JM FINANCIAL

July 7, 2023

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

Security Code: **523405**

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

Symbol: **JMFINANCIL**

Dear Sirs,

Re: **Annual Report for the financial year 2022-23**

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 (including the Business Responsibility & Sustainability Report) for the financial year 2022-23, which, *inter-alia*, contains the Notice convening the Thirty Eighth Annual General Meeting of the Company.

The above Annual Report has been sent to those members of the Company, (through electronic mode) whose email ids are available with the Company. The said report is available on the website of the Company 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**

Dimple Mayank Mehta
Digitally signed by Dimple Mayank Mehta
Date: 2023.07.07 22:48:34 +05'30'

Dimple Mehta
Company Secretary & Compliance Officer

Encl.: as above

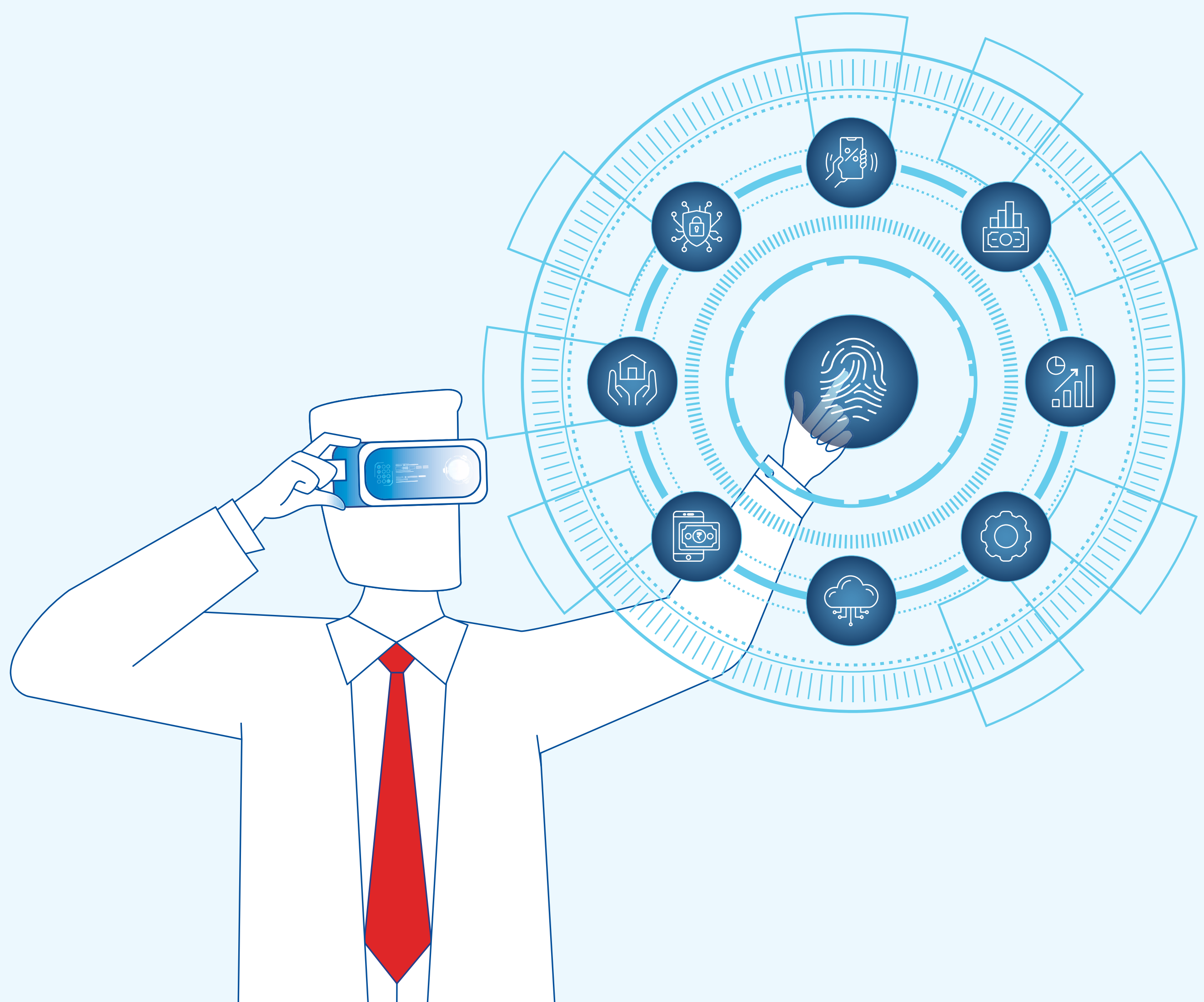
JM Financial Limited
Annual Report 2022-23

JM FINANCIAL | 50 YEARS

A Legacy of Excellence built with Integrity

A Future of Purpose led by Innovation

What's inside



A Legacy of Excellence Built with Integrity

A Future of Purpose Led by Innovation

As we commemorate our remarkable journey of five decades, we take pride in our rich legacy guided by principles and our proven time-tested capability to navigate and thrive in the ever-changing financial landscape. In our evolution from a pure-play capital market player to an integrated financial services group, the underlying theme has been our emergence as a comprehensive financial services group catering to the diverse needs of our clients.

The pursuit of excellence, the mainstay of our journey, rests on a foundation of strong corporate governance, deep-rooted values and visionary leadership. An enabling culture that we have carefully nurtured over the years, permeates every organisational and functional aspect. It's the powerful thread of synchronised actions, which drives us to deliver on our commitments while upholding the highest standards of ethics.

As we progress towards a future full of purpose and immense possibilities, we adopt a forward-thinking approach, leveraging new-age technologies across our organisation to enhance efficiency, elevate customer experiences and unlock new avenues for innovation.

With our range of varied solutions, a robust culture of integrity and an unwavering focus on building technological prowess, we are poised to unearth new growth avenues in a dynamic business landscape, deliver exceptional and sustainable value to our stakeholders and contribute to India's growth story.

The Red Tie Man leaps into the future of fintech and digitalisation using the VR glasses

The Red Tie Man gains access to a virtual world that provides insights into the future of finance. The VR experience signifies the innovative and immersive nature of technology, while also showcasing JM Financial's preparedness for digital transformation.

About JM Financial

JM Financial is one of India's leading financial services groups, renowned for its integrated and diversified offerings. With a strong commitment to excellence, innovation and client satisfaction, we have established a prominent presence in the industry.

Our comprehensive suite of services caters to corporations, financial institutions, high-net-worth individuals, and retail investors. Guided by a client-centric approach, we deliver tailored solutions supported by superior execution.

Business Segments

Investment Bank

This segment serves a wide range of clients, including institutional, corporate, government and ultra-high net-worth individuals.

With expertise in investment banking, institutional equities, research, private equity funds, fixed income, syndication, and finance, we provide comprehensive financial solutions.

Read more on page 17

Alternative and Distressed Credit

We have a strong presence in the alternative and distressed credit space, which includes the asset reconstruction business.

We leverage our expertise to acquire and resolve assets in the distressed space.

Read more on page 31

Mortgage Lending

We offer both wholesale and retail mortgage lending, including affordable housing finance business and secured MSME lending.

Our sourcing, monitoring and client servicing enable us to deliver efficient and customer-centric mortgage solutions.

Read more on page 29

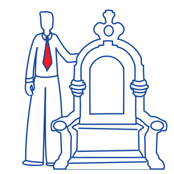
Asset Management, Wealth Management and Securities Business (Platform AWS)

Our integrated investment platform AWS provides a comprehensive suite of services, including wealth management, broking, portfolio management services (PMS) and mutual fund offerings. We empower individuals to achieve their financial goals with our expertise and personalised approach.

Read more on page 32

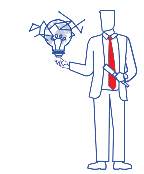
Core Values

Our business relies on a solid foundation: our value system. This system plays a crucial role in attaining our vision and goals, and it serves as the cornerstone for developing a robust company culture. These values collectively give meaning to the work we do and provide guidance for the behaviour of every individual within our organisation. By aligning with our ideals, culture, and ethical principles, these values empower us to remain committed to our overarching vision of delivering enduring value to all our stakeholders.



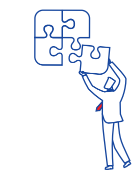
Client Focus

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.



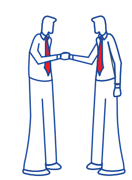
Integrity

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.

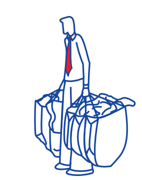


Partnership

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.

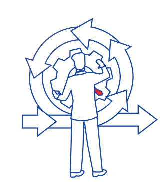
Team Work

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.



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.



Implementation

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

Our Journey

Milestones over the years

As JM Financial Group turns 50, we recognise it as a pivotal milestone that propels us towards an even more promising future. Our legacy of building a strong foundation and earning a stellar reputation has laid the groundwork for our continued success. While we commemorate this achievement, we remain firmly focused on the path ahead.

At the heart of our progress lies our unwavering commitment to collaboration, innovation and trust, which we have cultivated over five decades. This collective pursuit of advancement has been ingrained in our DNA, enabling us to navigate changing landscapes and emerge stronger. We acknowledge that our 50-year legacy is not merely a destination but a stepping stone to an even more fulfilling future.

1973
JM Financial commences operations

1986
JM Financial Limited incorporated to engage in stock broking and securities business

1998
Joint Venture with Morgan Stanley

2004
Capital market lending

2005-2006
Equity issue of shares to Tiger Global, Blueridge and Mr. Azim Premji

2008-2009
Commenced Distressed credit, Real Estate and Corporate lending businesses

2014
Set up a dedicated real estate business with a Global Fund led by Mr. Vikram Pandit

2015-2016
Rating upgrade to AA/Stable

2017
Received license for Housing Finance from National Housing Bank (NHB)

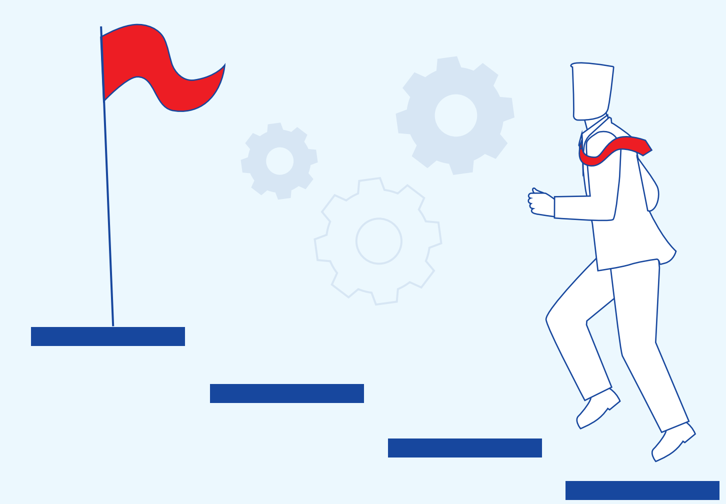
2018-2020
QIPs ₹ 650 crore in 2018 and ₹ 770 crore in 2020

Equity funds raise in Real Estate arm of ₹ 835 crore

2021-2022
Launched Bondskart.com

Reported highest ever consolidated operating PAT

Scan here to watch our Journey Milestones video



FY 2022-23 Key Highlights

Reflecting on the Year

ASSETS UNDER MANAGEMENT (AUM) AND LOAN BOOK

₹ 56,515 crore* Private Wealth Management

₹ 23,828 crore* Retail Wealth Management

₹ 1,228 crore* Elite Wealth Management

₹ 13,558 crore Distressed Credit

₹ 15,653 crore Loan Book

*Comprises distribution assets and advisory assets, as applicable

CONSOLIDATED FINANCIAL HIGHLIGHTS

₹ 3,343 crore Total Income

₹ 953 crore Profit Before Tax

₹ 597 crore Profit After Tax

1.45x Gross Debt/Equity

₹ 10,972 crore* Net Worth (Including non-controlling interest)**

*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

OUR PRESENCE

160 Branches

744 Locations

206 Cities in India

4* Overseas Locations

*Includes three subsidiaries and one representative office

SOCIAL HIGHLIGHTS

3,259 Employees

19% Women Employees

2,140 Person Hours Training Programme

~28,100+ Community Beneficiaries Impacted

STRONG CREDIT RATING

Long-term debt rating*

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

Short-term debt rating

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

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

Important Announcements

- JM Financial Private Equity leads ₹ 375 million Series B round investment in Emiza Supply Chain Services Pvt. Ltd.
- JM Financial Home Loans launches its branch in Erode, Tamil Nadu, taking the nationwide network to 75 branches
- JM Financial Private Equity leads ₹ 950 million investment in Silveredge Technologies Pvt. Ltd.
- JM Financial's consolidated loan book stood at ₹ 14,670 crore, an increase of 32.50% y-o-y for Q2FY23
- JM Financial's consolidated loan book stood at ₹ 15,234 crore, an increase of 35.53% y-o-y for Q3FY23
- JM Financial Home Loans Ltd. and Indostar Capital Finance Ltd. explore potential strategic options for their Home Finance and Retail Mortgage Portfolios
- JM Financial's consolidated loan book stood at ₹ 15,653 crore, an increase of 20.25% y-o-y for Q4FY23.

Key Performance Indicators

Consolidated Performance Review

Revenue

	₹ in crore
22-23	3,343.07
21-22	3,763.28
20-21	3,226.63
19-20	3,453.55
18-19	3,499.49
17-18	3,096.60
16-17	2,359.26
15-16	1,684.66
14-15	1,403.04
13-14	1,006.67

Profit*

	₹ in crore
22-23	597.29
21-22	773.16
20-21	590.14
19-20	544.98
18-19	572.18
17-18	600.86
16-17	470.20
15-16	400.46
14-15	330.52
13-14	209.53

Networth

	₹ in crore
22-23	8,083.82
21-22	7,633.77
20-21	6,947.46
19-20	5,586.33
18-19	5,079.25
17-18	4,502.20
16-17	3,372.38
15-16	2,804.21
14-15	2,437.71
13-14	2,091.87

Book Value Per Share

	₹ per share
22-23	84.66
21-22	80.01
20-21	72.92
19-20	66.41
18-19	60.47
17-18	53.73
16-17	42.45
15-16	35.54
14-15	31.10
13-14	27.70

Earnings Per Share

	₹ per share
22-23	6.26
21-22	8.11
20-21	6.34
19-20	6.48
18-19	6.82
17-18	7.48
16-17	5.93
15-16	5.08
14-15	4.32
13-14	2.78

Dividend Per Share

	₹ per share
22-23	1.80
21-22	1.65
20-21	0.50
19-20	0.20
18-19	1.00
17-18	1.80
16-17	1.50
15-16	1.45
14-15	1.35
13-14	1.00

Gross Debt Equity Ratio

	in times
22-23	1.45
21-22	1.29
20-21	1.29
19-20	1.47
18-19	1.94
17-18	2.54
16-17	2.41
15-16	1.92
14-15	1.53
13-14	1.32

Net Debt Equity Ratio

	in times
22-23	1.25
21-22	0.94
20-21	0.73
19-20	1.04
18-19	1.70
17-18	2.29
16-17	2.24
15-16	1.61
14-15	1.31
13-14	0.98

Cash and Cash Equivalents

	₹ in crore
22-23	2,206.91
21-22	3,637.34
20-21	5,350.60
19-20	3,412.33
18-19	1,736.58
17-18	1,468.66
16-17	771.48
15-16	1,095.10
14-15	678.82
13-14	771.74

* Consolidated profit after tax and non-controlling interest

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 period prior to 2017-18 are as per erstwhile Indian GAAP (IGAAP). Consolidated Networth, Book value per share, Gross and Net debt equity ratio and Cash and Cash Equivalents for the period prior to 2016-17 are as per erstwhile IGAAP.

