028-29	50.00	50.00
9.75% NCD redeemable in year 2028-29	100.00	100.00
9.50% NCD redeemable in the year 2028-29	25.00	25.00
8.99% NCD redeemable in year 2028-29	75.00	-
8.65% NCD redeemable in year 2029-30	50.00	50.00
8.99% NCD redeemable in year 2029-30	75.00	-
9.75% NCD redeemable in year 2029-30	100.00	100.00

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	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
8.99% NCD redeemable in year 2030-31	75.00	-
9.10% NCD redeemable in year 2030-31	145.00	145.00
9.20% NCD redeemable in year 2030-31	105.00	105.00
8.81% NCD redeemable in year 2030-31	155.00	155.00
8.75% NCD redeemable in year 2030-31	95.00	95.00
8.65% NCD redeemable in year 2030-31	50.00	50.00
8.50% NCD redeemable in year 2031-32	565.00	-
8.99% NCD redeemable in year 2031-32	75.00	-
7.25% NCD redeemable in year 2031-32	100.00	-
8.60% NCD redeemable in year 2032-33	30.00	30.00
	4,961.74	4,876.10
Private Placement - Face value of ₹ 2,50,000 each		
Nifty Linked Debentures redeemable in the year 2021-22	-	53.83
	-	53.83
Private Placement - Face value of ₹ 2,00,000 each		
10% Tranche XXX redeemable in the year 2021-22**	-	100.00
NCD redeemable in year 2021-22**	-	50.00
NCD redeemable in year 2022-23**	75.00	75.00
8.5% Tranche XXXI redeemable in the year 2022-23**	75.00	75.00
	150.00	300.00
Total	6,716.34	6,868.04

* Redeemable at premium

** Market linked debentures (MLD)

15.2 Maturity profile above is disclosed at face value which excludes premium and impact of effective interest rate adjustment.

15.3 Secured Non-convertible debentures are secured by way of first charge on freehold land, hypothecation on certain identified loan fund balances and receivables and pledge of certain security receipts of the relevant subsidiary companies.

15.4 Commercial papers raised during the year have interest ranging from 3.50% to 7.88% p.a (during FY 2020-21 – 3.90% to 9.20% p.a) and are repayable within a period upto 365 days from the date of disbursement.

15.5 Relevant subsidiary companies have utilized money obtained by way of Non-convertible debentures during the year for the purpose for which they were obtained.

16. Borrowings (Other than Debt Securities)

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
(At amortised cost)		
Secured		
Term loans		
(i) from banks (Refer notes 16.1, 16.7 & 16.9)	1,936.89	1,637.88
(ii) from others (Refer notes 16.1, 16.7 & 16.10)	852.91	430.25
Inter corporate deposits (Refer note 16.2)	-	800.00
Cash credit / WCDL facilities (Refer note 16.3)	191.66	274.12

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Overdraft accounts (Refer note 16.4)	-	12.87
Additional special refinance facility from National Housing Bank (NHB) (Refer note 16.5)	-	17.20
	2,981.46	3,172.32
Unsecured		
Borrowings under Securities lending and borrowings (SLB)	247.05	266.44
Inter corporate deposits	525.50	419.00
	772.55	685.44
Interest Accrued	52.59	15.42
Total	3,806.60	3,873.18
Borrowings in India	3,806.60	3,873.18
Borrowings outside India	-	-
Total	3,806.60	3,873.18

16.1 Term Loans from banks and others are secured by way of:

- floating first pari passu charge by way of hypothecation on certain identified loan fund balances,
- exclusive charge by way of hypothecation on certain identified loan fund balances,
- pledge of certain identified security receipts,
- first ranking exclusive charge on mortgage of property, movable fixed and current assets,
- mortgage of property and hypothecation of rent receivable, of the relevant subsidiary companies.

16.2 Inter corporate deposit of the relevant subsidiary company was secured & short term in nature.

16.3 Secured by way of hypothecation on certain identified loan fund balances and pledge of certain identified security receipts of the relevant subsidiary companies.

16.4 Secured by way of first ranking pari passu charge over the receivables and collaterals/fixed deposits with banks, of the relevant subsidiary companies.

16.5 Secured by way of exclusive charge on certain identified loan fund balances of the relevant subsidiary company.

16.6 Term loan includes impact of Effective interest rate (EIR) adjustment.

16.7 The relevant subsidiary companies have utilized money obtained by way of term loans during the year for the purpose for which they were obtained.

16.8 The quarterly returns filed by the relevant subsidiary companies with banks / financial institutions from which borrowing is obtained on the basis of security of current assets are in agreement with the books of account of the relevant subsidiary companies.

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16.9 Maturity profile and rate of interest of term loans from banks:

₹ in Crore

Residual Maturities	As at March 31, 2022		
	Up to one year (April 2021 to March 2022)	1-3 years (April 2022 to March 2024)	3 years & above (April 2024 onwards)
7.00% to 8.00%	82.56	243.91	273.47
8.01% to 9.00%	132.91	464.55	173.87
9.01% to 10.00%	97.35	356.08	135.15
Total	312.82	1,064.54	582.49

₹ in Crore

Residual Maturities	As at March 31, 2021		
	Up to one year (April 2020 to March 2021)	1-3 years (April 2021 to March 2023)	3 years & above (April 2023 onwards)
7.00% to 8.00%	8.54	21.33	117.30
8.01% to 9.00%	251.39	269.55	71.11
9.01% to 10.00%	252.45	333.82	164.70
10.01% to 11.00%	15.00	80.00	65.00
Total	527.38	704.70	418.11

16.10 Maturity profile and rate of interest of Term loans from others:

₹ in Crore

Residual Maturities	As at March 31, 2022		
	Up to one year (April 2021 to March 2022)	1-3 years (April 2022 to March 2024)	3 years & above (April 2024 onwards)
2.00% to 3.00%	9.71	21.84	42.65
5.00% to 7.00%	1.54	3.08	4.68
8.00% to 9.00%	37.96	152.25	272.27
9.01% to 10.00%	37.25	60.31	-
10.01% to 11.00%	25.00	125.00	60.00
Total	111.46	362.48	379.60

₹ in Crore

Residual Maturities	As at March 31, 2021		
	Up to one year (April 2020 to March 2021)	1-3 years (April 2021 to March 2023)	3 years & above (April 2023 onwards)
5.00% to 6.00%	1.16	3.08	8.04
8.00% to 9.00%	9.26	20.76	101.72
9.01% to 10.00%	45.42	77.50	14.06
10.01% to 11.00%	-	150.00	-
Total	55.84	251.34	123.82

16.11 Maturity profiles above are disclosed at face value which excludes impact of EIR adjustment.

17. Lease Liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Lease liability for Office premises (Refer note 39)	38.10	36.68
Lease liability for Motor Vehicles (Refer note 17.1 & 39)	2.18	2.30
Total	40.28	38.98

17.1 Secured by way of hypothecation of vehicles.

18. Other Financial Liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Employee benefit payable	217.58	172.08
Margin from clients / franchisees	150.28	123.37
Provision for Corporate Social Responsibility (CSR) Expenditure	28.07	12.64
Amount collected on behalf of trusts under Distressed Credit Business	20.47	29.05
Undistributed collections in trusts under Distressed Credit Business	2.60	44.12
Property deposit	3.13	3.09
Unclaimed dividend	1.65	1.96
Other liabilities	19.14	8.96
Total	442.92	395.27

19. Current Tax Liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Provision for tax	3.59	3.20
Total	3.59	3.20

20. Provisions

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
For employee benefits		
Gratuity	31.38	31.89
Compensated absences	14.97	13.81
Others		
Clawback obligation	2.10	4.98
Total	48.45	50.68

21. Deferred Tax (Assets) / Liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred tax (assets)	(240.94)	(164.48)
Deferred tax liabilities	153.10	136.68
Total	(87.84)	(27.80)

Notes

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₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Fiscal allowance on property, plant and equipment (PPE)	12.59	7.83
Disallowances under section 43B of the Income Tax Act, 1961	(13.00)	(17.12)
Net fair value gain / (loss) measured at FVTPL	(8.55)	12.25
Measurement of Financial Instruments at amortised cost	(12.39)	(13.71)
Impairment loss allowance on financial assets	(179.49)	(130.66)
Investments	115.43	115.43
Share Issue Expenses (Section 35D of the Income Tax Act, 1961)	1.36	0.60
Amalgamation Expenses (Section 35DD of the Income Tax Act, 1961)	-	(0.02)
Carry forward business losses	(3.79)	(2.40)
Total	(87.84)	(27.80)

21.1 Table showing deferred tax recorded in the balance sheet and changes recorded in the tax expense:

For the year ended March 31, 2022

₹ in Crore

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	Closing Balance
Fiscal allowance on PPE	7.83	4.76	-	-	12.59
Disallowances under section 43B of the Income Tax Act, 1961	(17.12)	3.92	0.20	-	(13.00)
Net fair value gain / (loss) measured at FVTPL	12.25	(20.80)	-	-	(8.55)
Measurement of Financial Instruments at amortised cost	(13.71)	1.32	-	-	(12.39)
Impairment loss allowance on financial assets	(130.66)	(48.83)	-	-	(179.49)
Investments	115.43	-	-	-	115.43
Share Issue Expenses (Section 35D of the Income Tax Act, 1961)	0.60	0.76	-	-	1.36
Amalgamation Expenses (Section 35DD of the Income Tax Act, 1961)	(0.02)	0.02	-	-	-
Carry forward business losses	(2.40)	(1.39)	-	-	(3.79)
Total	(27.80)	(60.24)	0.20	-	(87.84)

For the year ended March 31, 2021

₹ in Crore

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	Closing Balance
Fiscal allowance on PPE	4.99	2.84	-	-	7.83
Disallowances under section 43B of the Income Tax Act, 1961	(16.62)	(1.19)	0.69	-	(17.12)
Net fair value gain / (loss) measured at FVTPL	16.00	(3.48)	-	(0.27)	12.25
Measurement of Financial Instruments at amortised cost	(10.70)	(3.01)	-	-	(13.71)
Impairment loss allowance on financial assets	(83.13)	(47.53)	-	-	(130.66)
Investments	112.92	2.51	-	-	115.43
Share Issue Expenses (Section 35D of the Income Tax Act, 1961)	1.03	2.27	-	(2.70)	0.60
Amalgamation Expenses (Section 35DD of the Income Tax Act, 1961)	(0.05)	0.03	-	-	(0.02)
Carry forward business losses	-	(2.40)	-	-	(2.40)
Donations u/s 80G	2.77	(2.77)	-	-	-
Total	27.21	(52.73)	0.69	(2.97)	(27.80)

21.2 Tax Losses for which no deferred tax asset has been recognised:

₹ in Crore

	Year ended March 31, 2022	Expiry date	Year ended March 31, 2021	Expiry date
Brought forward losses (allowed to be carried forward for specified period)	-		4.25	March 31, 2022
Total	-		4.25	

22. Other Non-Financial Liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Statutory dues	85.96	50.61
Money received in advance	102.77	22.12
Income received in advance	3.16	2.64
Other liabilities	4.92	3.66
Total	196.81	79.03

23. Equity Share Capital

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Authorised		
152,02,00,000 (as at March 31, 2021 - 152,02,00,000) equity shares of ₹ 1/ each	152.02	152.02
4,38,00,000 (as at March 31, 2021 - 4,38,00,000) preference shares of ₹ 10/- each	43.80	43.80
Total	195.82	195.82
Issued, Subscribed and Paid-up		
95,40,55,533 (as at March 31, 2021 - 95,27,22,711) equity shares of ₹ 1/- each fully paid-up	95.41	95.27
Total	95.41	95.27

23.1 Reconciliation of the number of equity shares outstanding:

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount (₹ in Crore)	Number	Amount (₹ in Crore)
Shares outstanding at the beginning of the year	95,27,22,711	95.27	84,12,24,647	84.12
Shares Issued and allotted pursuant to the qualified institutional placement (refer note 23.5)	-	-	11,00,00,000	11.00
Shares allotted upon exercise of stock options	13,32,822	0.14	14,98,064	0.15
Shares outstanding at the end of the year	95,40,55,533	95.41	95,27,22,711	95.27

23.2 Terms and rights attached to equity shares:

The Company has only one class of equity shares. The shareholders are entitled to one vote per share, dividend, as and when declared by the Board of directors and shareholders and residual assets, if any, after payment of all liabilities, in the event of liquidation of the Company.