Consolidated Tax Information

Corporate Tax[1]

	₹ in crore
22-23	243.9
21-22	355.7
20-21	260.8
19-20	316.0
18-19	446.3
17-18	438.4
16-17	334.8
15-16	222.4
14-15	156.4
13-14	80.0

Dividend Distribution Tax & Tax on Buyback[2]

	₹ in crore
22-23	Nil
21-22	Nil
20-21	Nil
19-20	3.7
18-19	29.9
17-18	31.8
16-17	11.1
15-16	18.7
14-15	21.3
13-14	13.9

GST & Service Tax[3]

	₹ in crore
22-23	256.5
21-22	304.1
20-21	214.5
19-20	213.3
18-19	204.8
17-18	216.4
16-17	129.6
15-16	99.1
14-15	68.9
13-14	41.7

Payroll Tax[4]

	₹ in crore
22-23	140.7
21-22	105.9
20-21	72.7
19-20	93.0
18-19	94.7
17-18	81.8
16-17	73.3
15-16	59.0
14-15	46.6
13-14	40.4

Non-Payroll Tax[5]

	₹ in crore
22-23	142.2
21-22	94.0
20-21	161.1
19-20	34.0
18-19	40.9
17-18	28.6
16-17	24.6
15-16	20.0
14-15	21.3
13-14	18.6

Securities Transaction Tax[6]

	₹ in crore
22-23	210.4
21-22	284.7
20-21	230.7
19-20	197.2
18-19	203.9
17-18	208.3
16-17	140.1
15-16	105.7
14-15	116.3
13-14	65.6

Total Tax Borne and Paid[7]

	₹ in crore
22-23	243.9
21-22	355.7
20-21	260.8
19-20	319.6
18-19	476.2
17-18	470.2
16-17	345.9
15-16	241.2
14-15	177.7
13-14	93.8

Total Tax Deducted/ Collected and Paid[8]

	₹ in crore
22-23	749.9
21-22	788.7
20-21	678.9
19-20	537.4
18-19	544.3
17-18	535.1
16-17	367.6
15-16	283.9
14-15	253.2
13-14	166.3

₹ 7,890.2 crore

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

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 the 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
Note- The above information has been verified by independent chartered accountant's firm.

From the Management's Desk

Leveraging Expertise and Innovation for Sustainable Growth

Dear Stakeholders,

It gives me immense pleasure to share with you that this year is extremely special for us as JM Financial Group marks its 50th year of operations in FY 2023-24. This momentous occasion is a testament to our enduring commitment to excellence and strong and distinctive positioning in the financial services industry. As we reflect on the journey and take great pride in our rich legacy, we are equally excited and resolutely focused on the future and the emerging opportunities for sustainable growth.

In FY 2022-23, the global economy witnessed several challenges and phases of volatility with escalating geopolitical tensions and disruptions in the supply chains leading to high levels of inflation. However, amidst the climate of uncertainties, the Indian economy has demonstrated remarkable resilience and effectively positioned itself to regain its pre-pandemic growth trajectory. The balance sheet clean-up efforts in the banking and non-banking sectors have resulted in well-capitalised institutions, fostering strong credit growth. In addition, the government's focus on strengthening transport, communication, digital, and logistics infrastructure has provided a robust foundation for sustained economic growth.

Amidst the evolving economic landscape, our business demonstrated resilient performance. Our consolidated revenue for FY 2022-23 stood at ₹ 3,343 crore, with adjusted PAT at ₹ 705 crore. In addition, our consolidated loan book experienced a growth of 20.3% year-on-year. This growth draws its strength from the diversified nature of our loan portfolio across various products.

The world around us is transforming at a rapid pace. Technology is reshaping industries, customer expectations are changing, and new challenges and opportunities are emerging. In this dynamic scenario, we remain committed to staying relevant by adopting and leveraging new-age technologies.

Towards this, we have invested in our Platform AWS business during FY 2022-23 and will continue to do so over the next 2-3 years, which will help us build robust digital capabilities and strengthen our asset management segments, such as our mutual fund business. This investment is expected to drive significant scale and value in our consolidated operations within Platform AWS.

While we take pride in our achievements over the past five decades, I am even more enthusiastic and optimistic about the path that lies ahead. Our journey has been characterised by a relentless pursuit of growth, innovation and value creation.

As we embark on the next phase of our journey, I extend my heartfelt gratitude to all stakeholders who have played a pivotal role in our progress. Their continuous support, trust and collaboration have been instrumental in driving our journey forward. Together, we will continue to create a positive impact and contribute to India's growth story.

Mr. Vishal Kampani

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

India, on the back of its enviable & consistent track record in growth and stability, is now firmly established itself as a fastest growing economy in the world.

At JM Financial, we stand at the crossroads of glorious history and progress. Over the past five decades, JM Financial has grown into a trusted partner, driving innovation and fostering transition. As we move to capitalise on this golden opportunity, we remain anchored in our commitment to strengthening and de-risking our diverse portfolio of businesses, embracing digital transformation backed by our best in class talent and leadership team following strong corporate governance.

Looking ahead, we are well poised to shape a future of sustainable growth and deliver long term value to all our stakeholders.

Mr. Atul Mehra

Joint Managing Director, JM Financial Limited

The domestic economic activity regained the growth momentum and the high frequency indicators seem to be robust. In FY 2022-23, JM Financial has demonstrated resilience and agility, positioning itself to seize a multitude of opportunities across our diverse business portfolio.

With a strong focus on expanding our client base, investing in digital adoption and forging strategic partnerships, we are geared for accelerated growth. Leveraging our robust fundamentals and strategic investments, we remain optimistic about our growth prospects and confident in our ability to navigate the evolving landscape.

Mr. Adi Patel

Joint Managing Director, JM Financial Limited

Board of Directors

Exemplary Leadership in Action

Our esteemed Board of Directors play a pivotal role in driving our organisation's success. With their strategic guidance and expertise, we chart a path of growth and deliver superior financial solutions, ensuring the prosperity of our clients and stakeholders.

Mr. Nimesh Kampani
Non-Executive Chairman

Mr. Vishal Kampani
Non-Executive Vice Chairman

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

Our Navigators of Success

Mr. Nimesh Kampani
Non-Executive Chairman

Mr. Vishal Kampani
Non-Executive Vice Chairman, JM Financial Limited
Managing Director, JM Financial Products Limited & JM Financial Credit Solutions Limited

Mr. Atul Mehra
Joint Managing Director, JM Financial Limited

Mr. Adi Patel
Joint Managing Director, JM Financial Limited

Ms. Sonia Dasgupta
Managing Director & CEO,
Investment Banking

Mr. Anish Damania
Managing Director & CEO,
Institutional Equities

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

Mr. Srinivasan Viswanathan
CEO, Asset Reconstruction
(With effect from 22 June, 2023)

Mr. Amitabh Mohanty
Managing Director & CEO,
Mutual Fund

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

Mr. Anuj Kapoor
Managing Director & CEO,
Private Wealth Group and Alternatives Asset Management

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

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

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

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

Mr. Arjun Mehra
Managing Director,
Investment Banking

Mr. Ranganath Char
Managing Director,
Real Estate Advisory

Mr. Deven Shah
Managing Director and Chief Risk Officer,
JM Financial Credit Solutions Limited

Mr. Nirav Gandhi
Chief Operating Officer & Co-Head,
Investment Advisory and Distribution

Mr. Dimplekumar Shah
Managing Director & Co-Head,
Investment Advisory and Distribution

Ms. Swapna Dey
Managing Director and Co-Head Origination,
Bespoke Finance Group

Mr. Sandeep Jain
Managing Director and Co-Head Origination,
Bespoke Finance Group

Mr. Amit Jhalaria
Managing Director and Chief Risk Officer,
JM Financial Products Limited

Mr. YV Shivnarain
Managing Director,
Financial Institution Financing Group

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

Mr. Chintan Maniar
Managing Director & Head of Sales and Trading,
Institutional Equities

Ms. Neha Agarwal
Managing Director & Head,
Equity Capital Markets

Mr. Gagan Singla
Managing Director,
Digital Business Group

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

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

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

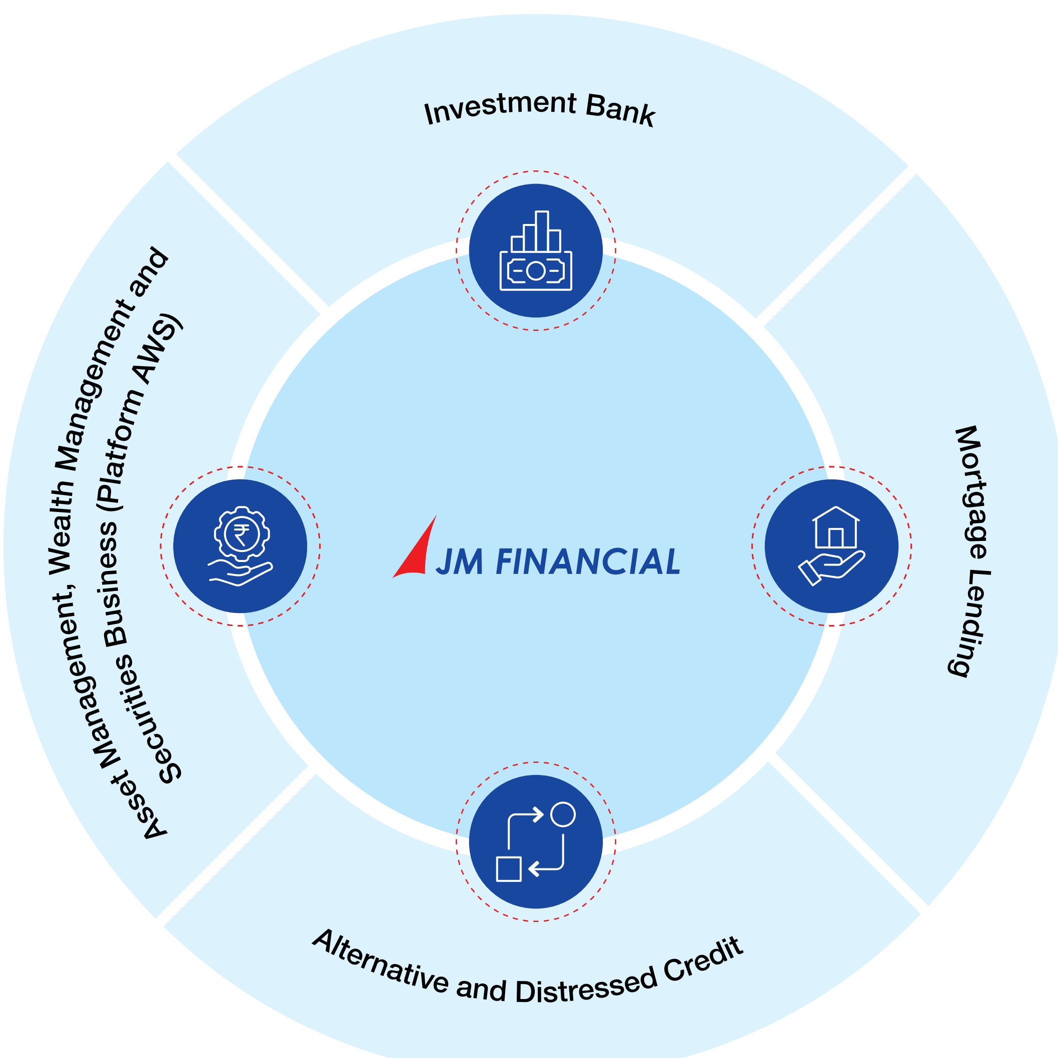
Mr. Sanjay Bhatia
Managing Director & Co-Head,
Business Affiliates Group

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

Business Segment Review

Exploring New Horizons across Verticals

Building upon our five-decade legacy, we embrace innovation and adaptability to cater to the evolving needs of our customers. By strategically focusing on specific domains, we harness our expertise and experience to create meaningful impact and drive sustainable growth. Through our dedicated efforts, we aim to redefine industry standards and deliver unmatched value to our clients in these select domains.



Investment Bank

INVESTMENT BANKING

With a legacy spanning five decades, we stand out for our exceptional advisory services, capital-raising capabilities, and strategic insights. Our enduring relationships with large and emerging corporates enable us to serve a diverse clientele, including corporations, institutions, government organisations and high net-worth individuals. Through our longstanding experience, market knowledge and innovative approach, we help businesses navigate challenges and capitalise on opportunities in a dynamic operating landscape.

EQUITY CAPITAL MARKETS

Equity capital markets in India have shown resilience amidst one of the most turbulent times, the amount raised in FY 2022-23 is still the third highest ever in terms of IPO funds raised after FY 2021-22 and FY 2018-19. The market throughout the year remained volatile as a result 2/3rd of the IPO came in just 3 months (May, November and December). 37 corporates raised over ₹ 52,000 crore through IPOs in FY 2022-23 as compared to 53 corporates that raised over ₹ 1.1 lakh crore through IPOs in FY 2021-22.

JM Financial also continued its dominance in Equity Capital Markets, successfully executing over 20 transactions in FY 2022-23. JM Financial is having a dominant share of ~ 60% of the equity raised via IPOs during FY 2022-23. Our commitment and deep understanding of the Indian markets have helped us achieve our clients' goals.

FY 2022-23 MARQUEE EQUITY CAPITAL MARKET TRANSACTIONS

Notable Initial Public Offerings (IPOs)

LIC	Medanta	Paradeep Phosphates	Archean Chemical Industries Limited
₹ 20,557 crore	**₹ 2,688 crore**	**₹ 1,502 crore**	**₹ 1,462 crore**
Life Insurance Corporation of India	**Global Health Ltd.***	**Paradeep Phosphates Ltd.**	**Archean Chemical Industries Ltd.**

*including Pre-IPO

Business Segment Review

FY 2022-23 MARQUEE EQUITY CAPITAL MARKET TRANSACTIONS

Notable Initial Public Offerings (IPOs)

₹ 1,400 crore	Campus Activewear Ltd.	
₹ 1,104 crore	Fusion Micro Finance Ltd.	
₹ 880 crore	Bikaji Foods International Ltd.	
₹ 836 crore	Uniparts India Ltd.	
₹ 755 crore	Harsha Engineers International Ltd.	
₹ 500 crore	Electronics Mart India Ltd.	
₹ 475 crore	Elin Electronics Ltd.	

Other notable equity capital market transactions

₹ 4,917 crore	Sona BLW Precision Forgings Ltd.	Block Deal
₹ 2,720 crore	IRCTC Ltd.	OFS
₹ 2,500 crore	Bajaj Auto Ltd.	Buyback
₹ 1,100 crore	UPL Ltd.	Buyback
₹ 958 crore	Sapphire Foods India Ltd.	Block Deal
₹ 865 crore	Indiabulls Real Estate Ltd.	QIP
₹ 806 crore	Campus Activewear Ltd.	Block Deal
₹ 500 crore	Data Patterns (India) Ltd.	QIP
₹ 235 crore	Gokaldas Exports Ltd.	Block Deal

MERGERS & ACQUISITIONS (M&A) ADVISORY AND PRIVATE EQUITY SYNDICATION

JM Financial is one of the most reputed and trusted M&A advisors having over four decades of unparalleled track record of executing some of the most complex M&A transactions. Our expertise, coupled with a customised approach, timely advice and deep sector understanding, allows us to provide the best advice to our clients, enabling them to leverage lucrative opportunities and maximise the strategic and financial value of each transaction.

Our impressive track record of deals showcases our distinct capabilities, catering to a wide range of clients, from prominent corporate giants to mid-market players. We have successfully played a key role in multiple diverse M&A transactions, spanning a spectrum of activities such as acquisitions, divestitures, restructurings, takeovers, schemes of arrangements, fairness opinions, and other strategic and financial advisory services. Our involvement in some of the largest and most intricate deals underscores our expertise and versatility in delivering comprehensive solutions to meet our clients' unique needs.

As one of the top-performing investment banks in the Indian M&A industry, we continue to thrive and maintain a strong growth trajectory. We have achieved remarkable success, announcing nine M&A transactions during FY 2022-23. These transactions collectively accounted for a substantial deal value of ₹ 4.66 lakh crore.