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23.3 Details of shareholders holding more than 5 percent shares:

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
J. M. Financial & Investment Consultancy Services Private Limited	22,27,34,100	23.35%	21,65,34,100	22.73%
Nimesh Kampani*	12,57,50,000	13.18%	12,57,50,000	13.20%
J. M. Assets Management Private Limited	10,35,42,908	10.85%	10,30,42,908	10.82%
ICICI Prudential Value Discovery Fund	5,91,95,020	6.20%	4,67,90,974	4.91%

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

23.4 Details of promoter and promoter group:

Shares held by promoter and promoter group at the end of the year:

Sr No.	Name of the Promoter and promoter group	No of shares as at March 31, 2022	Percentage of total shares as at March 31, 2022	No of shares as at March 31, 2021	Percentage of total shares as at March 31, 2021	Percentage of change during the year
1	J. M. Financial & Investment Consultancy Services Private Limited	22,27,34,100	23.35%	21,65,34,100	22.73%	0.62%
2	Nimesh Kampani*	12,57,50,000	13.18%	12,57,50,000	13.20%	(0.02)%
3	Aruna Kampani	3,25,51,250	3.41%	3,43,51,250	3.61%	(0.20)%
4	Vishal Kampani	1,26,22,236	1.32%	1,20,00,000	1.26%	0.06%
5	Amishi Akash Gambhir	80,00,000	0.84%	80,00,000	0.84%	-
6	J. M. Assets Management Private Limited	10,35,42,908	10.85%	10,30,42,908	10.82%	0.03%
7	JSB Securities Limited	65,05,000	0.68%	65,05,000	0.68%	-
8	SNK Investments Private Limited	1,21,60,000	1.27%	1,17,60,000	1.23%	0.04%
9	Persepolis Investment Company Private Limited	23,50,000	0.25%	22,50,000	0.24%	0.01%
10	Kampani Consultants Limited	8,85,000	0.09%	6,85,000	0.07%	0.02%
11	JM Financial Trustee Company Private Limited	16,30,000	0.17%	11,30,000	0.12%	0.05%

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

23.5 During the year ended March 31, 2021, the Company issued and allotted 11,00,00,000 equity shares of the face value of ₹ 1/- each to the eligible qualified institutional buyers at the issue price of ₹ 70/- per equity share aggregating ₹ 770 Crore through Qualified Institutional Placement (QIP) in accordance with Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended and Section 42 of the Companies Act, 2013 and other applicable provisions of the Companies Act, as amended and the rules made thereunder.

24. Other Equity

	As at March 31, 2022	As at March 31, 2021
Share Application Money Pending Allotment	-	-
Statutory Reserve - I (under section 45-IC of the RBI Act, 1934)	943.26	856.89
Statutory Reserve - II (under section 29C of the NHB Act, 1987)	2.99	2.12
Capital Reserve	21.85	21.85
Reserve on acquisition / dilution in subsidiary companies	141.92	141.74
Securities Premium Reserve	2,028.61	2,015.63
Capital Redemption Reserve	27.77	27.77
Stock Option Outstanding	20.11	33.64
Less: Deferred Employee Compensation Expense	(2.40)	(6.78)
Stock Option Outstanding	17.71	26.86
Capital Reserve on Consolidation	174.64	174.64
General Reserve	205.25	205.25
Impairment Reserve	108.10	14.43
Initial Corpus	#	#
Retained Earnings	3,897.87	3,400.28
Foreign Currency Translation Reserve	20.83	17.17
Share in OCI of associate	#	#
Total	7,590.80	6,904.63

Movement in Other Equity

	As at March 31, 2022	As at March 31, 2021
Share Application Money Pending Allotment		
Opening balance	-	#
Less: shares allotted during the year	-	#
Closing balance	-	-
Statutory Reserve - I (under section 45-IC of the RBI Act, 1934)		
Opening balance	856.89	753.99
Add: Transferred from retained earnings	86.37	102.90
Closing balance	943.26	856.89
Statutory Reserve - II (under section 29C of the NHB Act, 1987)		
Opening balance	2.12	1.48
Add: Transferred from retained earnings	0.87	0.64
Closing balance	2.99	2.12
Capital Reserve	21.85	21.85
Reserve on acquisition / dilution in subsidiary companies		
Opening balance	141.74	125.22
Add: On acquisition of equity shares of subsidiary company from Non-controlling interest shareholders	0.18	0.06
Add: On account of infusion in subsidiary company	-	16.46
Closing balance	141.92	141.74
Securities Premium Reserve		
Opening balance	2,015.63	1,252.56
Add: On shares allotted upon exercise of stock options by the employees	12.98	12.12
Add: On shares allotted pursuant to the qualified institutional placement	-	759.00
Less: Share issue expenses (net of deferred tax)	-	(8.05)

Notes

to the Consolidated Financial Statements (Contd.)

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Closing balance	2,028.61	2,015.63
Capital Redemption Reserve	27.77	27.77
Stock Option Outstanding		
Opening balance	33.64	33.78
Add: Additions on account of fresh grants during the year	1.19	16.23
Less: Transferred to securities premium upon exercise of stock options	(12.98)	(12.12)
Less: Reduction on account of options lapsed during the year	(1.74)	(4.25)
	20.11	33.64
Less : Deferred employee compensation	(2.40)	(6.78)
Closing balance	17.71	26.86
Capital Reserve on Consolidation	174.64	174.64
General Reserve	205.25	205.25
Impairment Reserve		
Opening balance	14.43	-
Add: Transferred from retained earnings (Refer note 24.1)	93.67	14.43
Closing balance	108.10	14.43
Initial Corpus		
Opening balance	#	#
Add: On account of change in controlling interest of Subsidiary company in its subsidiary trusts	-	#
Closing balance	#	#
Retained Earnings		
Opening balance	3,400.28	2,943.00
Add: Profit for the year	773.16	590.14
Add: Other Comprehensive Income	0.68	1.93
Amount available for appropriations	4,174.12	3,535.07
Less: Appropriations		
Final dividend	47.64	16.82
Interim Dividend	47.70	-
Transferred to Statutory Reserve – I	86.37	102.90
Transferred to Statutory Reserve - II	0.87	0.64
Transferred to Impairment Reserve	93.67	14.43
Closing balance	3,897.87	3,400.28
Foreign Currency Translation Reserve		
Opening balance	17.17	19.91
Add/(Less): During the year	3.66	(2.74)
Closing balance	20.83	17.17
Share of OCI of Associate		
Opening balance	#	#
Add: During the year	#	#
Closing balance	#	#
Total	7,590.80	6,904.63

Denotes amount below ₹ 50,000/-

Share application money pending allotment:

Share application money pending allotment represents equity shares to be issued pursuant to Employee Stock Option Scheme.

Statutory reserve - I:

Statutory Reserve is the reserve created by transferring a sum not less than twenty percent of its net profit every year in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

Statutory reserve - II:

As per Section 29C of The National Housing Bank Act, 1987 (the "NHB Act"), at least twenty percent of its net profits every year is required to transfer to a reserve before any dividend is declared. For this purpose any Special Reserve created under Section 36(1)(viii) of the Income-tax Act, 1961, is considered to be an eligible transfer.

Capital reserve & Capital redemption reserve:

Capital reserve and capital redemption reserve represents reserves created pursuant to the business combination and buy-back of shares in subsidiary companies up to the year end.

Reserve on acquisition / dilution in subsidiary companies:

Reserve on acquisition / dilution in subsidiary companies represents reserves created pursuant to the acquisition, infusion or dilution of stake in subsidiary companies not resulting in change of control in those subsidiary companies.

Securities premium reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the "Act").

Stock option outstanding:

Stock option outstanding relates to the stock options granted by the Company to employees under an Employee Stock options Plan (Refer Note 44).

Capital reserve on consolidation:

Capital reserve on consolidation represents reserves created pursuant to the acquisition of stake in subsidiaries resulting in gain of control in those subsidiaries.

General reserve:

General reserve is created from time to time by transferring profits from retained earnings and can be utilized for purposes such as dividend payout, bonus issue, etc.

Impairment reserve:

Where impairment allowance under IND AS 109 is lower than the provisioning required under prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) (including standard asset provisioning), NBFCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

Initial corpus:

Initial corpus is corpus contributed by Parent for setting up of a Trust under SARFAESI Act for acquisition of account under distressed credit business.

Retained earnings:

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, capital redemption reserve, dividends or other distributions paid to shareholders.

Notes

to the Consolidated Financial Statements (Contd.)

Foreign currency translation reserve:

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognized directly in the other comprehensive income and accumulated in foreign currency translation reserve.

Note 24.1:

During the year ended March 31, 2022 and March 31, 2021, in one of the subsidiary companies namely, JM Financial Asset Reconstruction Company Limited (JMFARC), Impairment Reserve has been created in accordance with Income Recognition, Asset Classification and Provisioning (IRACP) provided under RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

The Honourable Supreme Court vide orders dated October 30, 2017, November 20, 2017, April 09, 2018 and January 20, 2020, has directed that "No Coercive Action" can be taken against one of the borrower group of JMFARC, until further directions are being issued in this regard. As per recent judicial precedence, classification of an account as Non Performing Account can also be considered as a "Coercive Action".

The loan accounts to the said borrower group have outstanding interest which has not been serviced for more than 180 days. Notwithstanding the days past due, these loan accounts are continued to be classified as Standard assets, considering the aforesaid orders issued by the Honourable Supreme Court. However, JMFARC has made the provision amounting to ₹ 113.59 Crore for these loan accounts as required under the extant RBI guidelines for Non - Performing Advances out of which, ₹ 108.10 Crore is made by transfer to the impairment reserve.

25 Interest Income

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(At Amortised Cost)		
Interest on Loans	1,840.46	1,889.14
(At Fair value through Profit or Loss)		
Interest on Financial assets	10.25	19.40
Total	1,850.71	1,908.54

26 Fees and Commission Income

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Fees and Commission Income	816.96	628.53
Total	816.96	628.53

27 Brokerage Income

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Brokerage Income	330.54	256.61
Total	330.54	256.61

28 Net Gain on Fair Value Changes

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on financial instruments measured at fair value through profit or loss	588.59	311.91
Total	588.59	311.91
- Realised	601.69	287.00
- Unrealised	(13.10)	24.91
Total	588.59	311.91

29 Net Gain on Derecognition of Financial Instruments Carried at Amortised Cost

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of financial instruments carried at amortised cost (Realised)	0.05	6.60
Total	0.05	6.60

30 Other Operating Income

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income (Refer note 30.1)	95.43	54.78
Income from Arbitrage activities	20.09	27.59
Dividend Income	3.83	1.89
Rental Income	0.96	1.02
Total	120.31	85.28

Note: 30.1 Interest income mainly comprises interest on fixed deposits placed as margins, interest on delayed payments and margin funding.

31 Other Income

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	17.23	13.68
Miscellaneous income	38.89	15.48
Total	56.12	29.16

32 Finance Costs

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(At Amortised Cost)		
Debt Securities	752.78	829.03
Borrowings (Other than Debt Securities)	296.48	257.18
Finance cost on lease liabilities	4.44	4.99
Other Interest expense	28.03	19.67
Total	1,081.73	1,110.87

Notes

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33 Impairment on Financial Instruments

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(At Amortised Cost)		
On Loans	328.61	258.40
On Trade receivables	9.76	4.03
On Other financial assets	9.99	(5.67)
Total	348.36	256.76

34 Employee Benefits Expense

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus, other allowances and benefits (Refer Note 44)	521.95	418.18
Contribution to provident and other funds	17.99	15.91
Gratuity (Refer Note 40)	5.95	6.04
Staff welfare expenses	1.92	0.70
Total	547.81	440.83

35 Other Expenses

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Sub-brokerage, fees and commission	219.38	152.26
Donation	31.10	30.67
Legal and professional fees	25.65	27.03
Rates and taxes	20.09	15.04
Information technology expenses	14.98	13.03
Manpower expenses	14.64	13.62
Membership and subscriptions	9.42	8.85
Repairs and maintenance	9.00	8.82
Advertisement and other related expenses	8.28	3.39
Insurance expenses	6.58	5.02
Loans, Investments and other assets written-off	4.28	2.44
Travelling, hotel and conveyance expenses	4.20	2.26
Electricity expenses	3.39	3.37
Communication expenses	3.15	2.83
Directors' commission	2.94	2.62
Support Service Fees	2.50	2.50
Printing and stationery	1.97	1.19
Auditors' remuneration (Refer note 35.1)	1.93	1.45
Fund expenses	1.68	1.29
Space and other related costs	1.29	0.97
Loss on sale of property, plant and equipment (PPE)	0.15	0.11
Business conference and seminar expenses	0.01	0.03
Provision on non-financial assets	-	0.95
Miscellaneous expenses	12.95	11.83
Total	399.56	311.57

35.1 Payment to Auditors (excluding Goods and services tax)*

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fees	1.48	1.07
Certification and other matters	0.43	0.36
Reimbursement of Expenses	0.02	0.02
Total	1.93	1.45
Fees paid in connection with NCD Issue included for measurement of financial liabilities at amortised cost / QIP issue debited to Securities premium reserve as Share issue expenses	0.10	0.37
Total	2.03	1.82

*includes payments to other auditors of the relevant subsidiary companies aggregating ₹ 1.01 Crore (Previous year ₹ 0.77 Crore)

36 Tax Expense

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	415.46	313.59
Deferred tax	(60.24)	(52.73)
Tax adjustment in respect of earlier years	0.45	(0.07)
Total income tax expenses recognised in Statement of Profit and Loss	355.67	260.79
Income tax expense recognised in OCI	0.20	0.69

Reconciliation of total tax charge

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	1,348.04	1,066.85
Income tax rate	25.168%	25.168%
Income tax expense	339.28	268.50
Tax Effect of:		
Effect of income that is exempt from tax	(2.67)	(1.84)
Effect of items that are not deductible in determining taxable profits	11.34	9.24
Effect of income taxable at differential rate	(9.71)	(6.99)
Set off of temporary differences pertaining to earlier years on which no deferred tax was created	(0.09)	(0.84)
Recognition of deferred tax asset on temporary differences on which deferred tax was not created in earlier years	-	(1.16)
Set off of unabsorbed depreciation and loss	-	(6.11)
Tax effect on unrecognised deferred tax assets	4.03	1.07
Adjustment in respect of earlier years (net)	0.45	(0.07)
Tax effect of intra-group eliminations	12.28	0.83
Deduction under section 80JJAA of the Income tax Act, 1961	(0.10)	-
Others	0.86	(1.84)
Total	16.39	(7.71)
Income tax expense recognised in Statement of Profit and Loss	355.67	260.79

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37 Contingent Liabilities and Capital Commitments

Contingent Liability*

Contingent liability in respect of income tax demands for various years disputed in appeal is ₹ 48.76 Crore (FY 2020-21 - ₹ 50.59 Crore).

Disputed demands of service tax authorities is ₹ 9.00 Crore (FY 2020-21 - ₹ 9.00 Crore).

* Future cash outflows in respect of above matters is determinable only on receipt of judgments/decisions pending at various authorities.

Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 60.93 Crore (FY 2020-21 - ₹ 1.10 Crore).

Uncalled liability on account of commitment to subscribe to investment is ₹ 118.74 Crore (FY 2020-21 - ₹ 44.73 Crore). Commitment of purchase of security receipts is ₹ 66.29 Crore (FY 2020-21 - ₹ 66.29 Crore).

38 Earnings per Share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to equity shareholders (In ₹ Crore)	773.16	590.14
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	95,35,56,246	93,02,93,133
Basic earnings per share (₹)	8.11	6.34
Dilutive potential equity shares (Nos.)	18,45,189	27,66,744
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	95,54,01,435	93,30,59,877
Diluted earnings per share (₹)	8.09	6.32
Nominal value per share (₹)	1.00	1.00

39 Lease Transactions

Following are the changes in the carrying value of Leased assets for the year ended March 31, 2022:

Category of Leased Asset	Gross Block				Accumulated Depreciation				Net Block		
	As at April 1, 2021	Additions	Currency Fluctuation	Deletion	As at March 31, 2022	As at April 1, 2021	Depreciation	Currency Fluctuation	Deductions	As at March 31, 2022	As at March 31, 2022
Office Premises	58.10	16.56	0.03	6.56	68.13	24.51	14.62	0.01	5.45	33.69	34.44
Motor Vehicles	4.97	1.29	-	2.18	4.08	3.06	1.27	-	2.05	2.28	1.80
Total	63.07	17.85	0.03	8.74	72.21	27.57	15.89	0.01	7.50	35.97	36.24

Following are the changes in the carrying value of Leased assets for the year ended March 31, 2021:

Category of Leased Asset	Gross Block				Accumulated Depreciation				Net Block		
	As at April 1, 2020	Additions	Currency Fluctuation	Deletion	As at March 31, 2021	As at April 1, 2020	Depreciation	Currency Fluctuation	Deductions	As at March 31, 2021	As at March 31, 2021
Office Premises	56.87	9.46	0.09	8.32	58.10	14.51	14.56	0.03	4.59	24.51	33.59
Motor Vehicles	5.59	0.63	-	1.25	4.97	2.51	1.54	-	0.99	3.06	1.91
Total	62.46	10.09	0.09	9.57	63.07	17.02	16.10	0.03	5.58	27.57	35.50

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021:

On Office Premises:

	As at March 31, 2022	As at March 31, 2021
Opening balance	36.68	43.43
Additions during the year	15.93	9.18
Deletions during the year	(1.11)	(3.73)
Finance cost accrued during the year	3.47	3.62
Currency fluctuation	0.02	0.06
Payment of lease liabilities	(16.89)	(15.88)
Closing balance	38.10	36.68

On Motor Vehicles:

	As at March 31, 2022	As at March 31, 2021
Opening balance	2.30	3.45
Additions during the year	1.29	0.63
Deletions during the year	(0.13)	(0.26)
Finance cost accrued during the year	0.97	1.37
Payment of lease liabilities	(2.25)	(2.89)
Closing balance	2.18	2.30

Table showing contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

On Office Premises:

	As at March 31, 2022	As at March 31, 2021
Not later than one year	17.31	15.22
Later than one year and not later than five years	22.54	24.98
Later than five years	5.49	3.35
Closing balance	45.34	43.55

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On Motor Vehicles:

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Not later than one year	1.30	1.57
Later than one year and not later than five years	1.51	1.44
Total	2.81	3.01

The Group does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rent expense on short term leases aggregating ₹ 1.29 Crore (FY 2020-21: ₹ 0.97 Crore); has been recognised in the Statement of Profit and Loss under the head Other Expenses.

40 Employee Benefit

Defined contribution plans

The Group operates defined contribution plan (Provident fund) for all qualifying employees of the Group. The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

The Group's contribution to Provident fund aggregating ₹ 17.99 Crore (FY 2020-21: ₹ 15.91 Crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Defined benefit obligation

The 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.

The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arise when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risk.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

a) The assumptions used for the purposes of the actuarial valuations were as follows:

	As at March 31, 2022	As at March 31, 2021
Significant assumptions		
Discount rate	7.20%	6.90%
Expected rate of salary escalation	7.00%	7.00%
Other assumption		
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

b) Amount recognised in Balance sheet in respect of these defined benefit obligation:

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	31.38	31.89
Net liability	31.38	31.89

c) Amount recognised in statement of profit and loss in respect of these defined benefit obligation:

	₹ in Crore	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Components of defined benefits costs recognised in statement of profit and loss		
Current service cost	3.86	4.09
Net interest expense	2.09	1.95
Total amount recognised in Statement of profit and loss	5.95	6.04
Components of defined benefits costs recognised in other comprehensive income (OCI).		
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in financial assumptions	(0.92)	(0.31)
- Actuarial (gain)/loss from change in experience adjustments	0.11	(2.43)
Total amount recognised in OCI	(0.81)	(2.74)
Total	5.14	3.30

d) Movement in the present value of the defined benefit obligation are as follows:

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	31.89	30.15
Current service cost	3.86	4.09
Net Interest cost	2.09	1.95
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in financial assumptions	(0.92)	(0.31)
Actuarial (gain)/loss from change in experience adjustments	0.11	(2.43)
Liabilities settled	(0.09)	-
Benefits paid	(5.56)	(1.56)
Closing defined benefit obligation	31.38	31.89

e) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

	As at March 31, 2022		As at March 31, 2021	
	Discount rate	Salary Escalation Rate	Discount rate	Salary Escalation Rate
DBO on increase in 50bps	29.94	32.42	30.39	32.98
Impact of increase in 50bps on DBO (%)	(4.59%)	3.32%	(4.71%)	3.42%
DBO on decrease in 50bps	32.93	30.37	33.51	30.81
Impact of decrease in 50bps on DBO (%)	4.95%	(3.22%)	5.09%	(3.39%)

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to the Consolidated Financial Statements (Contd.)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

f) Projected benefits payable:

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Expected benefits for year 1	3.01	3.27
Expected benefits for year 2	2.31	1.70
Expected benefits for year 3	2.09	2.32
Expected benefits for year 4	2.42	2.04
Expected benefits for year 5	2.24	4.36
Expected benefits for year 6	2.61	2.37
Expected benefits for year 7	2.92	2.69
Expected benefits for year 8	2.52	2.80
Expected benefits for year 9	2.68	2.56
Expected benefits for year 10 and above	50.34	50.66

g) The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Group will complete its evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

41 Disclosure in respect of related parties pursuant to Ind AS 24 on 'Related Party Disclosures'

1) List of related parties

(Parties with whom the transactions were carried out during the current / previous year)

A Associate

JM Financial Trustee Company Private Limited (Trustee)

B Key management personnel

Mr. Vishal Kampani (VNK) – Non-executive Vice Chairman
Mr. Atul Mehra (ASM) – Joint Managing Director (w.e.f. October 01, 2021)
Mr. Adi Patel (ARP) – Joint Managing Director (w.e.f. October 01, 2021)

C Non-Executive / Independent Directors

Non-executive Chairman:

Mr. Nimesh Kampani (NNK)

Independent Directors:

Mr. E A Kshirsagar (EAK)
Mr. Darius E Udawadia (DEU) (upto October 20, 2021)
Mr. Paul Zuckerman (PSZ)
Dr. Vijay Kelkar (VLK)
Mr. Keki Dadiseth (KBD)
Ms. Jagi Mangat Panda (JMP)
Mr. P S Jayakumar (PSJ)
Ms. Roshini Bakshi (RHB) (w.e.f. December 09, 2021)
Mr. Navroz Udawadia (NDU) (w.e.f. December 09, 2021)
Mr. Pradip Kanakia (PMK) (w.e.f. February 07, 2022)

D Close Members of the Family (Relatives) of Key management personnel

Mr. Nimesh Kampani (NNK)
Ms. Aruna N Kampani (ARNK)
Ms. Amishi Gambhir (AG)
Ms. Madhu Kampani (MVK)
Ms. Suvidha Atul Mehra (SAM)
Ms. Sammiksha Atul Mehra (SMM)
Ms. Sasha Atul Mehra (SSM)
Ms. Zenobia Adi Patel (ZAP)

E Individual exercising control or significant influence in reporting entity i.e. the Company and close members of the family (relatives) of any such person

Mr. Nimesh Kampani (NNK)

Close Members of the Family (Relatives):

Ms. Aruna N Kampani (ARNK)
Mr. Vishal Kampani (VNK)
Ms. Amishi Gambhir (AG)
Mr. Harith Kampani (HK)

F Entities where close members of the family (relatives) of key management personnel are able to exercise significant influence

J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)
J.M. Assets Management Private Limited (J.M. Assets)
JM Financial Trustee Company Private Limited (Trustee)
JSB Securities Limited (JSB)
Kampani Consultants Limited (KCL)
Persepolis Investment Company Private Limited (PICPL)
SNK Investments Private Limited (SNK)
Capital Market Publishers India Private Limited (CMPL)
Kampani Properties and Holdings Limited (KPHL)
DayOne Learning Solutions (OPC) Private Limited (DayOne)