Source: Mergermarket and JM Financial Internal Database

FY 2022-23 MARQUEE M&A AND PRIVATE EQUITY TRANSACTIONS

Bandhan Consortium
₹ 4,500 crore
Exclusive Financial Advisor to the Bandhan Consortium on acquisition of IDFC AMC from IDFC Limited
(Completed January 2023)

Advent International
₹ 617 crore
Manager to the Delisting Offer by Advent International for DFM Foods
(Completed March 2023)

Hero FinCorp
₹ 2,000 crore
Exclusive Financial Advisor to Hero Fincorp on fundraise from Apollo Global and others
(Completed June 2022)

Rapido
₹ 1,370 crore
Exclusive Financial Advisor to Rapido for its Series D fundraise
(Completed April 2022)

Limeroad
Exclusive Financial Advisor to AM Marketplaces (Limeroad) and shareholders on its acquisition by V-Mart
(Completed November 2022)

HDFC Ltd.
Financial Advisor to HDFC Limited on its merger with HDFC Bank Limited
(Announced April 2022)

Burman Group
₹ 605 crore
Exclusive Financial Advisor and Manager to the Open Offer by the Burman Group for Eveready Industries
(Completed June 2022)

Business Segment Review

FY 2022-23 MARQUEE M&A AND PRIVATE EQUITY TRANSACTIONS

Adani Group
₹ 493 crore
Exclusive Financial Advisor and Manager to the Open Offer by the Adani Group in New Delhi Television
(Completed December 2022)

Shiva Performance Materials
₹ 388 crore
Exclusive Financial Advisor and Manager to the Open Offer by Shiva Performance Materials to the shareholders of Ineos Styrolutions
(Completed November 2022)

Kirloskar Ferrous
Fairness Opinion to the Board of Kirloskar Ferrous on the share exchange ratio of the proposed amalgamation of ISMT into Kirloskar Ferrous
(Announced November 2022)

ABB India
Fairness opinion to the board of ABB India in relation to a transaction involving its Turbocharging business
(Announced August 2022)

JSW Ispat
Faimess Opinion to the Board of JSW Ispat on proposed amalgamation of JSW Ispat into JSW Steel
(Announced May 2022)

Source: Mergermarket and JM Financial Internal Database

INSTITUTIONAL EQUITIES

Our Institutional Equities business offers brokerage services in both cash and derivative segments to domestic and international institutional clients and large family offices. We provide high-quality, differentiated research with a strong focus on new stock ideas, intensive client servicing and efficient trade execution, complemented by hassle-free, post-trade settlement. During FY 2022-23, we continued to generate differentiated stock ideas and published thought-leading thematic reports across key sectors and macro and investment strategy products among others.

These have ensured a beneficial relationship with our expanding investor client base, strengthening our robust research franchise with major corporations pan-India. We continue to be the preferred choice for clients and score well amongst broker partners representing domestic and foreign institutional investors. The performance of our Institutional Equities business is backed by years of investments in appropriate talent across sales, trading, research, operations, compliance and technology functions.

In FY 2022-23, we spearheaded and successfully consummated over two dozen marquee mandates/ transactions at a time when overall Institutional Secondary volumes were down. Our sales and sales trading team offer bespoke customised solutions to global and domestic institutional investors.

Business Segment Review

INVESTOR ACCESS EVENTS

Our services also include providing networking access to best-in-class corporates, senior government representatives, industry experts and thought-leaders across diverse sectors and varied spectrum of the economy. The FY 2022- 23 edition of the JM Financial Banking, Financial Services and Insurance (BFSI) Conference received an encouraging response facilitating over 1,500 interactions.

The Steady State Financing book for Capital Market lending stood at ₹ 1,062 crore

CAPITAL MARKET LENDING

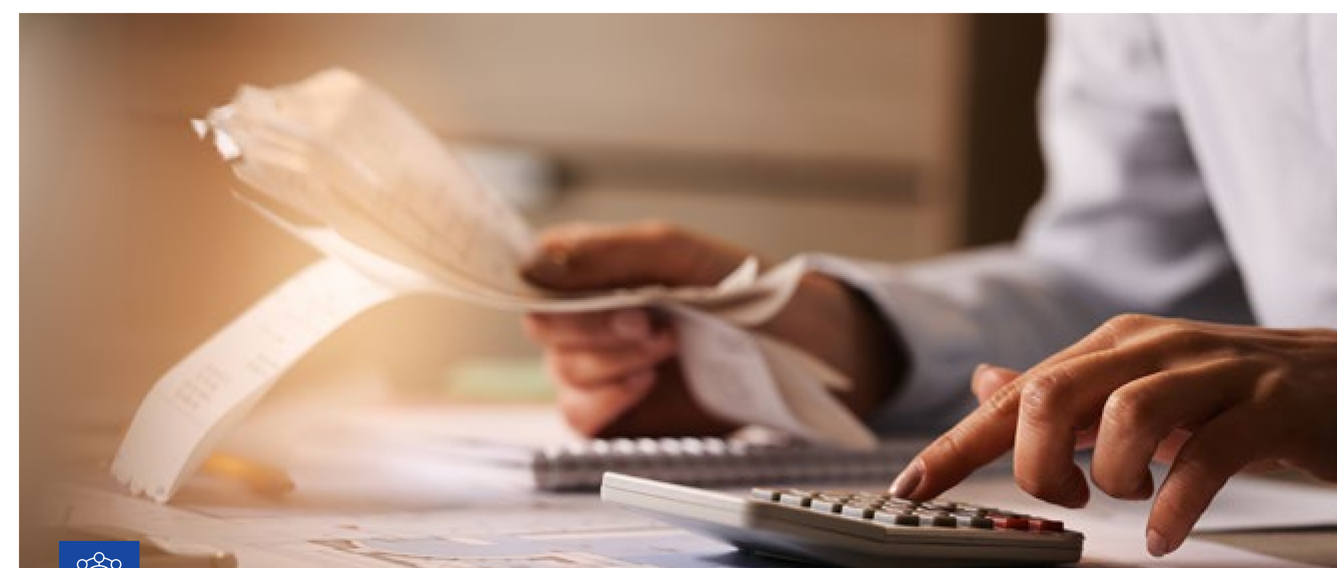
Our Capital Market Lending group offers loans against shares and other securities to meet the fund requirements of various categories of clients inter-alia Retail, HNI, HUFs and Corporate Entities. The group also provides finance for investment in primary market issues as well as ESOP and Mutual Fund schemes. Loans under this segment are typically short-term advances and cater to the financial requirements of clients.

BESPOKE FINANCE

The Bespoke Finance Group at JM Financial provides comprehensive and highly customised financing solutions to operating companies and promoter holding companies to refinance existing debt, acquisition financing, stake accretion, bridge to IPO/PE, buying out of investors and other strategic requirements. We differentiate our lending business basis our ability to provide large balance sheet commitment, superior client management and efficient turnaround time.

The bespoke finance loan book for the Group as on March 31, 2023, stood at approx. ₹ 2,636 crore. The year saw several highly profitable short-term transactions with significant balance sheet solutions for large franchise clients. We ramped up our syndication business this year, enabling balance sheet churn and higher return on capital deployed whilst also creating a strong market recall for our transactions.

We continue to benefit from our overall low leverage and strong balance sheet position attracting new deal inflows from franchise and market clients, who prefer to actively engage with us for large debt solution requirements. Our broader strategy continues to remain opportunistic in our lending approach and achieve a reasonable mix of short and medium-tenor deals with attractive average yield at a portfolio level.



FINANCIAL INSTITUTION FINANCING

Our Financial Institution Financing (FIF) business 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 NBFIs, who are rated between BBB and AA. The strategy is to partner with firms which have high-quality investors as part of their capitalisation table with strong management teams. The FIF loan book as on March 31, 2023, stood at ₹ 1,592 crore as compared to ₹ 440 crore as of March 31, 2022.

Business Segment Review

REAL ESTATE CONSULTING SERVICES (DWELLO.IN)

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

Dwello has a presence across the top four Indian cities for residential real estate by volume viz. Mumbai, Pune, Bengaluru and NCR. As on March 31, 2023, our portal displayed detailed information on 8,879 projects, with 5,262 projects from Mumbai, 2,907 projects from Pune, 550 projects from Bengaluru, 7 projects from Delhi and 153 projects from Gurugram. Our teams facilitated sales for 1,911 unique customers spanning 1.2 mn sq. ft. of carpet area in FY 2022-23.

Dwello has developed unique capabilities of acquiring customers digitally using its web assets, including the Dwello portal, CRM, analytics and efficiencies achieved in its marketing processes.

PRIVATE EQUITY FUND MANAGEMENT

JM Financial India Fund II (Fund II) is a 2019 vintage (i.e. Final Close) private equity fund registered 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 has completed a partial divestment from one of its portfolio companies.

JM Financial India Growth Fund III (Fund III) completed its third closing in March 2023. As on March 31, 2023, Fund III has finalised four investments and continues to evaluate a strong pipeline of investment opportunities in its target segments. Similar to 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 I has successfully exited from all its portfolio companies (including one partial exit). It has distributed/appropriated an aggregate of 203% in I terms (before income tax-related retentions and reserves) of the capital contributions.

INVESTMENT GRADE GROUP

The Investment Grade Group (IGG) (erstwhile Institutional Fixed Income division) in its third full year of operations continued to focus on raising debt resources for corporate clients, investment advisory and active dealing in corporate bonds. The key developments along with focus include:

Public Issues of Non-Convertible Debentures (NCDs)

The team worked extensively with first-time issuers in the Private and PSU space and ranked #3 in FY 2022-23 on the Prime Database League Table standings for the second time straight.

₹ 2,227 crore
Total volume of issuances managed during the year in public issue space

25%
Market share garnered

Private Placement of Non-Convertible Debentures (NCDs)

The team worked extensively with higher-rated PSU and private corporates and broke into the top-ten league, ranked #10 in FY 2022-23 on the Prime Database League Table standings

Arranger to 69 issuances in the private placement space during the year totalling to ~₹ 1,51,264 crore

Business Segment Review

KEY INVESTMENT GRADE GROUP HIGHLIGHTS

Public Issue FY23

National Highways Infra Trust
Lead Manager for Maiden Public Issue
₹ 1,500 crore

Navi Finserv Limited
Lead Manager for Maiden Public Issue
₹ 496 crore

InCred Financial Services Limited
Sole Lead Manager for Maiden Public Issue
₹ 231 crore

Notable Private Placement during FY23

National Bank for Agriculture & Rural Development
Arranger for Private Placement of NCDs
₹ 31,684 crore
Across Multiple Tranches

Small Industries Development Bank of India
Arranger for Private Placement of NCDs
₹ 22,405 crore
Across Multiple Tranches

Power Finance Corporation
Arranger for Private Placement of NCDs
₹ 18,104 crore
Across Multiple Tranches

Indian Railway Finance Corporation
Arranger for Private Placement of NCDs
₹ 16,059 crore
Across Multiple Tranches

REC
Arranger for Private Placement of NCDs
₹ 11,493 crore
Across Multiple Tranches

Indian Oil Corporation
Arranger for Private Placement of NCDs
₹ 7,500 crore
Across Multiple Tranches

Hindustan Petroleum Corporation
Arranger for Private Placement of NCDs
₹ 6,400 crore
Across Multiple Tranches

Nuclear Power Corporation of India
Arranger for Private Placement of NCDs
₹ 4,850 crore
Across Multiple Tranches

Bharat Sanchar Nigam Limited
Arranger for Private Placement of NCDs
₹ 4,185 crore

KEY INVESTMENT GRADE GROUP HIGHLIGHTS

Notable Private Placement during FY23

Power Grid Corporation of India
Arranger for Private Placement of NCDs
₹ 2,987 crore
Across Multiple Tranches

Union Bank of India
Arranger for Private Placement of NCDs
₹ 2,820 crore
Across Multiple Tranches

Bank of Baroda
Arranger for Private Placement of NCDs
₹ 2,474 crore

Canara Bank
Arranger for Private Placement of NCDs
₹ 2,000 crore

Bank of Maharashtra
Arranger for Private Placement of NCDs
₹ 1,348 crore
Across Multiple Tranches

Private Placement for NBFCs FY23

Tata Capital Housing Finance
Arranger for Private Placement of NCDs
₹ 1,651 crore
Across Multiple Tranches

Tata Capital Financial Services
Arranger for Private Placement of NCDs
₹ 1,163 crore
Across Multiple Tranches

L&T Finance Limited
Arranger for Debt Issuance
₹ 700 crore

Shriram Transport Finance Company
Sole Arranger for Debt Issuance
₹ 200 crore

Axis Finance
Sole Arranger for Capital Issuance
₹ 100 crore

Mahindra & Mahindra Financial Services
Arranger for Sub-Debt
₹ 80 crore

The Investment Grade Group continued market making as an authorised market maker and brought two more ETF schemes under its fold – being made the authorised market maker to 'Bharat Bond ETF 2033' managed by Edelweiss AMC and 'Nifty 10 Year Benchmark G-Sec ETF' managed by ICICI Prudential MF taking the total count to 10 ETF schemes.

Business Segment Review

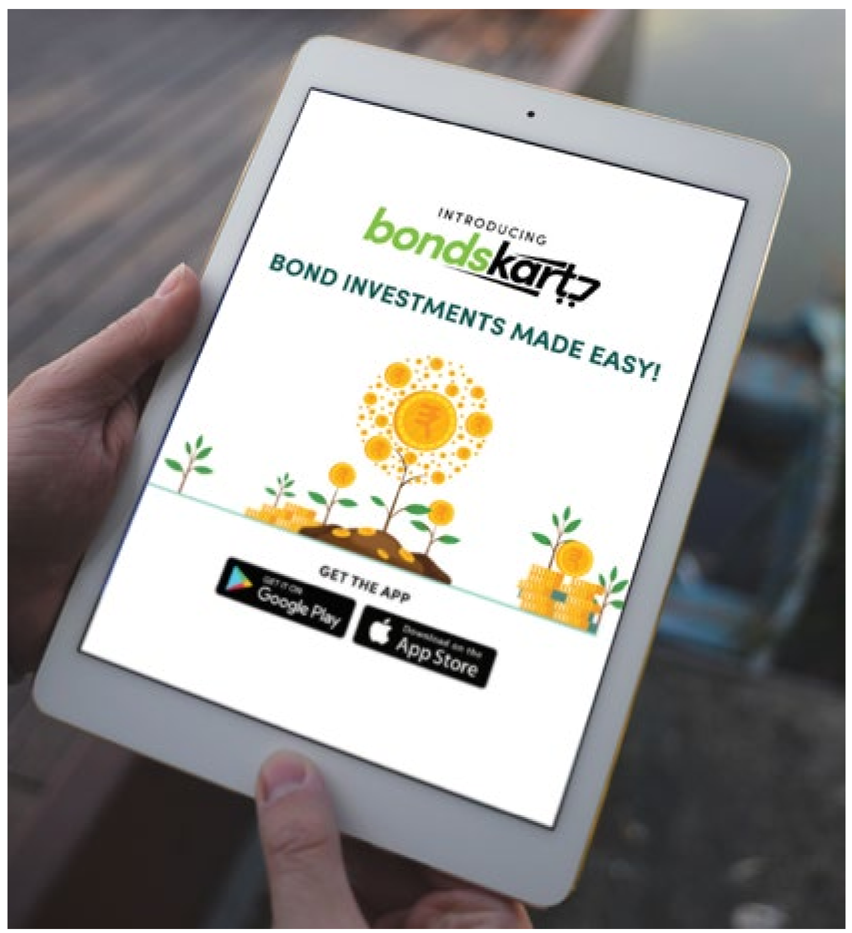
DEBT ETFS WHERE IGG ACTS AS AUTHORISED MARKET MAKER

- Six 'Bharat Bond' ETF schemes managed by Edelweiss AMC
- '10-year gilts' scheme managed by SBI MF
- 'Nippon India ETF NIFTY CPSE BD plus SDL' scheme of Nippon India MF
- 'ICICI Prudential 5 Year G-Sec ETF' & 'ICICI Prudential NIFTY 10 Year Benchmark G-Sec ETF' managed by ICICI Prudential MF

BONDSKART

Bondskart, launched in November 2021, is a one-of-its-kind, intuitive digital investment platform which enables investors to trade or invest in Fixed Income Securities, including Corporate Bonds. It 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.

Bondskart has further strengthened the bouquet of financial services apart from complementing the investment distribution network of the group and has grown multi-fold in terms of user registrations and trades transacted over the platform. It offers exclusive access to a diligently curated portfolio of top-notch securities ranging from AAA to A credit ratings with promising yields. This coupled with the ease of buying and selling, ensures that investors always have the edge.



Curated Inventory | Cutting Edge Technology | Reputed Lineage | End-to-End Security

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 affordable housing finance business and secured MSME 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 the 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. We offer Project Loan, Project at Early Stage Loan, Loan against Property and Loan against Securities.

The trend of consolidation in the industry persists as the proportion of new bookings received by leading developers within the total sales is on the rise. Given the reduction of the inventory overhang across geographies and the rise in demand, developers acquired new projects and accordingly, new launches have increased. The momentum of new bookings for residential projects was witnessed in the latter part of FY 2021-22 which continued throughout FY 2022-23. Going forward into FY 2023-24, we expect that the inherent demand-supply equation for residential projects is well balanced; however, the impact of rising interest rates on home loans may impact the affordability and reduce the unit size expectations, especially in the affordable segment. The demand for mid and luxury-segment residential projects is likely to remain stable because of well-performing capital markets and other segments of the economy.