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2) Details of transactions with related parties:

₹ in Crore

	Associate		Key Management Personnel		Non-Executive / Independent Directors		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Employee related liability transferred to												
JMFICS	-	-	-	-	-	-	-	-	0.09	-	0.09	-
Professional fees paid to												
KBD	-	-	-	-	0.04	0.04	-	-	-	-	0.04	0.04
Brokerage paid to												
HK	-	-	-	-	-	-	-	0.13	-	-	-	0.13
Fees and brokerage received from												
Trustee	0.04	#	-	-	-	-	-	-	-	-	0.04	#
JMFICS	-	-	-	-	-	-	-	-	0.27	0.05	0.27	0.05
KCL	-	-	-	-	-	-	-	-	0.06	#	0.06	#
PICPL	-	-	-	-	-	-	-	-	0.01	0.02	0.01	0.02
SNK	-	-	-	-	-	-	-	-	0.03	0.02	0.03	0.02
VNK	-	-	#	#	-	-	-	-	-	-	#	#
ASM	-	-	#	-	-	-	-	-	-	-	#	-
NNK	-	-	-	-	-	-	-	0.01	-	-	-	0.01
ARNK	-	-	-	-	-	-	-	0.01	-	-	-	0.01
AG	-	-	-	-	-	-	0.01	-	-	-	0.01	-
J.M. Assets	-	-	-	-	-	-	-	-	0.06	0.05	0.06	0.05
DEU	-	-	-	-	-	-	-	-	-	-	-	#
VLK	-	-	-	-	0.09	0.06	-	-	-	-	0.09	0.06
Others	-	-	-	-	-	-	-	-	#	-	#	-
Recovery of expenses from												
JMFICS	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Reimbursement of expenses to												
JMFICS	-	-	-	-	-	-	-	-	0.12	0.12	0.12	0.12
CMPL	-	-	-	-	-	-	-	-	0.04	0.03	0.04	0.03

₹ in Crore

	Associate		Key Management Personnel		Non-Executive / Independent Directors		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Remuneration to												
VNK	-	-	18.02	11.19	-	-	-	-	-	-	18.02	11.19
ASM	-	-	4.98	-	-	-	-	-	-	-	4.98	-
ARP	-	-	5.06	-	-	-	-	-	-	-	5.06	-
Director's Sitting Fees												
NNK	-	-	-	-	-	-	-	0.10	-	-	-	0.10
VNK	-	-	0.03	-	-	-	-	-	-	-	0.03	-
EAK	-	-	-	-	0.16	0.14	-	-	-	-	0.16	0.14
DEU	-	-	-	-	0.04	0.10	-	-	-	-	0.04	0.10
PSZ	-	-	-	-	0.10	0.10	-	-	-	-	0.10	0.10
VLK	-	-	-	-	0.13	0.11	-	-	-	-	0.13	0.11
KBD	-	-	-	-	0.09	0.06	-	-	-	-	0.09	0.06
JMP	-	-	-	-	0.07	0.06	-	-	-	-	0.07	0.06
PSJ	-	-	-	-	0.07	0.06	-	-	-	-	0.07	0.06
RHB	-	-	-	-	0.05	-	-	-	-	-	0.05	-
PMK	-	-	-	-	0.02	-	-	-	-	-	0.02	-
Directors Commission												
VNK	-	-	0.10	-	-	-	-	-	-	-	0.10	-
EAK	-	-	-	-	0.32	0.32	-	-	-	-	0.32	0.32
DEU	-	-	-	-	0.12	0.24	-	-	-	-	0.12	0.24
PSZ	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
VLK	-	-	-	-	0.31	0.23	-	-	-	-	0.31	0.23
KBD	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
JMP	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
PSJ	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
RHB	-	-	-	-	0.09	-	-	-	-	-	0.09	-
PMK	-	-	-	-	0.03	-	-	-	-	-	0.03	-
Dividend paid to												
JMFICS	-	-	-	-	-	-	-	-	21.83	4.33	21.83	4.33
Trustee	0.14	0.02	-	-	-	-	-	-	-	-	0.14	0.02
J.M. Assets	-	-	-	-	-	-	-	-	10.33	2.06	10.33	2.06

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₹ in Crore

	Associate		Key Management Personnel		Non-Executive / Independent Directors		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
JSB	-	-	-	-	-	-	-	-	0.65	0.13	0.65	0.13
PICPL	-	-	-	-	-	-	-	-	0.23	0.03	0.23	0.03
KCL	-	-	-	-	-	-	-	-	0.08	0.01	0.08	0.01
SNK	-	-	-	-	-	-	-	-	1.20	0.24	1.20	0.24
NNK	-	-	-	-	-	-	12.58	2.52	-	-	12.58	2.52
ARNK	-	-	-	-	-	-	3.44	0.71	-	-	3.44	0.71
VNK	-	-	1.22	0.23	-	-	-	-	-	-	1.22	0.23
ASM	-	-	0.03	-	-	-	-	-	-	-	0.03	-
ARP	-	-	0.06	-	-	-	-	-	-	-	0.06	-
AG	-	-	-	-	-	-	0.80	0.16	-	-	0.80	0.16
VLK	-	-	-	-	#	-	-	-	-	-	#	-
KBD	-	-	-	-	#	#	-	-	-	-	#	#
Rent paid to												
JMFICS	-	-	-	-	-	-	-	-	1.51	1.46	1.51	1.46
J.M. Assets	-	-	-	-	-	-	-	-	1.68	1.68	1.68	1.68
KCL	-	-	-	-	-	-	-	-	0.05	0.05	0.05	0.05
Subscription charges paid to												
CMPL	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.03
Support service fees received from												
JMFICS	-	-	-	-	-	-	-	-	0.20	-	0.20	-
Support service fees paid to												
JMFICS	-	-	-	-	-	-	-	-	2.50	2.50	2.50	2.50
Demat charges received from												
VNK	-	-	#	#	-	-	-	-	-	-	#	#
Others	-	-	-	-	#	#	#	#	#	#	#	#
Security deposit paid to												
J.M. Assets	-	-	-	-	-	-	-	-	0.84	-	0.84	-
Security deposit refund received from												
J.M. Assets	-	-	-	-	-	-	-	-	0.84	-	0.84	-

₹ in Crore

	Associate		Key Management Personnel		Non-Executive / Independent Directors		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Issuance of NCDs under Primary market												
VNK	-	-	5.00	-	-	-	-	-	-	-	5.00	-
NNK	-	-	-	-	-	-	10.00	-	-	-	10.00	-
ARNK	-	-	-	-	-	-	15.00	-	-	-	15.00	-
DEU	-	-	-	-	-	-	0.30	-	-	-	-	0.30
VLK	-	-	-	-	-	-	0.25	-	-	-	-	0.25
Repayment of NCDs												
JMFICS	-	-	-	-	-	-	-	-	5.00	-	5.00	-
J.M. Assets	-	-	-	-	-	-	-	-	5.00	-	5.00	-
VNK	-	-	3.00	-	-	-	-	-	-	-	3.00	-
NNK	-	-	-	-	-	-	-	-	7.00	-	7.00	-
ARNK	-	-	-	-	-	-	-	-	3.00	-	3.00	-
Interest on NCDs												
VNK	-	-	0.95	0.76	-	-	-	-	-	-	0.95	0.76
NNK	-	-	-	-	-	-	1.04	0.71	-	-	1.04	0.71
ARNK	-	-	-	-	-	-	0.97	0.51	-	-	0.97	0.51
JMFICS	-	-	-	-	-	-	-	-	1.06	1.03	1.06	1.03
J.M. Assets	-	-	-	-	-	-	-	-	1.05	1.03	1.05	1.03
SAM	-	-	-	-	-	-	0.07	-	-	-	0.07	-
SMM	-	-	-	-	-	-	0.06	-	-	-	0.06	-
SSM	-	-	-	-	-	-	0.04	-	-	-	0.04	-
Balance outstanding at the year end												
Security deposit (paid)												
JMFICS	-	-	-	-	-	-	-	-	0.80	0.80	0.80	0.80
J.M. Assets	-	-	-	-	-	-	-	-	0.84	0.84	0.84	0.84
Investment in equity shares of												
Trustee	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03

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₹ in Crore

	Associate		Key Management Personnel		Non-Executive / Independent Directors		Individual exercising control or significant influence in reporting entity and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Entities where close member of the family of key management personnel are able to exercise significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Closing balance of NCDs by												
VNK	-	-	10.50	8.50	-	-	-	-	-	-	10.50	8.50
NNK	-	-	-	-	-	-	11.00	8.00	-	-	11.00	8.00
ARNK	-	-	-	-	-	-	18.00	6.00	-	-	18.00	6.00
JMFICS	-	-	-	-	-	-	-	-	6.68	10.00	6.68	10.00
J.M. Assets	-	-	-	-	-	-	-	-	5.00	10.00	5.00	10.00
SAM	-	-	-	-	-	-	1.75	-	-	-	1.75	-
SMM	-	-	-	-	-	-	1.19	-	-	-	1.19	-
SSM	-	-	-	-	-	-	0.44	-	-	-	0.44	-
DEU	-	-	-	-	-	0.40	-	-	-	-	-	0.40
VLK	-	-	-	-	1.00	0.65	-	-	-	-	1.00	0.65
Interest payable on NCDs												
VNK	-	-	-	0.02	-	-	-	-	-	-	-	0.02
Payables to												
VNK	-	-	13.40	8.25	-	-	-	-	-	-	13.40	8.25
ASM	-	-	4.18	-	-	-	-	-	-	-	4.18	-
ARP	-	-	4.15	-	-	-	-	-	-	-	4.15	-
EAK	-	-	-	-	0.32	0.32	-	-	-	-	0.32	0.32
DEU	-	-	-	-	0.12	0.24	-	-	-	-	0.12	0.24
PSZ	-	-	-	-	0.21	0.20	-	-	-	-	0.21	0.20
VLK	-	-	-	-	0.31	0.23	-	-	-	-	0.31	0.23
KBD	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
JMP	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
PSJ	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
RHB	-	-	-	-	0.09	-	-	-	-	-	0.09	-
PMK	-	-	-	-	0.03	-	-	-	-	-	0.03	-
ARNK	-	-	-	-	-	-	-	#	-	-	-	#
JMFICS	-	-	-	-	-	-	-	-	#	-	#	-

Notes:

- There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.
- The remuneration excludes provision for gratuity as the incremental liability has been accounted for the group as a whole.
- The transactions disclosed above are exclusive of GST and service tax (as applicable).

42 Maturity Analysis of Assets and Liabilities

₹ in Crore

	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
1 Financial Assets						
A Cash and cash equivalents	1,262.94	-	1,262.94	826.38	-	826.38
B Bank balance other than (A) above	1,262.68	34.25	1,296.93	1,230.82	17.75	1,248.57
C Derivative financial instruments	-	-	-	5.06	-	5.06
D Trade receivables	442.89	56.20	499.09	457.15	51.47	508.62
E Loans	7,733.59	7,337.93	15,071.52	5,239.13	5,983.58	11,222.71
F Investments	2,601.47	1,037.82	3,639.29	5,011.30	790.35	5,801.65
G Other financial assets	1,617.48	1,398.70	3,016.18	1,098.80	1,878.75	2,977.55
Total Financial Assets	14,921.05	9,864.90	24,785.95	13,868.64	8,721.90	22,590.54
2 Non-Financial Assets						
A Current tax assets	-	336.70	336.70	-	299.73	299.73
B Deferred tax assets	-	240.94	240.94	-	164.48	164.48
C Property, plant and equipment	-	352.92	352.92	-	361.88	361.88
D Capital work-in-progress	-	3.05	3.05	-	0.86	0.86
E Other Intangible assets	-	8.35	8.35	-	8.54	8.54
F Goodwill on consolidation	-	52.44	52.44	-	52.44	52.44
G Other non-financial assets	31.75	2.40	34.15	34.67	1.71	36.38
Total Non-Financial Assets	31.75	996.80	1,028.55	34.67	889.64	924.31
Total Assets	14,952.80	10,861.70	25,814.50	13,903.31	9,611.54	23,514.85

₹ in Crore

	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
1 Financial Liabilities						
A Derivative financial instruments	-	-	-	4.82	-	4.82
B Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	1.64	-	1.64	0.49	-	0.49
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	844.31	-	844.31	763.44	-	763.44
C Debt securities	4,339.68	5,311.48	9,651.16	3,636.28	4,856.75	8,493.03
D Borrowings (Other than debt securities)	1,437.50	2,369.10	3,806.60	2,386.63	1,486.55	3,873.18
E Lease Liabilities	15.17	25.11	40.28	13.50	25.48	38.98
F Other financial liabilities	427.70	15.22	442.92	363.67	31.60	395.27
Total Financial Liabilities	7,066.00	7,720.91	14,786.91	7,168.83	6,400.38	13,569.21
2 Non-Financial Liabilities						
A Current tax liabilities	3.59	-	3.59	3.20	-	3.20
B Provisions	17.98	30.47	48.45	17.08	33.60	50.68
C Deferred tax liabilities	-	153.10	153.10	-	136.68	136.68
D Other non-financial liabilities	186.00	10.81	196.81	74.29	4.74	79.03
Total Non-Financial Liabilities	207.57	194.38	401.95	94.57	175.02	269.59
Total Liabilities	7,273.57	7,915.29	15,188.86	7,263.40	6,575.40	13,838.80

Notes

to the Consolidated Financial Statements (Contd.)