₹ 8,445 crore

Wholesale mortgage lending book as at March 31, 2023

Business Segment Review

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 traditional financial institutions. Despite mortgages being an extremely competitive product segment, we have found a niche in serving an inadequately serviced customer segment. Since inception, we have weathered many storms - GST, Demonetisation, severe funding drought post a couple of big conglomerate crises, economic slowdown, the continued impact of a global pandemic and the rising interest rate scenario.

Inflationary pressures on input costs compelled the developers to raise property prices. Alongside, consumers began to feel the pinch of rising interest rates with home loan disbursals and demand dipping in the first six months of the financial year. These two factors have led to an increase in the overall property acquisition cost for homebuyers, leading to a dip in housing sales, particularly in the first six months.

Performance in FY 2022-23

The affordable housing finance business continued to execute its branch expansion agenda. We announced the launch of Erode branch in Tamil Nadu, which marks our 75th branch across India. The branch's inauguration is in line with the Company's continued focus on deeper penetration in the affordable segment.

GNPA at ~1% demonstrates strong underwriting. The collection efficiency has remained robust at 99%. The year witnessed strong performance on all parameters. As we enter FY 2023-24, we remain optimistic about the medium-term secular growth outlook in this segment.

JM Financial Home Loans Limited and Indostar Capital Finance Limited are engaged in preliminary discussions to explore potential strategic options, including a potential combination and listing of the retail mortgage portfolio of JM Financial and the home finance business of Indostar Home Finance Private Limited, including other mortgage-backed business of Indostar.

MSME Lending

The MSME business within Retail Mortgages comprises two business segments, Loans to Education Institutions (EIL) and Loans to Small and Medium Enterprises (MSME LAP) for Business expansion purposes. We have realigned and sharpened our focus on the MSME LAP business, which has subsumed EIL lending. Both the products, i.e. EIL and LAP will now unfold into one MSME business strategy, and this will lead us towards growth in books, keeping in mind the portfolio quality to remain intact.

The focus of the business in the EIL segment continues to be on relatively larger schools which have managed well through the Covid pandemic and have seen a resurgence in terms of new admissions for the year 2022-23 and are expected to increase in FY 2023-24 as well. These institutions are deploying the majority of the new funds to expand existing infra and in some cases, acquire struggling schools available at distress valuations. Further, as a strategy, we have curtailed ticket sizes of EIL loans in rural/semi-urban areas and moved away from purely rural affordable schools. The first quarter witnessed the education segment opening up across the country and showed improvement in fee collections and enrolment.

Small and medium business enterprises are also seeing demand revival. With the banking system being slow in responding to the expanding working capital of business expansion capital requirements of these enterprises, there is an opportunity for our business to respond to this demand for capital and be in a position to choose stronger credit profiles. We are well-positioned to capitalise on the opportunity.

55 to 93

Expanded branch network at the year end

₹ 1,918 crore

Retail Mortgage loan book of the Group

Alternative and Distressed Credit

During the year, we prioritised our focus on opportunistic acquisitions from the NBFC sector. We acquired dues of ₹ 9,751 crore, which primarily included portfolios of retail assets. This has allowed us to broad base our investment portfolio and diversify risk over a larger number of borrowers.

Our continued efforts on resolutions resulted in recoveries of ₹ 1,067 crore aided by the sale of assets, restructuring, settlement and IBC. Security Receipts worth ₹ 807 crore were redeemed during the year. We successfully restructured the debt of two accounts during this period.

On the liability side, we raised funds of ₹ 1,000 crore through the issuance of Non-Convertible Debentures (NCDs) to Mutual Funds and ₹ 125 crore in long-term finance from Banks and NBFCs.

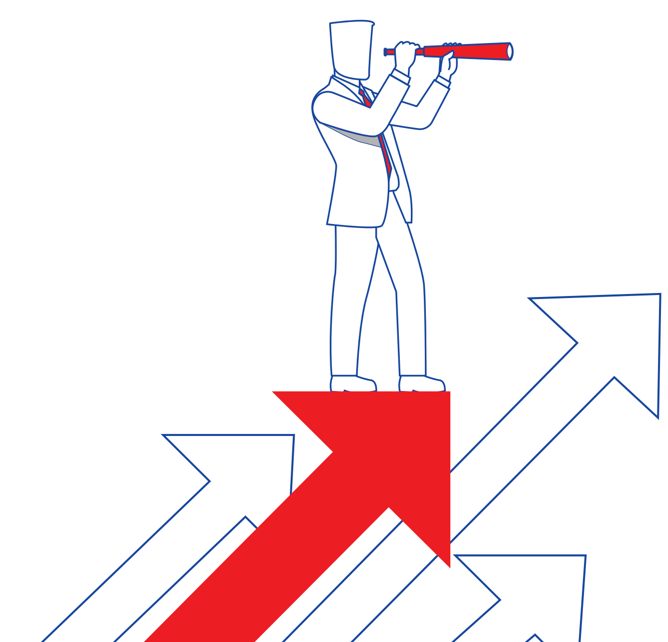
We have built a strong expertise of around 15 years in this business. On the corporate side, we invest in overleveraged companies with a strong asset/collateral base, viable business models and/or real estate with good development potential. On the retail side, we consider multiple factors including ageing analysis, geographical spread, origination practices, past payment track records, and CIBIL scores etc.

We facilitate the turnaround of our investee companies through initiatives like restructuring of debt streamlining of operations and liquidation of non-core assets. Recoveries are aligned with cash flows to ensure that our Internal Rate of Return (IRR) expectations are met. Our investment strategy is to acquire quality assets at the right price and limit 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.

We have a team of professionals from diverse backgrounds, who are experienced in law, banking, corporate debt restructuring and bankruptcy. The team is also involved in financial and legal due diligence for acquisitions and resolutions. We also closely work with diverse sector-specific professionals and firms for the revival of the acquired units.

Our acquisition strategy is towards full cash acquisitions with a co-investment model along with financial investors and strategic partners. Along with corporate accounts, the focus is also going to be on the acquisition of retail portfolios which would help to reduce concentration risk by diversifying the AUM. In the coming year, apart from the focus on recoveries, we are focusing on the acquisition of incremental assets based on the co-investment model resulting in a healthy mix of fee-based and fund-based revenue models.

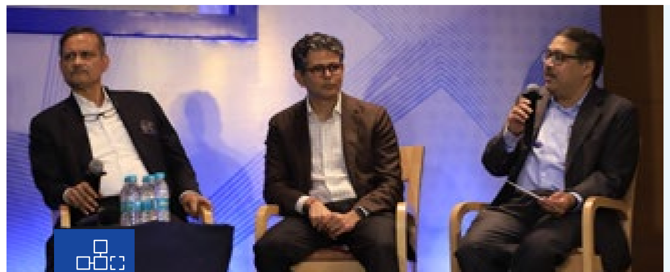
Till March 31, 2023, we have acquired total outstanding dues of ₹ 73,508 crore at a gross consideration of ₹ 21,680 crore. The outstanding Security Receipts stood at ₹ 13,558 crore as on March 31, 2023. The outstanding contribution of JM Financial Asset Reconstruction Company Limited stood at ₹ 3,862 crore as on March 31, 2023. We have had 73 exits (trusts) spread across sectors which is a testimony of our strong expertise gained over the years in resolving distressed assets.



Business Segment Review

Asset Management, Wealth Management and Securities Business (Platform AWS)

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



ASSET MANAGEMENT

Our network has expanded significantly and spans thirteen locations, including the recent additions of Lucknow and Baroda in FY 2022-23. We have increased our distribution strength to over 18,000+ which includes 1400+ new partners and are currently servicing 1.44 lakh investor folios.

We have successfully concluded our NFOs for the JM Short Duration Fund with a collection of ₹ 156 crore in July-August 2022 and JM Midcap Fund having a collection of ₹ 94 crore in November 2022. We now offer 14 mutual fund schemes, which comprise Equity, Fixed Income and Hybrid schemes catering to institutional and retail investors.

To enhance our relationship and service our partners in a more efficient way, we have taken various digital initiatives like Partner Online Empanelment and the updation of Distributor Interactive Transaction (DIT) portals for individual MFDs, which will make the entire online transaction process seamless and convenient for our partner. Additionally, our investor portal is fully operational for those who prefer to transact online. We have also started engaging with RIAs online and digital ARNs, and we are also available on various Industry-level transaction platforms.

We prioritise active engagement and communication with our valued partners and clients through our social media platform. Our LinkedIn handle has gained significant growth through an effective communication strategy, which has led to over 5,000 followers.

Additionally, we are utilising Business for WhatsApp, which further allows us to streamline our messaging. Soon, we plan to expand our online presence by making our debut on Instagram and YouTube.

We are committed to providing our clients with the best possible investment experience. By continuously improving our online platforms and expanding our portfolio, we aim to make investing with us as seamless and rewarding as possible.

As of March 31, 2023, the closing AUM of JM Financial Mutual Fund was at ₹ 2,962 crore, with Equity and Hybrid AUM at ₹ 789 crore, Debt AUM at ₹ 323 crore, and Liquid AUM at ₹ 1,850 crore. The SIP base has experienced a growth of 77% from 6,871 to 12,188 and has also witnessed an increase in the monthly input value from ₹ 1.56 crore to ₹ 4.01 crore as of March 2023.

IFD Achievers Awards 2022, Mumbai

WEALTH MANAGEMENT

Private Wealth Group

Private Wealth Management Group continues to offer personalised attention and execution expertise along with an extensive bouquet of products to serve its clients' requirements. During FY 2022-23, the segment has mobilised more than ₹ 16,000 crore in various Equity and Debt mutual fund schemes and over ₹ 1,000 crore in Corporate Fixed Deposits and Bonds. Private Wealth Group's Assets Under Management (AUM)* stood at ₹ 56,515 crore as on March 31, 2023.

Elite Wealth Group

The Elite Wealth Management Group focuses on clients with a networth in the range of ₹ 50 lakh to ₹ 10 crore and is present in eight cities. The segment has a team of 94 as of March 31, 2023. 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 in corporates, tech-savvy professionals and millennials on their journey to create wealth. The segment has onboarded more than 1,170 new clients during the year taking the total clientele to 4,120 clients with ₹ 1,228 crore of AUM* in the full year of operation.

Retail Wealth Group

Retail Wealth Group has a network of over 9,000 active Independent Financial Distributors (IFDs) distributing various financial products such as Mutual Funds, SIPs, Fixed Deposits, IPOs, Bonds to retail and high net-worth customers across the country. During FY 2022-23, we have registered more than 38,000 SIPs, taking the total count of SIPs to more than 1 lakh and have mobilised over ₹ 2,400 crore in various Equity and Debt Mutual Fund schemes and more than ₹ 6,600 crore in various Corporate Fixed Deposits and Bonds. During FY 2022-23, we have procured more than 25 lakh applications in IPO. Retail Wealth Group AUM* stood at ₹ 23,828 crore as on March 31, 2023. The segment added new partners with majority of them being qualified professionals like CAs and senior Bankers.

During FY 2022-23, the business strengthened its digital presence with substantial growth in online transactions for Mutual Funds, Fixed Deposits and Public Issues. A key initiative of digitalising the entire process of IFD empanelment has elevated the experience of onboarding prospective IFDs.

During FY 2022-23, the IPO bidding process was digitised which helped to activate many small IFDs who had discontinued promoting IPOs, when the UPI payment facility became mandatory.

~90%

SIPs were done digitally

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

Business Segment Review

SECURITIES

Equity Brokerage Group

We are an advisory driven broking house, focusing on HNI, Corporate and retail clients through our branch and franchisee network. Currently, we provide research-based equity advisory, trading services and third-party investment products through 52 branches and 744 locations in over 206 cities across India. Our equity business has expanded reach and visibility by opening new branches and expanding franchisees in new locations. During FY 2022-23, 60% of client volume was contributed through online trading. With a seamless access to all segments - Primary and Secondary products, Advisory, intuitive scanners and ready-to-trade Options strategies making the offering has found favour with all our clients.

We are confident that the infusion of fresh talent will further strengthen our product and investment counsellor team for in-house and third-party investment products through our broking channel.

Talking Finance, Amritsar

Online Developments

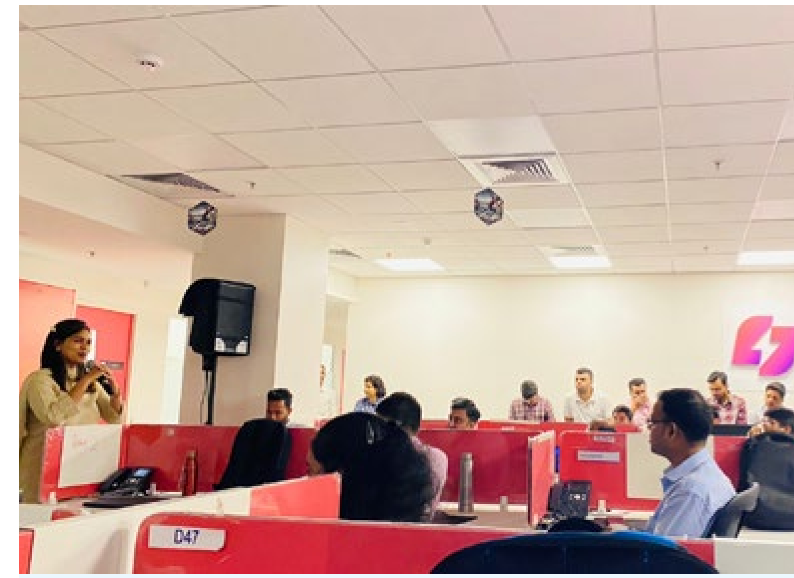
- Customised Insta KYC App launched on Android and iOS, as per our Business Model of RM's, Sales Traders, Introducers, Support Team
- Compass App on Android and iOS – Back office mobile app for clients, RM's, Support Teams, Franchisees
- Subscription based plan for MTF
- DIY account opening facility on our website
- Online IPO bidding facility from our website

₹ 26,831 crore
Average Daily Volume during FY 2022-23

Over ₹ 14,674 crore
Average Daily Online Volume in FY 2022-23

₹ 2,393 crore
Average Daily Mobile Volume in FY 2022-23

Approx 90,000
No. of Active clients



Our vision is to become the undisputed pioneer in the fintech industry, and we have built a team of over 140 mavericks in technology, data science, business, marketing and other areas who have been instrumental in launching and establishing the roadmap for our brand. We intend to provide innovative and groundbreaking financial solutions to our clients through four mobile applications - digital broking, lending, wealth management and investment advisory.

Digital Business Group

In early 2022, JM Financial entered the rapidly expanding fintech industry, recognising the incredible opportunity to deliver innovative financial solutions to the billion-plus Indian population. As a result, we are excited for our new FinTech platform which cuts across WealthTech, LendingTech and InvestmentTech domains.

App for Digital Business- We have gone live with a new mobile app and deployed the same in the Play Store post approvals. The app is currently in the Closed User Group (CUG). We have developed customer-centric features, which we believe will provide a lot of value to the users.

Website for Digital Business - During the last quarter of FY 2022-23, we rolled out two key website features to enhance user experience - Search and Market-Data pages. The Search is a flagship feature that caters to users' queries in natural language from a simple knowledge query to a market-data query. Market data pages, on the other hand, give a graphical overview of the market data dissected in various views. Additionally, we have also equipped our CMS to handle SEO-related changes on the website with a continued focus to reduce developer dependency.

New DIY onboarding platform - We augmented our new AI-enabled In App DIY journey with 2 vernacular languages - Hindi and Gujarati and plan to add 3 more vernacular languages in the coming quarter. This new DIY platform has started to yield results. Furthermore, we are continuously developing new features to improve the offering.

Digital Marketing – We started building knowledge content on digital channels like YouTube, Twitter and our website in the form of articles, videos, short-videos and info-graphic nuggets. Dissemination of this content will help us in wider reach and give a superior experience to the users.

Awards and Testimonials

Achievements that Inspire Our Journey

The recognitions and affirmations from our esteemed clients and the industry at large serve as a catalyst for our journey to the next milestone. These prestigious honours reflect our unwavering commitment to excellence, innovation and delivering exceptional value to our stakeholders.

Great Place To Work. Certified FEB 2023-FEB 2024 INDIA

Great Place to Work

JM Financial Group has been accredited as Great Place to Work Certified™ by the Great Place to Work Institute for the below five participating entities for the period February 2023 - February 2024

- **JM Financial Limited** (Institutional Securities Businesses)
- **JM Financial Services Limited**
- **JM Financial Products Limited** (Dwello)
- **JM Financial Home Loans Limited**
- **JM Financial Asset Management Limited**

The Great Place to Work Institute India's Great Mid-Sized Workplaces, 2022

JM Financial Home Loans Limited recognised third time in a row among 'India's Top 50 Great Mid-Sized Workplaces 2022'.

BSE Awards, 2022

Bondskart has been recognised by BSE Ltd., as the 'Best Performer in Retail Trading in Corporate Bonds' - Fintech Platforms in October 2022.

JM Financial Services Limited has been recognised by BSE Ltd., amongst:

- **Top 5 Performers in Primary Market Segment** (Equity - Members)
- **Top 5 Performers in Primary Market Segment** (UPI Bids - Members)
- **Top 5 Performers in Primary Market Segment** (Debt - Members)
- **Best Performers in Institutional Segment – Domestic**

The Asset Triple A Country Awards for Sustainable Finance 2022

- JM Financial Limited awarded for the Best Corporate and Institutional Adviser, India
- JM Financial Limited awarded for the Best Equity Adviser, India

Client Testaments

We at HDFC Bank congratulate JM Financial Group on the special milestone of its 50th Anniversary. I have been witness to the impressive strides that JM Financial Group, under the astute leadership of Mr Nimesh Kampani, has made in Investment Banking and affiliated financial services over the years. Nimesh bhai and his team have been the trusted advisors to many corporate, industrial and financial services groups in India.

HDFC Bank's relationship with JM Financial is over two decades old and today extends to various entities of the HDFC group.

At this milestone of marking their 50th year in operation and Golden Jubilee celebrations, HDFC Bank wishes Nimesh bhai, Vishal Kampani and the JM Financial team continued success in the many years to come.

Mr. Sashidhar Jagdishan
MD & CEO, HDFC Bank

Heartiest congratulations to every member of the JM Financial team on achieving this outstanding milestone of completing 50 years. The brand and reputation of JM Financial is a testament of the vision of its leaders and the dedication and commitment to excellence that the team has displayed. The association of the ICICI Group with JM Financial has been a long and fruitful one, and JM Financial has been a key partner in our journey of growth. We wish JM Financial continued success in the years ahead.

Mr. Sandeep Bakhshi
MD & CEO, ICICI Bank

Awards and Testimonials

JM Financial has been synonymous with the Indian financial market development. I appreciate and respect the capacity of JM Financial to deliver fast, reliable and no complications advice. With JM Financial, you can envision innovative ideas and execute them in an easy and flawless manner.

Mr. Gautam Adani

Founder and Chairman, Adani Group

As you celebrate a remarkable 50-year journey in the financial services industry, I am delighted to express my happiness and gratitude for your precious advice, unwavering support and invaluable contributions in our journey together. Your organisation and colleagues were involved with a high degree of commitment and dedication and their knowledgeable advice made a significant impact in Stovekraft's IPO exercise.

Throughout our association, your organisation's guidance has been nothing short of exceptional. Your ability to navigate complex financial landscapes and provide insightful advice has helped Stovekraft immensely. Your golden jubilee is a testament to the unwavering commitment to excellence, integrity and professionalism that will continue to help clients grow many businesses around the globe.

Here's to fifty remarkable years of service and to many more to come!

Mr. Rajendra Gandhi

Managing Director, Stovekraft Ltd.

Our heartiest congratulations to the entire team at JM Financial on this momentous milestone. It has been an honour and pleasure working with you and your colleagues over the years and in the process, we have learnt so much. We really look forward to continuing this relationship for decades to come.

Mr. Sachin Bhartiya

Managing Partner, Lighthouse

It is indeed a delight to cheer the five-decade milestone of JM Financial Group! During a period of enormous volatility and seismic change in the market landscape, they have served as a north star of stability in terms of both advisory as well as financial market execution. In many ways, a stable, high-calibre core team at JM Financial has been key to delivering these outcomes. Congratulations again, and best wishes for an even more exciting next 50!

Mr. Venkatesalu P

ED & CEO, Trent

Congratulations to JM Financial Group on this landmark occasion. It has been a pleasure working with the JM Financial team. They bring a great mix of Business Understanding, Value addition, Solution based approach with an overarching compliance mindset. I am sure, you will scale greater heights and continue to be a leader in the ECM domain.

Mr. Vijay Jain

CFO, Sapphire Foods

JM Financial has a rich history of accomplishments through in-house knowledge, passion and deep interest in the client's progress. There is confidence that comes with working with JM Financial, knowing that your affairs are being managed efficiently. In 2019, when Shree thought of raising equity, JM Financial proved to be a valuable partner. They guided us throughout our journey of fundraising and it was a rich experience. They followed a strong process right from preparation of the Information Memorandum, assisting in compliances, and finalising allotments among others. Apart from their Investment Banking capabilities, we also value the advice given by their Wealth Management and Institutional Research team.

Congratulations on completing 50 glorious years. All the best for the future.

Mr. HM Bangur

Chairman and Promoter, Shree Cements Ltd.

Our People. Our Triumph.

Fostering Excellence. Thriving Together.

The milestone of five decades of excellence is a testament to the unwavering dedication and commitment of our exceptional people. They have served as the driving force behind our growth and success. As we envision the future, we remain steadfast in our commitment to cultivating a workplace that fosters continuous learning, collaboration, and innovation while providing them opportunities for career advancement. Together, we celebrate our remarkable legacy and eagerly embrace the boundless possibilities that lie ahead.

Annual Bowling Tournament Rolled in Thrilling Strikes

TALENT MANAGEMENT

At JM Financial, we believe that talent management is a key enabler of our growth. We assign paramount importance to managing the entire employee lifecycle - from recruitment to development and retention - to ensure that we have the right talent pool to achieve our strategic goals.

Our continued efforts have always been on improving the recruitment process, enhancing the onboarding experience, investing in training and development and creating career development or progression plans.

Investing in employees has been the critical element to our long-term growth, and we will continue to prioritise talent management in years to come focusing on creating a highly engaged and motivated workforce.

LEARNING AND DEVELOPMENT

In today's fast-paced and competitive business landscape, organisations that prioritise continuous learning and development are more likely to thrive. At JM Financial, we always embrace a culture of continuous learning which helps us to adapt to changing market demands, foster innovation and retain top talent.

Stepping Stones is a learning intervention designed specifically for the Investment Banking team, in which team leaders conduct an interactive session on any topic of their choice. A team bonding outbound event was organised for the leadership team of Investment Banking. It was an engaging event which strengthened team bonding, synergy and collaboration with the help of interactive games.

At JM Financial Home Loans, we launched a behavioural training programme called 'Pragati'. It is our learning intervention to engage, enhance and encourage our employees. We organised the programme from October to December 2022.

At IFDG (Independent Financial Distributor's Group), a training session on system development was organised in January 2023. We also held a Mutual Fund Masterclass hosted by our internal experts to build awareness of mutual funds among our employees.

Bridging Gaps, Igniting Synergies - Investment Banking Team Building Session

Our People. Our Triumph.

EMPLOYEE ENGAGEMENT

Employees are our key driving force. We are always committed to building effective team bonding and creating a lively atmosphere for our employees.

At JM Financial, we build superior employee engagement by organising various initiatives across all business verticals and levels. We arrange Cricket, Football and Bowling Tournaments annually that witness active participation from people from all the business verticals and groups.

We organised a Yoga workshop on International Yoga Day in 2022 at JM Financial Home Loans. On the 75th Independence Day, we organised a cleanliness drive and tree plantation at Rajkot.

As a part of our tradition, we celebrate all the festivals in great gusto. Diwali was celebrated with much fanfare among the employees along with their kids, dhol and homemade traditional food which made sure that the mood and enthusiasm of the festival did not take a dip throughout the celebrations. We also organised a wonderful Christmas evening with Secret Santa organised for employees.

A week-long employee appreciation programme was organised in the first week of March 2023 where special appreciation postcards were shared across teams. On Women's Day, a special evening was organised to celebrate the achievement and contributions of our women leaders and employees. Several senior leaders addressed the gathering at our Cnergy office.

Kicking off Joy- A thrilling showcase of skill and teamwork in our Football Tournament


Chasing Greatness- The Annual Cricket Saga Unfolds!


Heartfelt Connections- Spreading joy on Valentine's Day

EMPLOYEE WELL-BEING INITIATIVES

At JM Financial, we are committed to providing our employees with the resources and support to help them take care of their physical, mental, and emotional health and well-being. We have a 'doctor-on-call facility' for all the employees in the organisation. One empanelled doctor is available on designated days during the week for consultation in the office.

At JM Financial, we encourage our employees to maintain a work-life balance. For that, we introduced additional leave. We always encourage employees to utilise their regular leaves so they can spend quality time with their family and friends and pursue hobbies beyond work commitments.


Nail art at Work


Enchanting Diwali celebrations


Reflecting on a Year of Achievements at our Annual Business Meet

Corporate Social Responsibility

Striding Forth. Envisioning Transformation.

The year signified an increase in our CSR footprint and an intensification of our endeavours. We sustained our efforts through long-term projects executed by our CSR arm – JM Financial Foundation (JMFF), under the aegis of the *Integrated Rural Transformation Programme.* Reaching some of the remotest regions of Bihar and Maharashtra, JMFF added newer dimensions to our impact in the focus areas of health, education and water conservation while delivering unfailingly for better agriculture and women empowerment.

Bolstering Early Education

In a region where young learners go hungry for nutrition as well as learning, JMFF undertook the upscaling of five of its Bachpan (preschool learning) centres. By the end of the year, we had 279 children (aged 3-6 years) learning and being provided daily nutrition across 12 centres, with six more centres underway.

Through an effort to bridge a palpable gap, our digital learning initiatives armed 1,381 children and youth with 21st century IT skills, from the time of the project inception till the end of the year. Our Covid-response initiative - JM Financial Shiksha Samarthan continued to stand by children who have lost a parent/both to the pandemic through school fee support for 3,873 children up till the end of this year. Our sports intervention flipped a scenario of no access and opportunity for 300+ children through four well-equipped sports grounds and providing technical coaching. These future-fit sportspersons have not only received an arena to train and shine but have also won 89 medals in athletics and football at various levels.

Restoring Eyesight and Healthcare

With a commitment to diagnose and treat preventable blindness in Jamui, Bihar, JMFF established Maitri Karuna Netralaya – a hospital to provide eyecare services to patients to the last mile. With extensive community outreach efforts followed by cataract surgeries performed with the latest technology, the Netralaya restored eyesight for 106 patients. Our two mobile health units continued to serve 30 deprived tribal villages and provided preventive and curative healthcare through 24,223 OPD consultations during the year.

Restoring Water Levels

Maintaining and recharging groundwater is critical to a productive agricultural yield. Following a traditional but evidence-based approach, JMFF facilitated the digging of 2,241 Continuous Contour Trenches (CCTs) and the creation of 90 jalkunds (small farm ponds) in Palghar, Maharashtra. As a first step in this direction in Jamui, Bihar, we have rejuvenated 12 dilapidated wells, bringing water for drinking and irrigation to 110 households in a tribal village.

All CSR projects supported by the Company and the JM Financial group entities are detailed in the Corporate Social Responsibility section of the Management Discussion and Analysis Report.

Corporate Information

Board of Directors

Mr. Nimesh Kampani
Non-Executive Chairman

Mr. Vishal Kampani
Non-Executive Vice Chairman

Mr. E A Kshirsagar
Independent Director upto July 2, 2022

Dr. Vijay Kelkar
Independent Director upto July 2, 2022

Mr. Paul Zuckerman
Independent Director upto July 2, 2022

Mr. Keki Dadiseth
Independent Director upto July 2, 2022

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
(with effect from May 24, 2022)

Mr. Atul Mehra
Joint Managing Director

Mr. Adi Patel
Joint Managing Director

Group Chief Financial Officer

Mr. Manish Sheth

Group Head - Compliance, Legal & Company Secretary

Mr. Prashant Choksi
(upto March 31, 2023)

Company Secretary & Compliance Officer

Ms. Dimple Mehta
(with effect from April 1, 2023)

Principal Banker

HDFC Bank Limited

Statutory Auditors

B S R & Co. LLP

Secretarial Auditors

Makarand M. Joshi & Co.

Registrar & Transfer Agents

KFin Technologies Limited
Unit: JM Financial Limited
Selenium Building, Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telegana, India 500 032
Toll Free No. 1800 309 4001
Email ID: einward.ris@kfintech.com
Website: https://ris.kfintech.com

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

Notice

NOTICE IS HEREBY GIVEN THAT THE THIRTY EIGHTH (38TH) ANNUAL GENERAL MEETING (the "AGM") OF THE MEMBERS OF JM FINANCIAL LIMITED (THE "COMPANY") WILL BE HELD ON THURSDAY, AUGUST 3, 2023 AT 4.00 P.M. (IST) THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO-VISUAL MEANS ("OAVM") AND THE VENUE OF AGM SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY WHICH IS 7TH FLOOR, CNERGY, APPASAHEB MARATHE MARG, PRABHADEVI, MUMBAI – 400 025, TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business

1. To receive, consider and adopt the audited standalone financial statements of the Company consisting of the balance sheet as at March 31, 2023, 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.
2. To receive, consider and adopt the audited consolidated financial statements of the Company consisting of the balance sheet as at March 31, 2023, 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 report of the Auditors thereon.
3. To declare a final dividend for the financial year ended March 31, 2023.
4. To appoint a director in place of Mr. Vishal Kampani (DIN: 00009079), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, offers his candidature for re-appointment.

Special Business

5. **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 "**SEBI 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, 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 series of 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 SEBI 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 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25."

   "**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 any further consent/approval from the members of the Company."

NOTICE (Contd.)

6. **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 "**SEBI 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, 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 series of 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 SEBI 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 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25."

   "**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 any further consent/approval from the members of the Company."

7. **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 "**SEBI 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, 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 SEBI 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 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25."

   "**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 any further consent/approval from the members of the Company."

8. **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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**") and other applicable regulations and guidelines issued by SEBI 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 for time, determine and consider proper and beneficial for the Company."

   "**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give 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

Dimple Mehta
Company Secretary & Compliance Officer
(Membership No.: F12560)

Place: Mumbai
Date: June 29, 2023

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

NOTICE (Contd.)

Notes:

1. The Ministry of Corporate Affairs (the "**MCA**") vide its circular no. 10/2022 dated December 28, 2022 and Securities and Exchange Board of India (the "**SEBI**") vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, have allowed the companies whose Annual General Meeting (the "**AGM**") is due in the calendar year 2023, to conduct the same through Video Conferencing ("**VC**") and/or Other Audio Visual Means ("**OAVM**") facility, without physical presence of the members at a venue and hence the AGM is proposed to be held through VC/OAVM.

   In view of the above read with other circulars issued by the MCA and SEBI from time to time (together referred to as the "**Circulars**"), the 38th AGM of the Company is convened through VC/OAVM. Members can, if they so desire, access these Circulars on the website of the Company at https://jmfl.com/investor-relation/agm-egm.html.

2. The relevant statement to be annexed to the Notice pursuant to Section 102 of the Companies Act, 2013 (the "**Act**") which sets out details concerning the special business under item nos. 5 to 8 is annexed hereto and forms part of the Notice.

3. 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.

   As the AGM shall be conducted through VC/OAVM, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies under Section 105 of the Act by a member will not be available for the AGM and hence the proxy form, attendance slip and route map are not annexed to this Notice.

4. The body(ies) corporate/institutional investor(s), 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(ies) (PDF/ JPG format) of their board or governing body resolutions/ authorisations, permitting their representatives to attend the AGM through VC/OAVM on their behalf and/or vote through e-voting. The said resolutions/authorisations, if any, should be emailed to the Scrutiniser at jayshreedagli@gmail.com and a copy thereof shall be marked to ecommunication@jmfl.com and evoting@nsdl.co.in.

5. The register of members of the Company was closed from **Monday, May 22, 2023** to **Thursday, May 25, 2023 (both the days inclusive)** for determining the members entitled to receive the final dividend on the equity shares for the financial year 2022-23, if declared at the 38th AGM.