43 A) Entities Included in Consolidation

Name of the Entity	Country of incorporation	Proportion of interest as on March 31, 2022 (%)	Proportion of interest as on March 31, 2021 (%)
Subsidiaries in India (including step-down subsidiaries)			
JM Financial Institutional Securities Limited	India	100.00	100.00
Infinite India Investment Management Limited	India	100.00	100.00
JM Financial Properties and Holdings Limited	India	100.00	100.00
JM Financial Services Limited	India	100.00	100.00
JM Financial Commtrade Limited	India	100.00	100.00
CR Retail Malls (India) Limited	India	100.00	100.00
JM Financial Capital Limited	India	100.00	100.00
JM Financial Products Limited [refer note (i)]	India	99.65	99.45
JM Financial Credit Solutions Limited	India	46.68	46.68
JM Financial Asset Management Limited	India	59.54	59.54
JM Financial Asset Reconstruction Company Limited [refer note (ii)]	India	59.25	59.25
JM Financial Home Loans Limited [refer note (i) & (iii)]	India	93.98	93.80
Partnership Firm in India			
Astute Investments	India	100.00	100.00
Subsidiaries outside India (including step-down subsidiaries)			
JM Financial Overseas Holdings Private Limited	Mauritius	100.00	100.00
JM Financial Singapore Pte. Ltd.	Singapore	100.00	100.00
JM Financial Securities, Inc	USA	100.00	100.00
Associate			
JM Financial Trustee Company Private Limited	India	25.00	25.00

Notes:

- Aggregate shareholding in JM Financial Products Limited increased from 99.45% to 99.65% consequent upon the acquisition of 11,26,300 equity shares of JM Financial Products Limited. Consequently, the indirect shareholding in JM Financial Home Loans Limited also increased to 93.98%.
- During the financial year 2019-20, the Company acquired 49,16,104 Compulsorily Convertible Debentures (CCD) of JM Financial Asset Reconstruction Company Limited. The said debentures are convertible into 4,91,61,040 equity shares of the face value of ₹ 10/- each at the end of 36 months from the date of their allotment. Accordingly, the proportion of interest disclosed above is based on the equity shares presently held by the Company and the CCDs held by the Company are not taken into consideration.
- During the financial year 2021-22, two of the Company's subsidiaries, namely JM Financial Products Limited and JM Financial Credit Solutions Limited have subscribed for 7,21,71,000 and 72,02,134 CCDs respectively of the face value of ₹10/- per CCD and at a premium of ₹2.50/- per CCD of a step down subsidiary, viz., JM Financial Home Loans Limited. One CCD is convertible into one equity share of the face value of ₹10/- each at the end of 36 months from the date of their allotment. Accordingly, the proportion of interest disclosed above is based on the equity shares presently held and the CCDs held are not taken into consideration.

B) Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as Subsidiary/Associate

Name of the Entity	Net Assets*, i.e., total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount ₹ in Crore	As % of consolidated net assets	Amount ₹ in Crore	As % of consolidated profit or loss	Amount ₹ in Crore	As % of consolidated OCI	Amount ₹ in Crore	As % of consolidated Total Comprehensive Income
Parent								
JM Financial Limited	1,746.90	16.52%	241.36	24.32%	0.08	1.95%	241.44	24.22%
Subsidiaries (including step-down subsidiaries) in India								
JM Financial Institutional Securities Limited	142.93	1.35%	34.90	3.52%	(0.01)	-0.32%	34.89	3.50%
Infinite India Investment Management Limited	20.83	0.20%	1.21	0.12%	(0.01)	-0.13%	1.20	0.12%
JM Financial Properties and Holdings Limited	182.80	1.73%	42.49	4.28%	#	0.08%	42.49	4.26%
JM Financial Services Limited	258.99	2.45%	75.83	7.64%	0.53	12.33%	76.36	7.66%
JM Financial Commtrade Limited	26.98	0.26%	0.67	0.07%	#	-0.01%	0.67	0.07%
CR Retail Malls (India) Limited	36.59	0.35%	4.07	0.41%	#	-0.02%	4.07	0.41%
JM Financial Products Limited	1,727.56	16.34%	134.40	13.54%	0.05	1.23%	134.45	13.49%
JM Financial Credit Solutions Limited	1,613.60	15.26%	119.22	12.01%	(0.07)	-1.56%	119.15	11.95%
JM Financial Asset Reconstruction Company Limited**	1,070.55	10.13%	106.08	10.69%	0.02	0.51%	106.10	10.65%
JM Financial Asset Management Limited	122.21	1.16%	(8.43)	-0.85%	(0.03)	-0.62%	(8.46)	-0.85%
JM Financial Capital Limited	273.10	2.58%	12.38	1.25%	0.03	0.59%	12.41	1.24%
JM Financial Home Loans Limited	269.30	2.55%	(2.68)	-0.27%	0.08	1.93%	(2.60)	-0.26%
Partnership Firm in India								
Astute Investments	2.88	0.03%	15.82	1.59%	-	-	15.82	1.59%
Subsidiaries (including step-down subsidiaries) outside India								
JM Financial Overseas Holdings Private Limited	113.64	1.07%	0.56	0.06%	5.20	121.78%	5.76	0.58%
JM Financial Singapore Pte. Ltd.	3.15	0.03%	(4.92)	-0.50%	(1.28)	-30.19%	(6.20)	-0.62%
JM Financial Securities, Inc	9.73	0.09%	0.18	0.02%	(0.25)	-5.86%	(0.07)	-0.01%
Associate								
JM Financial Trustee Company Private Limited	12.03	0.11%	0.02	0.00%	#	0.01%	0.02	0.00%
	7,633.77	72.21%	773.16	77.90%	4.34	101.70%	777.50	78.00%
Non-controlling Interests in all subsidiaries	2,939.43	27.79%	219.23	22.10%	(0.07)	-1.70%	219.16	22.00%
Total	10,573.20	100.00%	992.39	100.00%	4.27	100.00%	996.66	100.00%

* Net Assets have been arrived at after adjustments of Goodwill on consolidation.

** The numbers presented above are as per consolidated financial statements of JM Financial Asset Reconstruction Company Limited.

Denotes amount below ₹ 50,000/-

Notes

to the Consolidated Financial Statements (Contd.)

44 Employee Stock Option Scheme (ESOS)

(A) JM Financial Limited:

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.

There was no grant of stock options during the financial year 2021-22. During the financial year 2020-21, the Nomination and Remuneration Committee had granted 18,56,913 options under Series 13 at an exercise price of ₹ 1/- per option to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Outstanding at the beginning of the year	34,98,444	36,45,232
Add: Granted during the year	Nil	18,56,913
Less: Exercised and shares allotted during the year	13,32,822	14,93,064
Less: Forfeited/cancelled during the year	Nil	28,861
Less: Lapsed during the year	1,42,547	4,81,776
Outstanding at the end of the year	20,23,075	34,98,444
Exercisable at the end of the year	9,64,560	11,49,121

The Group follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

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

Tranches	% 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
Tranche-1	33.33%	-	6,18,971	-	April 17, 2021	-	76.68
Tranche-2	33.33%	-	6,18,971	-	April 17, 2022	-	76.54
Tranche-3	33.33%	-	6,18,971	-	April 17, 2023	-	76.44
		-	18,56,913				

The following table summarizes the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)		Risk-free interest rate		Volatility		Dividend Yield	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous Year
Tranche-1	-	2.75	-	4.96%	-	0.4768	-	0.26%
Tranche-2	-	3.75	-	5.48%	-	0.4854	-	0.26%
Tranche-3	-	4.50	-	5.95%	-	0.4717	-	0.26%

Details of options granted under various series are as under:

	Series 8	Series 9	Series 10	Series 11	Series 12	Series 13
Grant date	16/04/2015	12/05/2016	20/04/2017	12/04/2018	18/04/2019	17/04/2020
Options granted	14,44,440	12,55,515	23,19,636	18,48,018	6,62,130	18,56,913
Options exercised till March 31, 2022	12,81,480	11,42,099	17,35,174	11,90,391	2,95,734	3,41,564
Options forfeited/cancelled till March 31, 2022	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed till March 31, 2022	96,294	40,799	3,40,356	3,34,777	1,13,259	4,51,650
Outstanding at the end of the year	66,666	72,617	2,44,106	3,22,850	2,53,137	10,63,699
Exercisable at the end of the year	66,666	72,617	2,44,106	3,22,850	95,148	1,63,173
Vesting of options	1/3 rd Options each on completion of first, second and third year from the date of grant of options	1/3 rd Options each on completion of first, second and third year from the date of grant of options	1/3 rd Options each on completion of first, second and third year from the date of grant of options	1/3 rd Options each on completion of first, second and third year from the date of grant of options	1/3 rd Options each on completion of first, second and third year from the date of grant of options	1/3 rd 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
Exercise price(refer note[i])	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00
Pricing formula	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	As was determined by the Nomination and Remuneration Committee at its meeting held on April 20, 2017	As was determined by the Nomination and Remuneration Committee at its meeting held on April 12, 2018	As was determined by the Nomination and Remuneration Committee at its meeting held on April 18, 2019	As was determined by the Nomination and Remuneration Committee at its meeting held on April 17, 2020

Notes:

- Additionally during the year, an aggregate amount of ₹ 1.13 Crore (Previous year ₹ 4.51 Crore) being the difference between the exercise price and fair value of options has been reimbursed by the subsidiary companies with which the Employees are/were employed/associated.
- As no options were outstanding in respect of Series 1 to Series 7 as on March 31, 2022, the details of options granted has not been included above.
- Esop cost recognised in Statement of Profit and Loss is ₹ 3.06 Crore (Previous year ₹ 9.30 Crore).

Of Subsidiary Companies

(B) JM Financial Asset Reconstruction Company Limited ('JM FARC'):

JM FARC has formulated the Employee Stock Option Scheme ("the Scheme") which provides for grant of stock options to its eligible employees ("the Employees"). The Stock Options are granted at an exercise price, as may be determined by the Nomination and Remuneration Committee of the Board of JM FARC.

During the year 2021-22, the Nomination and Remuneration Committee of the Board of JM FARC has granted 9,09,549 options under its second series (previous year 15,81,444 options under first series) at an exercise price of ₹ 29.69/- per option (previous year - ₹ 28.46/- per option) to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

Notes

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The details of options are as under:

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Outstanding at the beginning of the year	15,81,444	Nil
Add: Granted during the year	9,09,549	15,81,444
Less: Exercised and allotted during the year	Nil	Nil
Less: Lapsed during the year	482,174	Nil
Outstanding at the end of the year	20,08,819	15,81,444
Exercisable at the end of the year	Nil	Nil

JMFARC follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the year is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

Details of options granted during the year and fair value of the options are as under:

Tranches	% 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
Tranche-1	33.33%	3,03,183	5,27,148	April 19, 2023	April 16, 2022	20.33	19.79
Tranche-2	33.33%	3,03,183	5,27,148	April 19, 2024	April 16, 2023	21.96	21.58
Tranche-3	33.33%	3,03,183	5,27,148	April 19, 2025	April 16, 2024	23.77	23.08
		9,09,549	15,81,444				

The following table summarizes the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)		Risk-free interest rate		Volatility		Dividend Yield	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous Year
Tranche-1	3.50	3.50	5.79%	5.59%	0.5160	0.5160	Nil	Nil
Tranche-2	4.50	4.50	5.69%	6.16%	0.5052	0.5005	Nil	Nil
Tranche-3	5.50	5.50	6.41%	6.51%	0.4954	0.4870	Nil	Nil

Notes:

(i) Esop cost recognised in Statement of Profit and Loss is ₹ 1.30 Crore. (Previous year: ₹ 1.16 Crore)

45 Segment Disclosures

(A) Operating Segment Information

During the year ended March 31, 2022, the underlying businesses of the reportable segments, namely 'Investment Banking, Wealth Management & Securities Business (IWS)', 'Distressed Credit' and 'Asset Management' were reclassified into three new reportable segments, namely 'Investment Bank', 'Alternative & Distressed Credit' and 'Asset Management, Wealth Management & Securities Business (Platform AWS)'. The said reclassification of business segments was based on internal review of businesses carried out by the Chief Operating Decision Maker (CODM). The Group has now four reportable segments, namely, (i) Investment Bank (ii) Mortgage Lending (iii) Alternative & Distressed Credit and (iv) Asset Management, Wealth Management & Securities Business (Platform AWS).

Segment	Principal activities
Investment Bank	Investment Bank includes management of capital markets transactions, advising on mergers & acquisitions, and private equity syndication. This segment also includes institutional equities business and research, private equity funds, fixed income, syndication and finance.
Mortgage Lending	Mortgage Lending include providing finance against commercial real estate and residential real estate to a diverse range of corporates and non-corporate clients. It also includes housing finance business and lending to education institutions.
Alternative & Distressed Credit	Alternative & Distressed Credit includes securitisation and reconstruction of financial assets and management of alternative credit funds.
Asset Management, Wealth Management & Securities Business (Platform AWS)	Platform AWS includes investment advisory and distribution services, involving equity brokerage services, wealth management, capital market lending for wealth management and broking clients and distribution of financial products. It also involves managing mutual fund assets through several schemes.

Disclosure in respect of segment reporting pursuant to Ind AS 108 on 'Operating Segments'

₹ in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Segment revenue		
A Investment Bank	1,272.56	1,083.79
B Mortgage Lending	1,191.04	1,217.72
C Alternative & Distressed Credit	522.09	388.83
D Asset Management, Wealth Management & Securities Business (Platform AWS)	662.27	501.63
E Others	243.28	136.85
Total segment revenue	3,891.24	3,328.82
Less: Inter - segmental revenue	(127.96)	(102.19)
Total revenue	3,763.28	3,226.63
Segment results		
A Investment Bank	472.81	374.91
B Mortgage Lending	375.70	477.50
C Alternative & Distressed Credit	236.10	93.70
D Asset Management, Wealth Management & Securities Business (Platform AWS)	128.38	66.10
E Others	135.05	54.64
Profit before tax	1,348.04	1,066.85
Less: Tax expense	(355.67)	(260.79)
Profit for the year	992.37	806.06
Add : Share in profit of associate	0.02	2.11
Profit after tax and share in profit of associate	992.39	808.17
Other Comprehensive Income	4.27	(0.69)
Total Comprehensive Income	996.66	807.48

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₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Segment assets		
A Investment Bank	7,149.61	6,302.35
B Mortgage Lending	9,647.32	9,647.29
C Alternative & Distressed Credit	3,828.29	3,865.67
D Asset Management, Wealth Management & Securities Business (Platform AWS)	3,375.76	2,398.47
E Others	1,761.08	1,248.63
Total segment assets*	25,762.06	23,462.41
Segment liabilities		
A Investment Bank	4,650.89	3,802.54
B Mortgage Lending	5,677.72	5,859.43
C Alternative & Distressed Credit	1,973.34	2,214.36
D Asset Management, Wealth Management & Securities Business (Platform AWS)	2,608.68	1,680.31
E Others	278.23	282.16
Total segment liabilities	15,188.86	13,838.80

* Segment assets presented are net of goodwill on consolidation amounting to ₹ 52.44 Crore.

₹ in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Capital expenditure incurred during the year		
A Investment Bank	3.32	2.08
B Mortgage Lending	1.89	0.69
C Alternative & Distressed Credit	-	0.10
D Asset Management, Wealth Management & Securities Business (Platform AWS)	9.69	2.42
E Others	2.13	1.07
Total capital expenditure	17.03	6.36
Depreciation / amortisation for the year		
A Investment Bank	9.44	11.71
B Mortgage Lending	4.63	3.13
C Alternative & Distressed Credit	0.72	0.84
D Asset Management, Wealth Management & Securities Business (Platform AWS)	13.05	13.98
E Others	9.94	10.09
Total depreciation / amortisation	37.78	39.75
Significant Non-Cash Expenses other than depreciation / amortisation		
A Investment Bank	96.28	67.97
B Mortgage Lending	226.18	192.05
C Alternative & Distressed Credit	12.30	(4.92)
D Asset Management, Wealth Management & Securities Business (Platform AWS)	21.94	15.27
E Others	6.05	5.50
Total Significant Non-Cash Expenses	362.75	275.87

(B) Geographical Segment Information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to revenues and segment non-current assets are based on geographical location of assets.

₹ in Crore

	For the year ended March 31, 2022	For the year ended March 31, 2021
Segment revenue		
A In India	3,751.84	3,213.94
B Outside India	11.44	12.69
Total segment revenue	3,763.28	3,226.63
	As at March 31, 2022	As at March 31, 2021
Segment non-current assets		
A In India	10,808.81	9,575.35
B Outside India	52.89	36.19
Total segment non-current assets	10,861.70	9,611.54

46 Details of expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereto.

₹ in Crore

	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Holding Company and Subsidiaries	Associate	Total	Holding Company and Subsidiaries	Associate	Total
a) Gross amount required to be spent by the Group during the year.	26.95	-	26.95	26.89	0.09	26.98
b) Amount spent in cash	7.23	-	7.23	14.31	0.09	14.40
Amount yet to be spent	19.77	-	19.77	12.64	-	12.64
Total	27.00	-	27.00	26.95	0.09	27.04
c) Short fall at the end of the year	-	-	-	-	-	-
d) Total Previous years shortfall	-	-	-	-	-	-
e) Reason for shortfall	NA	NA	NA	NA	NA	NA
f) Amount contributed to a trust controlled by the Group	-	-	-	-	-	-
g) Nature of CSR Activities	-	-	-	-	-	-
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above	27.00	-	27.00	26.95	0.09	27.04

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47 Financial information of subsidiaries that have material non-controlling interest

a) Subsidiaries that have material non-controlling interests are provided below:

Name of the entity	Place of business / country of incorporation	Ownership interest held by the Company		Ownership interest held by non-controlling interest		Principal Activities
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	
		JM Financial Credit Solutions Limited (JMFCSL)	India	46.68%	46.68%	
JM Financial Asset Reconstruction Company Limited (JMFARC)	India	59.25%*	59.25%*	40.75%	40.75%	Distressed Credit

* The ownership interest disclosed above is based on the equity shares presently held by the Company. Compulsorily Convertible Debentures (CCD) held by the Company are not taken into consideration.

b) The following table summarises financial information of subsidiaries that have material non-controlling interests, before any inter-company eliminations:

i) Summarised Statement of Profit and Loss

₹ in Crore

	JM Financial Credit Solutions Limited		JM Financial Asset Reconstruction Company Limited (Refer note 47.1)	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Income	1,136.10	1,167.49	519.43	384.60
Profit for the year	289.06	358.98	171.99	64.45
Other Comprehensive Income (OCI)	3.81	0.03	0.04	0.09
Profit allocated to non-controlling interests	154.14	191.42	70.10	26.73
OCI allocated to non-controlling interests	(0.07)	0.02	0.02	0.04
Dividends paid to non-controlling interests	0.30	0.23	-	-

ii) Summarised Balance Sheet

₹ in Crore

	JM Financial Credit Solutions Limited		JM Financial Asset Reconstruction Company Limited (Refer note 47.1)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial Assets	8,949.16	9,097.19	4,181.08	4,223.61
Non-Financial Assets	164.03	122.99	102.36	68.28
	9,113.19	9,220.18	4,283.44	4,291.89
Financial Liabilities	5,166.46	5,564.15	2,444.82	2,687.74
Non-Financial Liabilities	4.57	6.17	30.50	17.90
	5,171.03	5,570.32	2,475.32	2,705.64
Net Assets (Equity)	3,942.16	3,649.86	1,808.12	1,586.25
Net assets attributable to non-controlling interests	2,073.37	1,919.60	643.71	574.68
Net assets attributable to security receipts holders under distressed credit business	-	-	119.86	71.33

iii) Summarised Cash Flow

₹ in Crore

	JM Financial Credit Solutions Limited		JM Financial Asset Reconstruction Company Limited (Refer note 47.1)	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Cash flows from operating activities	(337.17)	638.34	133.06	(138.06)
Net Cash flows from investing activities	922.60	(1,085.39)	0.09	1.33
Net Cash flows from financing activities	(408.93)	651.26	(196.08)	[2.55]
Net increase / (decrease) in cash and cash equivalents	176.50	204.21	(62.93)	(134.18)

Note: 47.1 The numbers presented above are as per consolidated financial statements of JMFARC.

48 Fair Value

Classes and categories of financial instruments and their fair values:

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments for which carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

1) Accounting classification and fair values

₹ in Crore

As at March 31, 2022	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	1,262.94	1,262.94
Bank balances other than cash and cash equivalents	-	1,296.93	1,296.93
Trade receivables	-	499.09	499.09
Loans	-	15,071.52	15,071.52
Investments	3,627.26	12.03	3,639.29
Other financial assets	2,929.25	86.93	3,016.18
Total	6,556.51	18,229.44	24,785.95
Financial liabilities			
Trade payables	-	845.95	845.95
Debt securities	-	9,651.16	9,651.16
Borrowings (other than debt securities)	-	3,806.60	3,806.60
Lease liabilities	-	40.28	40.28
Other financial liabilities	-	442.92	442.92
Total	-	14,786.91	14,786.91

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₹ in Crore			
As at March 31, 2021	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	826.38	826.38
Bank balances other than cash and cash equivalents	-	1,248.57	1,248.57
Derivative financial instruments	5.06	-	5.06
Trade receivables	-	508.62	508.62
Loans	-	11,222.71	11,222.71
Investments	5,789.64	12.01	5,801.65
Other financial assets	2,915.01	62.54	2,977.55
Total	8,709.71	13,880.83	22,590.54
Financial liabilities			
Derivative financial instruments	4.82	-	4.82
Trade payables	-	763.93	763.93
Debt securities	-	8,493.03	8,493.03
Borrowings (other than debt securities)	-	3,873.18	3,873.18
Lease liabilities	-	38.98	38.98
Other financial liabilities	-	395.27	395.27
Total	4.82	13,564.39	13,569.21

2) Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

₹ in Crore				
As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets (Measured at FVTPL)				
Investments				
- Equity shares	101.79	34.57	167.85	304.21
- Venture Capital Fund units	-	110.81	-	110.81
- Security Receipts	-	-	916.84	916.84
- Mutual funds units	2,124.90	-	-	2,124.90
- Others	15.08	95.86	59.56	170.50
	2,241.77	241.24	1,144.25	3,627.26
Other Financial assets				
- Financial assets under Distressed Credit Business	-	-	2,293.41	2,293.41
- Others	299.92	250.73	85.19	635.84
Total	299.92	250.73	2,378.60	2,929.25

₹ in Crore				
As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets (Measured at FVTPL)				
Derivative Financial instruments				
	-	5.06	-	5.06
Investments				
- Equity shares	44.60	25.36	130.77	200.73
- Venture Capital Fund units	-	74.93	-	74.93
- Security Receipts	-	-	1,053.61	1,053.61
- Mutual funds units	4,334.23	-	-	4,334.23
- Others	48.27	56.54	21.33	126.14
	4,427.10	156.83	1,205.71	5,789.64
Other Financial assets				
- Financial assets under Distressed Credit Business	-	-	2,222.82	2,222.82
- Others	473.90	128.61	89.68	692.19
	473.90	128.61	2,312.50	2,915.01
Financial liabilities (Measured at FVTPL)				
Derivative Financial instruments				
	-	4.82	-	4.82

Fair value of the financial instruments that are not measured at fair value

Non-convertible Debentures measured at amortised cost for which carrying value and fair value are as under:

₹ in Crore		
	As at March 31, 2022	As at March 31, 2021
Carrying value*	7,055.90	7,501.71
Fair value	6,925.37	7,341.26

*Carrying value includes interest accrued and excludes premium and impact of effective interest rate adjustment.