6. The Company has paid the annual listing fees to BSE Limited (the **"BSE"**) and National Stock Exchange of India Limited (the **"NSE"**) for the financial year 2023-24.

7. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Dividend Related Information

8. Members may note that the Board of Directors (the "**Board**") at its meeting held on Tuesday, May 9, 2023, has recommended a final dividend of ₹ 0.90 per equity share of the face value of ₹ 1/- each. The dividend, if declared at the 38th AGM, will be paid on and from **Friday, August 4, 2023**, to those members:

   a. whose names appeared in the statement of beneficial ownership furnished by National Securities Depository Limited (the **"NSDL"**) and Central Depository Services (India) Limited (the **"CDSL"**) at the close of the business hours on **Friday, May 19, 2023** in respect of shares held by them in dematerialised form; and

   b. whose names appeared in the register of members at the close of business hours on **Friday, May 19, 2023** in respect of shares held by them in physical form.

   Additionally, the interim dividend of ₹ 0.90 per equity shares for the financial year ended March 31, 2023 was declared by the Board and paid to the members on December 12, 2022.

9. Pursuant to the applicable provisions of 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 at the AGM, will be paid to the members after deducting the tax at source in the following manner.

For Resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption applicability/Documentation requirements
Any resident shareholder (with PAN)	10%*	In case PAN is not updated, kindly update valid PAN with Depository Participants (the **"DPs"**) (in case of shares held in demat mode) and with the Company/KFin Technologies Limited (the "**Registrar and Transfer Agents/RTA"**) (in case of shares held in physical mode).
Any resident shareholder (without/invalid PAN)	20%*	
Resident individuals submitting duly filled and signed Form 15G/15H	NIL	• Declaration in Form 15G (applicable to any person other than a company or a firm) or; • Form 15H (applicable to an individual of 60 years and above), fulfilling all the prescribed eligibility conditions. The format of Form 15G and 15H are made available on the website of the Company at https://jmfl.com/investor-relations/form15g.pdf and https://jmfl.com/investor-relations/form15h.pdf respectively.
Order/Certificate under Section 197 of the IT Act	Rate specified in the Order/ Certificate	Submit a self-attested copy of the Lower/NIL withholding tax certificate obtained from Income Tax Authorities.
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	NIL	Submit the details and documents as per the declaration in the prescribed form available on the website of the Company at https://jmfl.com/investor-relations/Self_declaration_for_resident.docx.

***Notwithstanding the above, tax would not be deducted on payment of dividend to resident individual shareholders, if the amount of dividend in aggregate to be paid to them in the financial year 2023-24, does not exceed ₹ 5,000.**

For Non-resident Shareholders

Category of shareholder	Tax Deduction Rate	Exemption applicability/Documentation requirements
Any Non-resident shareholder, Foreign Institutional Investors, Foreign Portfolio Investors (FIIs, FPIs)	20% (plus surcharge and cess as applicable)/ Tax Treaty rate whichever is lower	Non-resident shareholders may opt for a tax rate under the Double Taxation Avoidance Agreement (the **"Tax Treaty"**). The Tax Treaty rate shall be applied for withholding the tax on submission of the following documents to the Company: i. Self-attested copy of PAN if allotted by Income Tax Authorities; ii. Self-attested copy of Tax Residency Certificate (the **"TRC"**) issued by the tax authorities of the country of which shareholder is a resident, evidencing and certifying the shareholder's tax residency status during the financial year 2023-24;

NOTICE (Contd.)

Category of shareholder	Tax Deduction Rate	Exemption applicability/Documentation requirements
		iii. Self-declaration in Form 10F if PAN is not available, the said form is available on the website of the Company at https://jmfl.com/investor-relations/form10f.pdf. In case where PAN is available, Form 10F shall be furnished electronically on income tax portal at www.incometax.gov.in; iv. Self-declaration for the financial year 2023-24 in the prescribed format available on the website of the Company at https://jmfl.com/investor-relations/Self_declaration_for_%20non_resident.docx; v. In case of FIIs/FPIs, submit certified copy of the SEBI registration certificate. Tax shall be deducted at 20% (plus applicable surcharge and cess) in case any of the above-mentioned documents are not provided. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and in compliance with the provisions of the IT Act.
Submitting Order/Certificate under Section 195 or 197 of the IT Act	Rate specified in the Order/ Certificate	Submit a self-attested copy of the Lower/NIL withholding tax certificate obtained from Income Tax Authorities.

Deduction of tax at higher rate

a. 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.

b. Under Section 206AB of the IT Act, tax is required to be deducted at the higher of the following:

   i. Twice the rates specified in the relevant provisions of the IT Act; or

   ii. Twice the rates in force; or

   iii. 5%

   on payments made to a 'specified person'.

   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 Section 139(1) of the IT Act has expired and the aggregate of tax deducted at source and tax collected at source 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 Sections 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 to note

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 **Friday, July 14, 2023**. 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.

c. Members are requested to ensure that their Aadhaar number is linked with their PAN within the timelines prescribed. In case the Aadhaar number is not linked with the PAN within the prescribed timelines, PAN shall be considered in-operative and, in such scenario, tax shall be deducted at higher rate of 20% as per the provisions of the IT Act.

For withholding of taxes, the residential status of the members will be considered as per the data available with the Company/RTA/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 **Friday, July 14, 2023.**

Submission of tax related documents

Kindly note that the aforementioned documents are required to be submitted to the Company at the email id at ecommunication@jmfl.com on or before **Friday, July 14, 2023** in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate applicable. **No communication on the tax determination/deduction received post Friday, July 14, 2023 shall be considered for payment of Final Dividend.**

Members are requested to note that incomplete and/or unsigned forms, declarations and documents will not be considered by the Company for granting any exemption.

It may be further noted that in case the tax on the final 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.

The Company shall arrange to email a soft copy of the TDS certificate to the members at their registered email id post payment of the dividend. Members will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at www.incometax.gov.in.

For any other information/clarification with regard to the above, kindly write to us at ecommunication@jmfl.com.

Process to update PAN, KYC Details and Nomination

10. Pursuant to the mandate issued by SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, members are mandatorily required to furnish/update their following details as prescribed by SEBI in the said circular and in the following manner.

Type of holders	Process to be followed
Physical	Members are instructed to send a written request in the prescribed forms from their registered email id, either to the Company on its email at ecommunication@jmfl.com or to the RTA at einward.ris@kfintech.com or by sending physical copy(ies) of the form(s) to the RTA at its registered office address at KFin Technologies Limited at Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032.

Type of Investor services	Forms	Links of the forms on the website of the Company
To register/update (i) Permanent Account Number (PAN) (ii) Postal address with PIN code (iii) Mobile Number (iv) Email id *(Optional. However, the members are encouraged to update the same to avail online services).*	ISR-1	https://jmfl.com/investor-relations/Form_ISR-1.pdf

NOTICE (Contd.)

Type of holders	Process to be followed		
	Type of Investor services	**Forms**	**Company's Website Link**
	(v) Bank account details (bank name and branch, bank account number, IFS code) *[To enable the Company to credit dividend directly into the bank accounts through Electronic Clearing Services (the "**ECS**")/ National Automated Clearing House (the "**NACH**")]*		
	Specimen Signature	ISR-1 and ISR-2 (as applicable)	https://jmfl.com/investor-relations/Form_ISR-1.pdf and https://jmfl.com/investor-relations/Form_ISR-2.pdf
	Nomination Form	SH-13	https://jmfl.com/investor-relations/Form_SH-13.pdf
	Declaration to Opt-out of nomination	ISR-3	https://jmfl.com/investor-relations/Form_ISR-3.pdf
	Cancellation or variation of nomination	SH-14	https://jmfl.com/investor-relations/Form_SH-14.pdf
Demat	Members holding shares in demat form are requested to inform the respective DPs to update their email id, bank account details, mobile number and details relating to nomination, in case the same are not updated.		

Freezing of Folios without PAN, KYC Details and Nomination

11. In order to sensitize the members holding the shares in physical form, to mandatorily furnish PAN, KYC details and nomination, the Company has sent one on one communication to each such members and also uploaded the forms on the website of the Company for easy access.

    In case, if the said details are not updated by the concerned members by September 30, 2023, then such folios shall be frozen with effect from October 1, 2023 by the RTA and such members shall not be able to lodge any grievances or raise any service requests in respect of such frozen folios.

    Furthermore, effective from April 1, 2024, any payment including dividend in respect of such frozen folios, shall be made electronically only upon complying with the requirements of the said circular.

    Accordingly, members are requested to update the mandatory details as mentioned above by **September 15, 2023** to avoid their folios getting frozen.

Issuance of Securities in Dematerialised form in case of Investor Service Requests

12. SEBI vide its circular dated circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz., issue of duplicate securities certificate, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. Further, SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardised the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5 (in case of transmission), the format of which can be downloaded from the website of the Company at https://jmfl.com/investor-relations/Form_ISR-4.pdf and https://jmfl.com/investor-relations/Form_ISR-5.pdf All the service requests shall be processed by the Company/RTA in dematerialised mode only, as mandated by SEBI.

13. 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.

Shareholders e-Handbook

14. For ease and convenience, the Company has issued a "Shareholders e-handbook" which can be accessed on Company's website at https://jmfl.com/investor-relation/shareholders-ehandbook.html comprising norms/procedural requirements for processing various service requests of investors.

Unclaimed Dividend

15. The final dividend, once approved by the members at the AGM, shall be paid electronically through various online transfer modes to those members who have updated their bank account details. For members, who have not updated their bank account details, dividend warrants/ demand drafts/cheques will be sent to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC details to receive the dividend directly into their bank account on the payout date by following the steps as prescribed in point no. 10 above.

16. Members, who have not yet claimed their final dividend for the financial year 2015-16 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 2015-16 is due for transfer to the Investor Education and Protection Fund (the "**IEPF**") in September, 2023.

    Details of the members whose dividend has remained unclaimed (both for interim and final dividend) for each of the previous seven (7) financial years have 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 within the stipulated time as prescribed under the Act post the 37th AGM of the Company held on August 2, 2022.

17. 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 2015-16, (barring the shares that have already been transferred by the Company to IEPF Authority in August 2022 and March 2023) are due to be transferred by the Company in the name of IEPF Authority in September, 2023.

    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 Rules.

    In case of any queries/clarification for claiming the dividend/shares from IEPF/IEPF Authority, members may contact the nodal officer, viz., Ms. Dimple Mehta, Company Secretary at dimple.m@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.

Electronic dispatch of annual report and process for registration of email id and for obtaining copy of annual report:

18. In compliance with the applicable Circulars, the Annual Report for the financial year 2022-23 including the Notice of the AGM are being sent by the Company in electronic mode to those members whose email ids are registered with the DPs/the Company/its RTA. Members, who have not registered their email ids so far, are requested to promptly intimate the same to the respective DPs or to the Company/its RTA, as the case may be, as per directions stated in point no. 10 above.

    Notice convening the 38th AGM along with the Annual Report for the financial year 2022-23 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 at www.bseindia.com and NSE at www.nseindia.com. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

NOTICE (Contd.)

Procedure for Inspection of documents

19. All the documents referred to in this Notice and Statement annexed hereto shall be available for inspection through electronic mode, basis requests received on ecommunication@jmfl.com.

    During the AGM, all the documents referred to in the Notice, and all other statutory documents for inspection as required under the Act, shall be made available for online inspection by the members.

Procedure for Remote e-Voting and e-Voting during the AGM

20. The instructions to members for remote e-voting, e-voting during the AGM and to join/attend the AGM are:

    a) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "**SEBI 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 38th AGM by electronic means. Accordingly, the Company has engaged the services of NSDL to facilitate its members to cast their votes by using remote e-voting system as well as e-voting on the date of the AGM.

    b) 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.

    c) 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 at the AGM.

    d) Only those members, 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.

    e) Once the vote on a resolution is cast by a member through remote e-voting/e-voting, the concerned member shall not be allowed to change it subsequently or cast the votes again.

    f) A person who is not a member as on the cut-off date should treat this Notice of AGM for information purpose only.

    g) The remote e-voting period commences on **Sunday, July 30, 2023 (9.00 a.m)** and ends on **Wednesday**, **August 2, 2023 (5.00 p.m)**. 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 **Thursday, July 27, 2023**) may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

    h) 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. **Thursday, July 27, 2023**.

    i) 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., **Thursday, July 27, 2023**, 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.

       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 +91 22- 4886 7000 and +91 22- 2499 7000.

    j) The details of the process and manner for remote e-voting, e-voting during the AGM are explained below.

       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 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 09, 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 DPs. 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 CDSL and DPs; and
       - non-individual members holding shares in demat mode and members holding shares in physical form.

NOTICE (Contd.)

LOGIN METHOD FOR INDIVIDUAL MEMBERS HOLDING SHARES IN DEMAT MODE						LOGIN METHOD FOR MEMBERS OTHER THAN INDIVIDUAL MEMBERS HOLDING SHARES IN DEMAT MODE AND MEMBERS HOLDING SHARES IN PHYSICAL MODE
NSDL			CDSL		Depository Participant (DP)	
Point (i) – Already registered for IdeAS e-Services	Point (ii) - Not registered for IdeAS e-Services	Point (iii) – Direct access the e-Voting module of NSDL	Point (iv) – Already registered for Easi/Easiest facility	Point (v) - Not registered for Easi/Easiest facility		
a) Visit URL: https://eservices.nsdl.com/ b) Click on the **"Beneficial Owner"** icon under "**Login**" which is available under "**IdeAS**" section. c) On the new page, enter the user id and password. Post successful authentication, click on **"Access to e-voting".**	a) Visit URL: https://eservices.nsdl.com/ to register. b) Select **"Register Online for IdeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c) Proceed with completing the required fields. d) After successful registration, please follow steps given in Point No. (i) to cast the vote.	a) Visit URL: https://www.evoting.nsdl.com/. b) Click on the "**Login**" icon which is available under "**Shareholder/ Member**" section. 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.	a) Visit URL: https://www.cdslindia.com and click on "**Login**" icon and then on "**My Easi New (Token)**". On the new page, enter the user id password and click on New System Myeasi. b) Post 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.	a) Visit URL: https://www.cdslindia.com and click on "**Login**" icon and then on "**My Easi New (Token)**". On the new page click on registration option to register. b) Alternatively, he/she can directly access e-voting page by providing demat account number and PAN from a link in http://www.cdslindia.com home page. c) The system will authenticate by sending the OTP on registered mobile number and email address as recorded in the demat account.	a) Login using the login credentials of his/her demat account through his/her DP registered with NSDL/ CDSL for e-voting facility. 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.	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. b) Once the home page of e-voting system is launched, click on the icon "**Login**" which is available under '**Shareholder/Member**' section. 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. d) Alternatively, if he/she are registered for NSDL eservices i.e. IDeAS, he/she can login 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.

LOGIN METHOD FOR INDIVIDUAL MEMBERS HOLDING SHARES IN DEMAT MODE						LOGIN METHOD FOR MEMBERS OTHER THAN INDIVIDUAL MEMBERS HOLDING SHARES IN DEMAT MODE AND MEMBERS HOLDING SHARES IN PHYSICAL MODE
NSDL			CDSL		Depository Participant (DP)	
Point (i) – Already registered for IdeAS e-Services	Point (ii) - Not registered for IdeAS e-Services	Point (iii) – Direct access the e-Voting module of NSDL	Point (iv) – Already registered for Easi/Easiest facility	Point (v) - Not registered for Easi/Easiest facility		
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 vote(s) the during remote e-voting period, e-voting during the AGM.		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.		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.	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.	e) User id details as per the manner of holding the shares are given below: **NSDL**: 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******. **CDSL**: 16 Digit Beneficiary ID For example if your Beneficiary ID is 12************ then your user id is 12************** **Physical Form**: 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***
Members can also download NSDL Mobile App "**NSDL Speed-e**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play						
Important Note: Members who are unable to retrieve user id/password are advised to use Forget user id and forget password option available at above mentioned website.						

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

NSDL : Email on evoting@nsdl.co.in or call on + 91 22 - 4886 7000 and + 91 22 - 2499 7000

CDSL : Email on helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33

NOTICE (Contd.)