These fair values are calculated for disclosure purpose only. Except for those financial instruments for which the fair values are mentioned in the above table, the carrying amounts recognised in the financial statements are approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation Technique

Type of Financial Instrument	Valuation Technique
Debt Instruments	Net Asset Value (NAV) / Quoted price as on the reporting date
Government Securities	Price from the Clearing Group of India Limited
Equity Instruments	Quoted price as on the reporting date / latest available trade price / valuation report
Mutual Funds / Venture Capital Fund / AIF Units	NAV as on the reporting date / latest available NAV
Convertible Warrants / REIT Units	Quoted price as on the reporting date
Security Receipts	NAV as on the reporting date

Impact on observable and unobservable inputs:

Impact of illiquidity, volatility and Covid-19 pandemic have been considered on the observable and unobservable inputs used for the purpose of valuation.

During the financial year 2019-20, the Company had changed the classification of certain investments in equity instruments and venture capital fund units from level 2 to level 3. The investment in venture capital units were reclassified to level 2 from level 3 in the financial year 2020-21. However, level 3 classification is continued for such investment in equity instruments during the financial year 2021-22. Further, necessary adjustments have been made to the timing of cash flows and values of collaterals to be realized for the purpose of determination of the fair values of financial assets carried at FVTPL.

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3) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2022 and March 31, 2021.

	₹ in Crore				
	Equity shares	Venture Capital Fund units	Security receipts	Financial Assets under Distressed Credit Business	Other financial assets
As at March 31, 2020	192.33	45.14	1,185.84	1,965.16	100.23
Acquisitions	5.34	-	0.56	353.51	-
Reclassification from Level 3 to Level 2	-	(45.14)	-	-	-
Realisations	(112.03)	-	(63.59)	(492.30)	-
Net (Loss)/Gain on fair value changes	45.17	-	(19.42)	63.96	(10.55)
On change of control in subsidiary trusts	-	-	(49.78)	332.49	-
Foreign currency fluctuation	(0.04)	-	-	-	-
As at March 31, 2021	130.77	-	1,053.61	2,222.82	89.68
Acquisitions	23.69	-	7.57	216.01	-
Realisations	(56.34)	-	(275.50)	(266.85)	-
Net (Loss)/Gain on fair value changes	69.73	-	131.16	121.43	(4.49)
As at March 31, 2022	167.85	-	916.84	2,293.41	85.19

4) Sensitivity for instruments

Nature of the instrument	Fair Value As at March 31, 2022	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2022	
				FV Increase	FV Decrease
				₹ in Crore	
Investment in Equity shares	167.85	Impact estimated by the management considering current market conditions	5%	5.08	(5.08)
Investment in Security receipts	916.84	Estimated cash flow based on realisation of collaterals value, etc.	5%	61.29	(61.29)
Financial Assets under Distressed Credit Business	2,293.41	Same as above	5%	105.06	(105.06)
Other financial assets	85.19	Same as above	5%	4.26	(4.26)

Nature of the instrument	Fair Value As at March 31, 2021	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2021	
				FV Increase	FV Decrease
				₹ in Crore	
Investment in Equity shares	130.77	Impact estimated by the management considering current market conditions	5%	0.85	(0.85)
Investment in Security receipts	1,053.61	Estimated cash flow based on realisation of collaterals value, etc.	5%	65.88	(65.88)
Financial Assets under Distressed Credit Business	2,222.82	Same as above	5%	99.80	(99.80)
Other financial assets	89.68	Same as above	5%	4.48	(4.48)

49 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The primary objective of the Group's Capital Management is to maximize shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances, and liquid investments.

	₹ in Crore	
	As at March 31, 2022	As at March 31, 2021
Gross debt	13,457.76	12,366.21
Less: Cash and cash equivalents	1,262.94	826.38
Less: Deposits under lien against which facilities are not availed	200.57	165.01
Less: Investment in Government securities	48.93	24.98
Less: Investments in mutual funds	2,124.90	4,334.23
Adjusted net debt	9,820.42	7,015.61
Total equity (refer note 49.1)	10,453.34	9,552.28
Adjusted net debt to equity ratio	0.94	0.73

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the lenders to accelerate the repayment of outstanding amount, enforce security interests created under the financing documents, and taking possession of the assets given as security.

49.1 Equity includes total equity less non-controlling interests of security receipts holders under distressed credit business and net of goodwill on consolidation.

50 Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including currency risk, equity price risk and interest rate risk)

Risk management framework

Risk management forms an integral part of our business operations and monitoring activities. The Group is exposed to various risks related to our lending business and operating environment. The objective is to evaluate and monitor various risks that we are subject to and follow stringent policies and procedures to address these risks. The Group has formulated comprehensive risk management policies and processes to identify, evaluate and manage the risks that are encountered during conduct of business activities in an effective manner.

i) Credit risk:

For Wholesale Loans:

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy which outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

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The Group measures, monitors and manages credit risk at an individual borrower level and at the Company exposure level for corporate borrowers. The Group has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases. Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

Credit Risk Assessment Methodology

The Group has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of products and businesses. The methodology involves critical assessment of quantitative and qualitative parameters.

Finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience. As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower. After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

The Group has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the company maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

The Group monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently.

Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments. Close monitoring of debt servicing enables to maintain high recovery ratios and maintain satisfactory asset quality.

The Credit Committee of the respective subsidiaries, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board of the respective subsidiaries for its information. The Group continue to monitor the credit exposure until the loans are fully repaid.

For Capital Market Loans:

The Credit team carries out a credit assessment of a borrower on the basis of financial credentials of the borrower and for that, asks for documents such as net worth / bank statements/ Income Tax Returns/ Balance sheet, investment statements and any similar documents or any such document as they may deem fit.

Considering the nature of the security (collateral) backed lending business, where the price of security may fluctuate due to market volatility or underlying security, company specific factors or due to various external factors/ adverse movements, the value of security available may fluctuate impacting the margin coverage for a borrower. Hence, to safeguard and protect the interests from the possible risk of default of a borrower, the respective subsidiary:

- Ensures maintenance of sufficient margin coverage on the borrower's loan across all the products;
- Make margin calls to the borrowers and ensures the timely collection of margins;
- Liquidates the securities to recover the loan in case the borrower fails to pay the margins on time;
- Ensures timely collection of outstanding interest on the loans; and
- Revises list of approved securities from time to time.

For Home Loans:

There is a systematic credit evaluation process monitoring the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure. It also undertakes periodic review of asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon.

For Trade receivables and other financial assets:

The Investment Bank and Platform AWS business of the Group are subject to the risk that a client or counterparty may fail to perform its obligations or that the value of any collateral held by the Group to secure the obligations might become inadequate. The Group is exposed to credit risk arising out of receivables from clearing houses of stock exchanges which comprise initial margins placed with clearing houses and receivables relating to sale of securities which the clients have traded, but not yet settled, and also with fixed deposits placed with banks. In addition, the Group is dependent on various intermediaries, including brokers, merchant bankers, stock exchanges, banks, registrars and share transfer agents and clearing houses and if any of these intermediaries do not perform their obligations or any collateral or security they provide proves inadequate to cover their obligations at the time of the default, the Group could suffer significant losses and it would have an adverse effect on our financial condition, results of operations and cash flows.

There is a widespread credit policy in place to monitor clients' margin requirement to prevent risk of default which includes well defined basis for categorization of securities, client-wise/ scrip-wise maximum exposure, etc. for better management of credit risk.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit loss
Stage 1	Performing assets	12 Months ECL
Stage 2	Under performing assets	Lifetime ECL
Stage 3	Assets overdue more than 90 days past due	Lifetime ECL

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a reporting date. It shall include outstanding loan amount, accrued interest and expected drawdowns on non-discretionary loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

The table below shows the credit quality and the exposure to credit risk of loans based on the year-end stage classification. The amounts presented are gross of impairment allowances.

	₹ in Crore	
	March 31, 2022	March 31, 2021
Stage 1	12,950.60	10,149.14
Stage 2	1,423.88	864.46
Stage 3	1,624.34	807.80
Total	15,998.82	11,821.40

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An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans:

	2021-22			
	Stage 1	Stage 2	Stage 3	Total
	Gross carrying amount opening balance	10,149.14	864.46	807.80
New assets originated or purchased (including additions in existing assets and interest accruals)	9,134.20	92.88	32.34	9,259.42
Assets derecognised or repaid (excluding write offs)	(4,813.00)	(21.87)	(246.44)	(5,081.31)
Transfers to Stage 1	412.31	(330.61)	(81.70)	-
Transfers to Stage 2	(983.68)	983.77	(0.09)	-
Transfers to Stage 3	(948.37)	(164.64)	1,113.01	-
Amounts written off	-	(0.11)	(0.58)	(0.69)
Gross carrying amount closing balance	12,950.60	1,423.88	1,624.34	15,998.82

₹ in Crore

	2020-21			
	Stage 1	Stage 2	Stage 3	Total
	Gross carrying amount opening balance	11,230.46	638.64	371.32
New assets originated or purchased (including additions in existing assets and interest accruals)	3,050.42	15.31	43.92	3,109.65
Assets derecognised or repaid (excluding write offs)	(3,373.59)	(120.50)	(32.75)	(3,526.84)
Transfers to Stage 1	209.05	(209.05)	-	-
Transfers to Stage 2	(713.70)	713.70	-	-
Transfers to Stage 3	(253.24)	(173.64)	426.88	-
Amounts written off	(0.26)	-	(1.57)	(1.83)
Gross carrying amount closing balance	10,149.14	864.46	807.80	11,821.40

₹ in Crore

	2021-22			
	Stage 1	Stage 2	Stage 3	Total
	ECL allowance - Opening Balance	244.41	164.65	189.63
New assets originated or purchased (including additions in existing assets and interest accruals)	99.99	185.08	26.10	311.17
Assets derecognised or repaid (excluding write off)	(75.97)	(6.67)	(26.06)	(108.70)
Transfer to Stage 1	21.89	(25.37)	0.61	(2.87)
Transfer to Stage 2	(72.31)	95.01	1.30	24.00
Transfer to Stage 3	(9.74)	(55.32)	170.07	105.01
Amounts written off	-	-	-	-
ECL allowance - closing balance	208.27	357.38	361.65	927.30

₹ in Crore

	2020-21			
	Stage 1	Stage 2	Stage 3	Total
	ECL allowance - Opening Balance	145.62	116.50	78.17
New assets originated or purchased (including additions in existing assets and interest accruals)	148.14	9.53	13.17	170.84
Assets derecognised or repaid (excluding write off)	(25.04)	(11.68)	(10.63)	(47.35)
Transfer to Stage 1	0.99	(19.91)	-	(18.92)
Transfer to Stage 2	(21.56)	110.66	-	89.10
Transfer to Stage 3	(3.74)	(40.45)	108.92	64.73
Amounts written off	-	-	-	-
ECL allowance - closing balance	244.41	164.65	189.63	598.69

₹ in Crore

An analysis of ageing of the gross carrying amount and the changes in the ECL allowances in relation to trade receivables:

	As at	As at
	March 31, 2022	March 31, 2021
Past due 0-180 days	336.54	385.43
More than 180 days	191.43	142.51
Total	527.97	527.94

₹ in Crore

Reconciliation of impairment allowance on Trade Receivables

	₹ in Crore
Impairment allowance measured as per simplified approach	
Impairment allowance as at April 01, 2020	15.29
Add/ (less): asset originated / acquired or recovered	4.03
(Less): Amount written-back due to write-off	-
Impairment allowance as at March 31, 2021	19.32
Add/ (less): asset originated / acquired or recovered	9.76
(Less): Amount written-back due to write-off	(0.20)
Impairment allowance as at March 31, 2022	28.88

₹ in Crore

Impact of Covid-19:

The relevant subsidiary companies of the Group have applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to pandemic. The impact on collateral values is also assessed for determination of loss given default and reasonable haircuts are applied wherever necessary.

As part of the management overlays and as per the approved ECL policy of the relevant subsidiary companies of the Group, the management has adjusted the underlying PD and LGD as computed by ECL Model depending on the nature of the portfolio/ borrower, the management's estimate of the future stress and risk and available market information. Also, refer note 53.

ii) Liquidity risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

Notes

to the Consolidated Financial Statements (Contd.)

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund products, the Group maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Group manages liquidity risk in accordance with its Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors of the respective subsidiaries. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

The Group has undrawn lines of credit of ₹ 837.90 Crore and ₹ 946.48 Crore as of March 31, 2022 and March 31, 2021 respectively, from its bankers for working capital requirements.

The Group has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to liquidity risk

The following are the details of Group's remaining contractual maturities of financial liabilities and assets at the reporting date.

₹ in Crore					
March 31, 2022	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade payables	845.95	845.95	-	-	-
Debt securities	9,651.16	4,339.68	2,585.35	436.48	2,289.65
Borrowings (other than debt securities)	3,806.60	1,437.50	1,408.67	719.49	240.94
Lease liabilities	40.28	15.17	18.04	5.57	1.50
Other financial liabilities	442.92	427.70	15.22	-	-
Total	14,786.91	7,066.00	4,027.28	1,161.54	2,532.09
Financial Assets					
Cash and cash equivalents	1,262.94	1,262.94	-	-	-
Bank balances other than cash and cash equivalents	1,296.93	1,262.68	22.48	10.84	0.93
Trade Receivables	499.09	442.89	56.20	-	-
Loans	15,071.52	7,733.59	5,329.11	1,043.81	965.01
Investments	3,639.29	2,601.47	161.86	440.32	435.64
Other financial assets	3,016.18	1,617.48	196.98	1,192.75	8.97
Total	24,785.95	14,921.05	5,766.63	2,687.72	1,410.55

₹ in Crore					
March 31, 2021	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Derivative financial instruments	4.82	4.82	-	-	-
Trade payables	763.93	763.93	-	-	-
Debt securities	8,493.03	3,636.28	2,542.22	880.34	1,434.19
Borrowings (other than debt securities)	3,873.18	2,386.63	946.00	362.36	178.19
Lease liabilities	38.98	13.50	13.27	3.58	8.63
Other financial liabilities	395.27	363.67	24.43	5.87	1.30
Total	13,569.21	7,168.83	3,525.92	1,252.15	1,622.31
Financial Assets					
Cash and cash equivalents	826.38	826.38	-	-	-
Bank balances other than cash and cash equivalents	1,248.57	1,230.82	14.75	3.00	-
Derivative financial instruments	5.06	5.06	-	-	-
Trade receivables	508.62	457.15	51.47	-	-
Loans	11,222.71	5,239.13	4,693.89	865.60	424.09
Investments	5,801.65	5,011.30	231.58	260.05	298.72
Other financial assets	2,977.55	1,098.80	454.09	1,418.81	5.85
Total	22,590.54	13,868.64	5,445.78	2,547.46	728.66

iii) Market risk

The Group's activities exposes it primarily to currency risk, equity price risk and interest rate risk.

Currency Risk:

The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. The Group is exposed to currency risk significantly on account of its trade payables and trade receivables denominated in foreign currency. The functional currency of the Group is Indian Rupee. The Group wherever required, hedges its foreign currency risk by using Derivative Instruments (Forward Contracts).

a) Foreign currency exposures hedged by a derivative instrument are given below:

	As at March 31, 2022 (₹ in Crore)	As at March 31, 2022 (Amount in Foreign Currency)	As at March 31, 2021 (₹ in Crore)	As at March 31, 2021 (Amount in Foreign Currency)
Trade Receivables	-	-	20.24	USD 27,64,535.00

b) Foreign currency exposures not hedged by a derivative instrument or otherwise are given below:

	As at March 31, 2022 (₹ in Crore)	As at March 31, 2022 (Amount in Foreign Currency)	As at March 31, 2021 (₹ in Crore)	As at March 31, 2021 (Amount in Foreign Currency)
Trade Receivables	9.19	USD 12,16,584.01	2.72	USD 3,71,355.17
	0.03	GBP 2,560.00	0.04	GBP 4,190.00
	-	-	#	SGD 459.17
	-	-	0.01	AUD 1,790.12
	-	-	#	HKD 1,055.11
Trade Payables	0.56	USD 73,297.75	0.64	USD 86,803.85
	-	-	0.03	SGD 6,289.02

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Sensitivity analysis

The Group is mainly exposed to USD, SGD, GBP and AUD. The following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

	Net unhedged exposure		% Change	Profit or Loss	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
	₹ in Crore				
USD	8.63	2.08	5% Increase	0.43	0.10
			5% Decrease	(0.43)	(0.10)
SGD	-	(0.03)	5% Increase	-	#
			5% Decrease	-	#
GBP	0.03	0.04	5% Increase	#	#
			5% Decrease	#	#
AUD	-	0.01	5% Increase	-	#
			5% Decrease	-	#
HKD	-	#	5% Increase	-	#
			5% Decrease	-	#

denotes amount below ₹ 50,000/-

Equity Price Risk:

Equity price risk is related to the change in market reference price of the level 1 and level 2 equity instruments. The fair value of some of the Group's investments exposes the Group to equity price risks. In general, these securities are not held for trading purposes.

The fair value of level 1 and level 2 equity instruments as at March 31, 2022 and March 31, 2021 were ₹ 136.36 Crore and ₹ 69.96 Crore respectively. A 5% change in price of equity instruments held as at March 31, 2022 and March 31, 2021 would result in the following:

	₹ in Crore	
	March 31, 2022	March 31, 2021
5% Increase	6.82	3.50
5% Decrease	(6.82)	(3.50)

Interest rate risk:

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. Interest rates are susceptible to a number of factors beyond our control, including monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. The Group assesses and manages interest rate risk on balance sheet by managing assets and liabilities in line with Asset Liability Management Policy.

Exposure to interest rate risk

The Group's exposures to interest rates on financial assets and financial liabilities are detailed as under:

	₹ in Crore	
	March 31, 2022	March 31, 2021
Loans:		
Fixed rate Instruments	12,791.77	6,714.38
Floating rate Instruments	2,971.42	4,910.94
Total	15,763.19	11,625.32
Borrowings:		
Fixed rate Instruments	9,007.07	8,861.67
Floating rate Instruments	4,058.54	2,855.45
Total	13,065.61	11,717.12

Note: The above numbers are gross of expected credit losses and does not include accrued interest.

Fair value sensitivity analysis for floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Group's profit before tax would have changed by the following:

	March 31, 2022		March 31, 2021	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	29.71	(29.71)	49.11	(49.11)
Floating rate borrowings	(40.59)	40.59	(28.55)	28.55

51 The Board of Directors of the Company has recommended a final dividend of ₹ 1.15 per equity share of the face value of ₹ 1/- each for the year ended March 31, 2022 (Previous Year: ₹ 0.50 per equity share). The said dividend will be paid, if approved by the shareholders at the Thirty Seventh Annual General Meeting.

52 Additional Disclosures:

Revaluation of Property, Plant & Equipment and details of Benami property held:

The Companies in the Group have not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year. Also, the Companies in the Group do not hold any benami property.

Wilful Defaulter:

The Companies in the Group have not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

Relationship with struck off Companies:

The Companies in the Group have no transactions with the companies struck off under the Companies Act, 2013.

Compliance with number of layers of companies:

The Companies in the Group have complied with the number of layers prescribed under the Companies Act, 2013.

Undisclosed Income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

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to the Consolidated Financial Statements (Contd.)

53 Given the uncertainty due to Covid-19 over the potential macro-economic impact and external developments, the management of the relevant subsidiaries, has considered internal and external information up to the date of approval of their respective financial statements for the year ended March 31, 2022. The Group, based on the available information, has estimated an impact on the future cash flows in respect of the financial assets and has also applied management overlays basis the policies of the said subsidiaries for the purpose of determination of:

- the provision for impairment of financial assets carried at amortised cost; and
- the fair value of certain financial assets carried at fair value through profit or loss (FVTPL).

Accordingly, the Statement of Profit and Loss for the year ended March 31, 2022 includes incremental impairment provision of ₹ 143.90 Crore attributable to the pandemic. The said provision is in addition to the impairment provision already made and fair value loss aggregating ₹ 382.76 Crore as on March 31, 2021. Based on the current indicators of future economic conditions, the Group considers these provisions to be adequate and the fair values of financial assets carried at FVTPL to be appropriate.

In addition, while assessing the liquidity situation of the borrower, the Group has taken into consideration certain assumptions with respect to the expected realisation of the financial assets and the expected source of funds, based on its past experience which have been adjusted for the current Covid events.

The extent to which the pandemic will continue to impact the future results of the relevant subsidiaries and consequently the Group's results will depend on future developments, which are highly uncertain including, among other things, any new information concerning the severity of the Covid-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Given the uncertainty over the potential macro-economic condition, the impact of Covid-19 pandemic may be different from the ones estimated as at the date of approval of these consolidated financial results. The Group will continue to closely monitor any material changes to future economic conditions, which will be given effect to, during the respective future periods.

54 The Financial Statements are approved by the Board of Directors at its meeting held on May 24, 2022.

In terms of our report of even date attached

For and on behalf of

B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Kapil Goenka

Partner

Membership No. 118189

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Vice Chairman

DIN – 00009079

E A Kshirsagar

Audit Committee Chairman

DIN – 00121824

Atul Mehra

Joint Managing Director

DIN – 00095542

Adi Patel

Joint Managing Director

DIN – 02307863

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place: Mumbai

Date: May 24, 2022

Snapshots of the Year



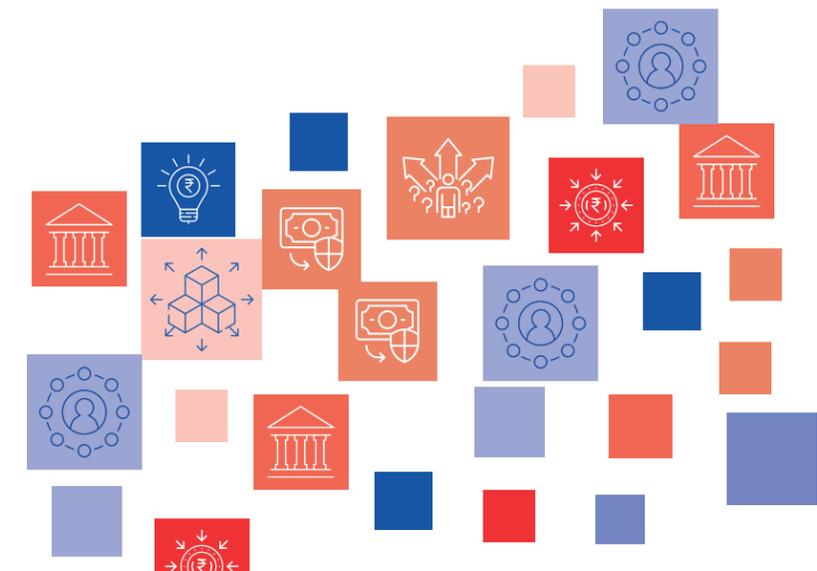
JM Financial Home Loans 50th branch inauguration



Employees sharing Christmas joys



Shri Vardhman Nidaan Seva - Preventive health awareness sessions in Khiara - Jamui, Bihar



Connect with us



7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India



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