Step 2: Method to cast vote electronically on NSDL e-Voting system

Method for casting the vote electronically on NSDL e-voting system	• 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., **124338** to cast votes during the remote e-voting period and casting votes during the AGM. • 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.

i. If members are already registered for e-voting, they can use their existing password to login and cast their votes.

ii. If members are using NSDL e-voting system for the first time, they will need to retrieve the '**initial password**' which was communicated to them. Once member retrieve the '**initial password**', they will need to enter the '**initial password**' and the system will force them to change their password.

iii. 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:

i. 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

ii. "**Physical User Reset Password**?" (If member is holding shares in physical mode) option available on www.evoting.nsdl.com.

iii. 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 their demat account number/folio number, PAN, name and registered address, etc.

iv. 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 email ids for e-voting for the resolutions set out in this Notice:**

i. 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 Aadhaar card by email to ecommunication@jmfl.com.

ii. 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 Aadhaar 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**.

iii. Alternatively shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

Procedure for joining the AGM through VC/OAVM:

21. Instructions to members to join/attend the AGM through VC/OAVM are as under.

a) Members may refer the steps mentioned in point no. 20 for **Access to NSDL e-voting system**.

b) 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., **124338** will be displayed.

c) 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 chairperson of the audit committee, nomination and remuneration committee and stakeholders' relationship committee, auditors, etc., who are allowed to attend the AGM without restrictions.

d) 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.

e) Members will be allowed to attend the AGM through VC/OAVM on first come first serve basis.

f) Members are encouraged to join the AGM through laptops with Google Chrome for better experience.

g) Members will be required to allow "camera" and use internet with a good speed to avoid any disturbance during the meeting.

Procedure to raise questions/seek clarifications with respect to Annual Report/Speaker registration:

22. Members will have the opportunity to ask questions at the AGM. Accordingly, the procedure to send questions prior to AGM and Speaker registration during AGM session, are as follows:

i. Members are encouraged to express their views/ send their queries in advance mentioning their name, demat account number (DP ID & Client ID)/ folio number, email id and mobile number to the Company at ecommunication@jmfl.com;

ii. 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, email 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, 24, 2023 at (9.00 a.m.)** and close on **Friday, July 28, 2023 at (5.00 p.m.)**.

General Instructions/Other Information:

I. 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.

ii. 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.

iii. 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

NOTICE (Contd.)

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 +91 22 4886 7000 and +91 22 2499 7000 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 thier designated email ids viz., amitv@nsdl.co.in or sanjeevy@nsdl.co.in.

iv. Ms. Jayshree S. Joshi, Company Secretary (Membership No. FCS 1451), Proprietor of Jayshree 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 two working days from the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or the Vice Chairman or in their absence the Joint Managing Directors or the Company Secretary or any other persons authorised by the 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 and NSE, 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., ***Thursday, August 3, 2023***.

vii. It has been our constant endeavor to extend the best possible services to our shareholders whilst maintaining the highest level of corporate governance in the Company. In order to further improve shareholder service standards, we seek your inputs through our new initiation i.e., Shareholders' Satisfaction Survey which is made available on the website of the Company at https://jmfl.com/investor-relation/shareholders-satisfaction-survey.html

Members are requested to please spare few minutes of their valuable time and fill this survey.

Information/disclosures as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "SEBI Listing Regulations") pertaining to the following item.

Item No. 4

Pursuant to the applicable provisions of Section 152 of the Companies Act, 2013 (the "**Act**"), Mr. Vishal Kampani retires at the 38th AGM and being eligible, seeks re-appointment.

Profile of Mr. Vishal Kampani

Mr. Vishal Kampani is a non-executive director and the Vice Chairman of the Company.

Mr. Kampani joined JM Financial Group in 1997 in the Investment Banking Division and subsequently worked with Morgan Stanley Dean Witter & Co. in New York. Upon his return to India in the year 2000, Mr. Kampani joined JM Morgan Stanley (Joint Venture between JM Financial Group and Morgan Stanley) and headed the Corporate Finance division within the Investment Banking division.

Post 2008, Mr. Kampani played an instrumental role in identifying new growth opportunities and further diversifying various businesses of JM Financial Group. He launched the distressed credit business through JM Financial Asset Reconstruction Company Limited and also led JM Financial Group's foray into corporate, promoter and real estate financing. In 2014, he played a pivotal role in forging a strategic partnership with a global fund led by Mr. Vikram Pandit (ex-CEO of Citigroup) for real estate financing through JM Financial Credit Solutions Limited.

Mr. Kampani was appointed as Managing Director of the Company from October 2016 till September 2021, post which he held the position as a non-executive Vice Chairman of the Company.

He also strategised JM Financial Group's foray into the housing finance business through JM Financial Home Loans Limited in 2017. Under his leadership, the Company successfully raised equity funds in 2018 and 2020 from marquee domestic and global investors.

Mr. Kampani has been working extensively with Confederation of Indian Industry (CII) as the Co- Chair of CII Financial Sector Development Council, CII National Committee on Financial Markets as well as CII National Forum on NBFCs and HFCs.

In a career spanning almost two and a half decades, Mr. Kampani has played a defining role in ideating and consummating several landmark and transformational M&A, fund raising and restructuring transactions. In addition, he has strategised the expansion of JM Financial Group across the spectrum of financial services.

Mr. Kampani was awarded The Economic Times "40 under 40" in 2016.

Mr. Kampani's educational qualification is M.S. (Finance) from London Business School, University of London.

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

Financial Year (FY)	Board meeting	Risk Management Committee meeting	Nomination and Remuneration Committee meeting	AGM held during the FY
2022-23	7 out of 7	2 out of 2	1 out of 1	Yes
2021-22	6 out of 6	1 out of 2	NA since was not a member	Yes
2020-21	6 out of 6	1 out of 1		Yes

Mr. 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 SEBI Listing Regulations and Secretarial Standard on General Meetings (the "**SS-2**") please refer to the **Annexure A** forming part of this Notice.

Both Mr. Vishal Kampani and Mr. Nimesh Kampani (father of Mr. Vishal Kampani), are deemed to be concerned or interested, financially or otherwise in the ordinary resolution set out at item no. 4 of the Notice.

Statement to be annexed to the Notice pursuant to Section 102 of the Act

Item nos. 5 to 7

The applicable provisions of Regulation 23 of the SEBI Listing Regulations, requires the listed entities to take prior approval of shareholders by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the Company and at arm's length basis.

Further, a transaction 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.

The annual consolidated turnover of the Company for the financial year 2022-23 is ₹ 3,343.07 Crore.

The Company has made investments in its material subsidiaries in the past. The Company also lend funds to its material subsidiaries as and when required by them for the purpose of enhancing their business. Accordingly, the Company shall continue to make further investments in the securities of its material subsidiaries and lend funds, as and when required by them.

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**").

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 ("**NBFC**") registered with Reserve Bank of India ("**RBI**") and categorised as a Middle Layer NBFC ("**NBFC ML**"). It is engaged in wholesale lending activities with primary focus on real estate financing which includes loan against real estate projects. The Company holds 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.

- **JM Financial ARC** is an Asset Reconstruction Company ("**ARC**") 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 the business of acquisition and resolution of distressed assets sold by banks/financial institutions. The Company holds 53.62% equity stake in JM Financial ARC (effective shareholding of the Company in JM Financial ARC, individually and through one of its subsidiaries is 58.28%).

NOTICE (Contd.)

- **JM Financial Products** is systemically important non-deposit taking NBFC registered with RBI and categorised as a NBFC ML. JM Financial Products is focused on offering a broad suite of loan products which are customised to suit the needs of the corporates, institutions, SMEs and individuals. It broadly operates under the following lending verticals viz., (i) Bespoke Financing; (ii) Real Estate Financing; (iii) Capital Market Financing; (iv) Retail Mortgage Financing; and (v) Financial Institution Financing. The Company holds 99.71% equity stake in JM Financial Products.

  It has also ventured into technology-backed real estate consultancy service, 'Dwello' wherein it assist the buyers in various stages of its home purchase transactions and has set up the 'Investment Grade Group' (earlier known as Institutional Fixed Income division) to expand its fixed income capabilities.

Members may note that the Company had sought their approval at the 37th AGM to enter into various transactions with each of the above material subsidiaries. The aggregate amount approved by the members at the last AGM including the maximum amount of all the transactions/ contracts/arrangements remaining outstanding, at any point of time during the financial year 2022-23, are as follows.

Sr. No.	Name of the related party	Approved Amount (₹ in Crore)	Outstanding amount at any point of time (₹ in Crore)
1.	JM Financial Credit Solutions	500	5.28
2.	JM Financial ARC	750	551.18
3.	JM Financial Products	750	400.07

The aggregate value of transactions, to be entered into by the Company with each of the aforesaid material subsidiaries during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25 is expected to exceed the applicable materiality threshold mentioned in the SEBI 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 series of transactions taken together) as stated in the ordinary resolutions at item nos. 5 to 7 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. However, as a matter of abundant caution, approval under the said Section 188 and rules thereunder is also being sought from the members.

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

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

   The Company gives the ICDs to its material subsidiaries amongst other subsidiaries in the group, on a need basis, subject to the same being in the best interests of the Company.

   The tenure of making loans, including the ICDs (which are repayable within 365 days) and/or giving guarantees and/or providing securities is 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 (as defined under the applicable provisions of the Securities Contracts (Regulation) Act, 1956) of the material subsidiaries.*

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

c. *Marketing the public issues of Non-Convertible Securities issued by JM Financial Credit Solutions and JM Financial Products.*

   For marketing the public issues of the non-convertible securities of the above 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. The fees shall be charged basis the public issues handled by the Company from time to time during the year.

d. *Advisory service fees in relation to proposed fund raising, if any, made by JM Financial ARC.*

   The Company may give advisory services, in relation to the fund raising activity, if any, made by JM Financial ARC and shall charge such fees which is agreed between the Company and JM Financial ARC and shall be comparable with the range of fees that JM Financial ARC would have paid to other advisors. The fees shall be charged from time to time as and when the Company renders the services to JM Financial ARC.

e. *Recovery of expenses such as travelling, conveyance, etc., from the clients for managing the public and other (debt) issues by the Company and reimbursing the same to JM Financial Products on actual basis for assisting the Company in marketing such issues and providing other allied services.*

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

f. *Recovery of the cost for the support services provided by the Company to JM Financial ARC & JM Financial Credit Solutions.*

   The Company recovers the cost/fees for providing the support services to its above material subsidiaries from time to time. The fees are charged on an ongoing basis 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.

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

   Above material subsidiaries obtain rating from some of the rating agencies for which the rating agencies takes into account the credentials of the Company. In consideration of this, the rating support fees is charged on an ongoing basis subject to the same being in the best interests of the Company.

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

   The Nomination and Remuneration Committee of the Company grants the equity stock options to the employees of these subsidiaries. Any expenses incurred by the Company in respect of these grants including the difference between the exercise price and face value of the options are recovered from the said material subsidiaries. These transactions are event based as the expenses are recovered whenever any stock option(s) is/ are granted by the Company.

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

   The Company on an ongoing basis 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.

j. *Purchase from and/or sale to material subsidiaries any securities (as defined under the applicable provisions of the Securities Contracts (Regulation) Act, 1956) of the other group companies for the purpose of internal group restructuring/or the securities of other companies held by/to the material subsidiaries.*

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

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

   In case any of the employee(s) is/are transferred from material subsidiaries to the Company/vice versa, all the fixed assets used by these employees and all the liabilities pertaining to such employees shall be transferred at the book value appearing in the books of the material subsidiaries/Company.

   These transactions are event based as the expenses are recovered whenever any transfer, as stated above, takes place.

m. *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 (all the members of the Audit committee are independent directors) of the Board at its meeting held on February 10, 2023 while granting its omnibus approval.

NOTICE (Contd.)

The details of transactions/contracts/arrangements entered into by the Board with these material subsidiaries during the last three financial years i.e., 2022-23, 2021-22 and 2020-21 are attached as **Annexure B** forming part of this Notice.

The additional information, required to be disclosed under Regulation 23(4) of the SEBI 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. 5, 6 and 7 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. 5, 6 and 7.

Name of the Company's Directors	Name of the material subsidiaries/ related parties		
	JM Financial Credit Solutions	JM Financial ARC	JM Financial Products
Mr. Vishal Kampani	✓	✓	✓
Mr. Adi Patel	-	✓	-
Mr. Atul Mehra	-	-	✓
Ms. Roshini Bakshi	-	-	✓

None of the directors, key managerial personnel of the Company other than as disclosed above 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. 5, 6 and 7 respectively.

The members may note that in terms of the applicable provisions of the SEBI Listing Regulations, the related parties falling within the purview of such Regulations, whether such related parties, are parties to the transactions described as above or not, shall not vote on the respective ordinary resolutions at item nos. 5, 6 and 7.

Item no. 8

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 37th AGM held on August 2, 2022 for raising of funds up to ₹ 1,000 Crore (Rupees One Thousand Crore only) by way of issue of Non-Convertible Debentures **("NCDs")** 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. 8 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 utilised 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. 8 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.

Further, it may be noted that the amount proposed to be raised through such issue shall be within the overall borrowing limits of Section 180 (1) (c) of the Act as approved by the members of the Company vide resolution passed through the Postal Ballot on September 23, 2017.

The Board commends passing of the special resolution set out at item no. 8 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. 8 of the Notice.

By Order of the Board

Dimple Mehta
Company Secretary & Compliance Officer
(Membership No.: F12560)

Place: Mumbai
Date: June 29, 2023

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

Annexure A

Additional information of director seeking re-appointment at the 38th Annual General Meeting pursuant to Regulation 36(3) of SEBI Listing Regulations and clause 1.2.5 of SS-2 as on date of the Notice.

Name of the Director	**Mr. Vishal Kampani** (DIN: 00009079)
Date of birth	January 30, 1977 (46 years)
Date of first appointment	February 3, 2016
Date of last re-appointment	October 1, 2021
Designation	Non-executive Vice Chairman
Qualification(s)	M.Com, M.S. (Finance) from London Business School
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 SEBI Listing Regulations.
Relationship with other directors, manager and key managerial personnel (KMP)	Mr. Vishal Kampani, Non-executive Vice Chairman of the Company is a relative (son) of Mr. Nimesh Kampani, the Chairman of the Company.
Expertise in specific functional areas	Mr. Vishal Kampani's expertise is in the areas of finance, risk management, corporate governance, institutional securities business including investment banking, institutional equities, fund based businesses comprising lending activities, asset reconstruction, alternative asset management and management of real estate and private equity funds.
Shares held in the Company along with the % of shareholding as on March 31, 2023	Mr. Vishal Kampani held 1,30,00,000 equity shares of the Company constituting to 1.36% of the total paid up share capital of the Company. Further, Mr. Kampani is not holding any equity shares of the Company in the capacity of a beneficial owner.
Directorships held in other equity listed companies excluding foreign companies	Nil
Directorships held in other bodies corporate (apart from the equity listed entities)	1. JM Financial Services Limited 2. JM Financial Asset Reconstruction Company Limited 3. JM Financial Credit Solutions Limited 4. JM Financial Products Limited 5. JM Financial Asset Management Limited 6. JM Financial Home Loans Limited 7. JM Financial Singapore Pte. Limited 8. JM Financial Institutional Securities Limited 9. Capital Market Publishers India Private Limited 10. J.M. Financial & Investment Consultancy Services Private Limited
Memberships/Chairmanship of Committees held in other companies excluding foreign companies	**JM Financial Products Limited** **Chairman** - Sponsorship and Credit Committee - Asset Liability Management Committee **Member** - Corporate Social Responsibility Committee - Stakeholders' Relationship Committee - Risk Management Committee - NCD Public Issue Committee **JM Financial Home Loans Limited** **Chairman** - Credit Committee - Issuance and Allotment Committee **Member** - Corporate Social Responsibility Committee - Audit Committee - Nomination and Remuneration Committee **JM Financial Asset Reconstruction Company Limited** **Chairman** - Asset Liability Management Committee - Risk Management Committee - Asset Resolution Committee - Asset Acquisition Committee **Member** - Issue and Allotment Committee - Corporate Social Responsibility Committee **JM Financial Credit Solutions Limited** **Chairman** - Asset Liability Management Committee - Risk Management Committee **Member** - Credit Committee - Allotment Committee - NCD Public Issue Committee - Stakeholders' Relationship Committee - Strategy Committee **JM Financial Services Limited** **Chairman** - Sponsorship, Credit and Risk Management Committee **Member** - Corporate Social Responsibility Committee - NCD Issuance Committee - ESOP Committee **J.M.Financial & Investment Consultancy Services Private Limited** **Member** - Audit Committee

ANNEXURE A (Contd.)

	JM Financial Asset Management Limited **Member** - Investment Advisory Committee - Transfer Committee - Allotment Committee - Dividend Committee - Corporate Social Responsibility Committee
Details of resignation from equity listed companies in past three years	None
Details of remuneration paid during the financial year 2022-23	Sitting Fees: ₹ 7.60 Lakh Commission paid during the year financial year 2021-22: ₹ 10 Lakh Commission Payable for the financial year 2022-23: ₹ 10 Lakh
Remuneration sought to be paid	Sitting fees and Commission, if any.
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.
No. of Board Meetings attended during the financial year 2022-23	7/7

Annexure B

Details of transactions/contracts/arrangements entered into by the Company with its following material subsidiaries during the last three financial years.

(₹ in Crore)

Sr. No.	Nature of Transactions	FY 2022-23			FY 2021-22			FY 2020-21		
		JMFCSL	JMFARCL	JMFPL	JMFCSL	JMFARCL	JMFPL	JMFCSL	JMFARCL	JMFPL
1.	Recovery of actual expenses incurred by the Company from its material subsidiaries on telephone lines, courier charges, insurance premium, etc., which are owned/billed in the name of the Company.	0.03	0.02	0.03	0.08	0.05	0.12	0.02	0.02	0.02
2.	Recovery/Payment of expenses incurred by the Company in granting the stock options to the employees of material subsidiaries.	0.02	-	0.11	(0.06)	#	0.39	0.61	0.13	1.14
3.	Rating support fees received from the material subsidiaries.	3.23	4.89	-	2.40	1.70	-	3.19	2.24	-
4.	Recovery of the cost for the support services provided by the Company.	1.98	2.50	-	1.98	2.50	-	1.98	1.98	-
5.	Usage of office space by the Company.	-	0.25	-	-	0.25	-	-	0.22	-
6.	Marketing of public issue of Non-Convertible Securities issued by the material subsidiaries.	-	-	-	-	-	0.10	-	-	-
7.	Inter Corporate Deposits (ICDs) given to material subsidiaries.	-	647.00	2,462.00	-	370.00	500.00	-	515.00	-
8.	ICDs repaid by material subsidiaries.	-	821.70	2,312 .00	-	282.30	500.00	-	163.00	-
9.	Renewal of ICDs.	-	-	-	-	170.00	-	-	-	-
10.	Acquisition/transfer of fixed assets/liabilities pertaining to the employees, if any, are transferred to/from the Company/its material subsidiaries.	0.02	-	-	0.26	-	-	-	-	-
11.	Sale of the securities held by Company to material subsidiary.	-	-	-	178.44	-	-	-	-	-

# 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 material subsidiaries during the last three financial years has not exceeded the materiality limits as approved by the members of the Company in the general meetings held in the respective financial years.*

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.

Sr. No.	Description		Name of the related parties: JM Financial Credit Solutions Limited (the "**JMFCSL**")	JM Financial Asset Reconstruction Company Limited (the "**JMFARCL**")	JM Financial Products Limited (the "**JMFPL**")
1.	Nature of relationship		Material subsidiary companies		
2.	Concern or interest of the related party (financial/otherwise)		Financial		
3.	Type of the proposed transactions/ contracts/ arrangements	Common transactions between the Company and related parties	1. Making of loans including the ICDs to, and/or giving of guarantees or providing securities on behalf of the related parties; 2. Making of any investments in the securities of the related parties; 3. Purchase from and/or sale of any securities to/from the related parties; 4. Providing/availing of any services by the Company to/from the related parties; 5. Such other transactions/contracts/arrangements, inter alia, including below i. Recovery of actual expenses from the related parties such as telephone line(s), courier charges, insurance premium, etc.; ii. Recovery/Payment of expenses in relation to stock options granted to the employees of related parties; iii. Acquisition/transfer of fixed assets/liabilities at the value appearing in the books of account of related parties/Company.		
		Specific transactions between the Company and related party	iv. Recovery of the cost for the support services provided by the Company to JMFCSL; v. Rating support fees received from JMFCSL; and vi. Marketing of public issues of Non-Convertible Securities issued by the JMFCSL.	iv. Recovery of the cost for the support services provided by the Company to JMFARCL; v. Rating support fees received from JMFARCL; vi. Reimbursement of expenses for usage of office premises of JMFARCL by the Company situated at New Delhi; and vii. Advisory service fees in relation to proposed fund raising, if any, made by JMFARCL.	iv. Marketing of public issues of Non-Convertible Securities issued by the JMFPL; v. Recovery of expenses from the clients and reimbursement to JMFPL by the Company in relation to the assistance obtained from JMFPL in managing the public and other (debt) issues.
4.	Tenure of the proposed transactions/ contracts/arrangements		As mentioned in the justification paragraph in the statement annexed to the Notice and such approval shall be for the financial year 2023-24 and up to the next annual general meeting of the Company to be held in financial year 2024-25.		
5.	Nature, material terms and particulars of proposed transactions/ contracts/arrangements		As mentioned in the justification paragraph in the statement annexed to the Notice.		
6.	Value of the proposed transactions/ contracts/arrangements		The aggregate value of all such transactions/ contracts/arrangements and remaining outstanding at any point of time shall not exceed ₹ 500 Crore (Rupees Five Hundred Crore only) during the financial year 2023-24 and up to the next annual general meeting of the Company to be held in financial year 2024-25.	The aggregate value of all such transactions/ contracts/arrangements and remaining outstanding at any point of time shall not exceed ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore only) during the financial year 2023-24 and up to the next annual general meeting of the Company to be held in financial year 2024-25.	The aggregate value of all such transactions/ contracts/arrangements and remaining outstanding at any point of time shall not exceed ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore only) during the financial year 2023-24 and up to the next annual general meeting of the Company to be held in financial year 2024-25.
			The above limit is interchangeable for the transactions as mentioned above.		
7.	Percentage of Company's annual consolidated turnover for immediately preceding financial year represented by the value of proposed transaction (Based on consolidated turnover of financial year 2022-23)		14.96%	22.43%	22.43%
8.	Percentage calculated on the basis of the material subsidiaries annual turnover on a standalone basis (Based on turnover of financial year 2022-23)		42.64%	319.56%	87.40%
9.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders.		Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.		

ANNEXURE C (Contd.)

Sr. No.	Description	Name of the related parties		
		JM Financial Credit Solutions Limited (the "**JMFCSL**")	JM Financial Asset Reconstruction Company Limited (the "**JMFARCL**")	JM Financial Products Limited (the "**JMFPL**")
10.	Source of funds in connection with Loans/ ICDs/Advances/Investments	Majorly out of owned funds.		

Interest rate and repayment schedule	Whether secured or unsecured	If secured, the nature of security	Purpose of utilisation 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

Sr. No.	Description	
11.	Any other information that may be relevant.	All important information forms part of the justification paragraph in the statement annexed to the Notice.

Directors' Report

Dear Members,

The Board of Directors (the "**Board**") is pleased to present the 38th Annual Report of the Company along with the audited standalone and consolidated financial statements for the financial year ended March 31, 2023.

Financial Performance

The Company's standalone and consolidated financial performance for the year ended March 31, 2023 is summarised below.

(₹ in Crore)

Particulars	Consolidated		Standalone	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Gross income	3,343.07	3,763.28	488.56	619.63
Profit before depreciation, amortisation expense, finance costs and tax expenses (EBITDA)	**2,172.99**	**2,467.55**	**329.45**	**433.35**
Less: Depreciation and amortisation expense	41.87	37.78	10.03	10.69
Finance costs	1,178.51	1,081.73	6.13	6.76
Profit before tax	**952.61**	**1,348.04**	**313.29**	**415.90**
Current tax	243.54	415.46	40.15	77.50
Deferred tax	0.61	(60.24)	1.29	10.62
Tax adjustments of earlier years (net)	(0.30)	0.45	(1.22)	-
Net Profit after tax but before share in profit of associate	**708.76**	**992.37**	**273.07**	**327.78**
Add: Share in profit of associate	0.23	0.02	-	-
Net Profit after tax and share in profit of associate	**708.99**	**992.39**	**273.07**	**327.78**
Other Comprehensive Income	10.58	4.27	(0.13)	0.08
Total Comprehensive Income	**719.57**	**996.66**	**272.94**	**327.86**
Net Profit Attributable to				
Owners of the Company	597.29	773.16	-	-
Non-Controlling Interests	111.70	219.23	-	-
Total Comprehensive Income Attributable to				
Owners of the Company	607.91	777.50	-	-
Non-Controlling Interests	111.66	219.16	-	-

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

Appropriations

The following appropriations have been made from the available profits of the Company for the financial year ended March 31, 2023.

(₹ in Crore)

Particulars	Consolidated		Standalone	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Net Profit	**597.29**	**773.16**	**273.07**	**327.78**
Add/(less): Other Comprehensive Income	(0.37)	0.68	(0.13)	0.08
Add: Balance profit brought forward from previous year	3,897.87	3,400.28	1,316.81	1,084.29
Profit available for appropriations	**4,494.79**	**4,174.12**	**1,589.75**	**1,412.15**
Less: Appropriations				
Final Dividend pertaining to the previous year paid during the year	109.75	47.64	109.75	47.64
Interim Dividend paid during the year	85.93	47.70	85.93	47.70
Transfer to Statutory reserve – I	136.15	86.37	-	-
Transfer to Statutory reserve – II	5.85	0.87	-	-
Transfer to Impairment reserve	19.09	93.67	-	-
Surplus carried to balance sheet	**4,138.02**	**3,897.87**	**1,394.07**	**1,316.81**

DIRECTORS' REPORT (CONTD.)

The standalone and consolidated financial statements for the financial year ended March 31, 2023 have been prepared in accordance with Section 133 of the Companies Act, 2013 (the "**Act**") read with the rules made thereunder and in accordance with the Indian Accounting Standards ("**Ind AS**").

Key highlights of Consolidated Financial Performance

- Gross income decreased by 11.2% to ₹ 3,343.07 Crore as compared to ₹ 3,763.28 Crore in the financial year 2021-22;
- Profit before tax for the year decreased by 29.3% to ₹ 952.61 Crore as compared to ₹ 1,348.04 Crore in the financial year 2021-22;
- Profit after tax (post non-controlling interest) for the year decreased by 22.7% to ₹ 597.29 Crore as compared to ₹ 773.16 Crore in the financial year 2021-22; and
- The lower income and corresponding decrease in the profit after tax (post non-controlling interest) for the year is primarily attributable to significant decline in the performance of Alternative and Distressed Credit Business and Asset Management, Wealth Management & Securities Business (Platform AWS) segment during the year.

The consolidated financials reflect the cumulative performance of the Company together with its various subsidiaries, associate company, partnership firm and association of persons.

Key highlights of Standalone Financial Performance

- Gross income reported by the Company was ₹ 488.56 Crore for the year ended March 31, 2023 as against ₹ 619.63 Crore in the previous year, registering a decrease of 21.2%;
- Net profit of the Company was ₹ 273.07 Crore for the year ended March 31, 2023 as compared to the net profit of ₹ 327.78 Crore in the previous year, registering a decrease of 16.7%; and
- The lower income and corresponding decrease in the net profit is attributable to decrease in the fee income from ₹ 349.01 Crore in the previous year to ₹ 193.99 Crore in the year under review due to lower deal closures in investment banking business. The said decrease was partially off-set by increase in dividend income from subsidiaries which stood at ₹ 140.22 Crore in the year under review as compared to ₹ 46.14 Crore in the previous year.

The standalone and consolidated financial statements, together with the relevant documents and audited financial statements for each of its subsidiaries, pursuant to Section 136 of the Act, are available on the website of the Company at https://jmfl.com/investor-relation/financial-results.html.

General Reserve

During the financial year, there was no amount proposed to be transferred to the general reserve on a standalone basis.

Scheme of Arrangement

During the year, a Scheme of Arrangement was filed with the National Company Law Tribunal ("**NCLT**") for demerger of the undertaking (the "**Scheme**") comprising Private Wealth and Portfolio Management Services (the "**PMS**") 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 also comprises merger of JM Financial Capital Limited, which is a wholly owned subsidiary of JM Financial Services Limited, into JM Financial Services Limited. The Company has received the NCLT order approving the Scheme on April 20, 2023 with the appointed date April 1, 2023. The Scheme shall become effective upon filing of certified copy of the NCLT order with Registrar of Companies (the "**ROC**").

Once the Scheme becomes effective, the following changes shall take place:

- JM Financial Capital Limited will cease to be a step-down subsidiary of the Company consequent upon its merger with JM Financial Services Limited;
- JM Financial Institutional Securities Limited will become a direct wholly owned subsidiary of the Company; and
- the Private Wealth and PMS divisions shall become part of the Company and be classified under the Investment Bank segment from the Platform AWS segment.

Dividend

The Board at its meeting held on May 9, 2023, recommended payment of the final dividend of ₹ 0.90 per equity share of the face value of ₹ 1/- each (90% of face value) for the financial year 2022-23. The payment of the final dividend is subject to the approval of the members at the ensuing Annual General Meeting (the "**AGM**") of the Company.

The Board at its meeting held on November 14, 2022, had also declared an interim dividend of ₹ 0.90 per equity share of the face value of ₹ 1/- each (90% of face value).

The total dividend for the financial year 2022-23, including the proposed final dividend, amounts to ₹ 1.80 per equity share of the face value of ₹ 1/- each (180% of face value). The final dividend (if approved by the members) along with the interim dividend would involve a total outflow of ₹ 171.86 Crore as compared to outflow of ₹ 157.45 Crore in the previous financial year. The dividend payout ratio works out to 28.77% of the consolidated net profit for the year which is in accordance with the Dividend Distribution Policy of the Company.

The amount of final dividend, on its declaration, will be paid to those members:

a. 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, May 19, 2023 in respect of shares held by them in dematerialised form; and

b. whose names appear in the register of members at the close of business hours on Friday, May 19, 2023 in respect of shares held by them in physical form.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the recipients. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source, as applicable.

The Dividend Distribution Policy of the Company, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**") is available on the website of the Company at https://jmfl.com/investor-relations/Policy_for_Dividend_Distribution.pdf.

Share Capital

During the year under review, the Company issued and allotted 7,48,270 equity shares to its eligible employees under the Company's Employees' Stock Option Scheme – Series 8 to Series 13. As a result, the issued, subscribed and paid-up equity share capital of the Company increased from ₹ 95,40,55,533 (comprising 95,40,55,533 equity shares of the face value of ₹ 1/- each) to ₹ 95,48,03,803 (comprising 95,48,03,803 equity shares of the face value of ₹1/- each). The equity shares issued under the Employees' Stock Option Scheme rank pari-passu with the existing equity shares of the Company.

Employees' Stock Option Scheme

During the year under review, the Company granted 11,90,779 stock options to the eligible employees of the Company and its subsidiaries under the Company's Employees' Stock Option Scheme (the "**ESOP Scheme**") under Series 14, 15 and 16.

The ESOP Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "**SEBI SBEB Regulations**") and SEBI Circulars, issued from time to time, in this regard. A certificate from the Secretarial Auditors of the Company, confirming that the Scheme has been implemented in accordance with the SEBI SBEB Regulations, would be placed at the ensuing AGM for inspection by the members through electronic means.

The disclosure of the ESOP Scheme, in compliance with the SEBI SBEB Regulations, is set out in **Annexure A** and also uploaded on the Company's website at https://jmfl.com/annual-report. Additionally, the relevant disclosures in terms of 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.

The Nomination and Remuneration committee (the "**NRC**") of the Board, at its meeting held on April 25, 2023, has granted an aggregate of 99,999 stock options to the eligible employees of Company's subsidiary as per the ESOP Scheme under Series 17.

DIRECTORS' REPORT (CONTD.)

Subsidiaries, Associate, Partnership Firm and Association of Persons

The Company has following subsidiaries (including step down subsidiaries), associate company, partnership firm and association of persons.

Subsidiary Companies (including step down 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. Ltd. (Singapore)
7. JM Financial Securities, Inc. (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

Association of Persons

ARB Maestro

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 this Annual Report.

The Company's policy for determining material subsidiary is available on its website at https://jmfl.com/investor-relations/Policy_on_Material_Subsidiaries.pdf.

Awards and Recognition

The Asset Triple A Country Awards for Sustainable Finance 2022 (February 2023)	- JM Financial Limited awarded for the Best Corporate and Institutional Adviser, India. - JM Financial Limited awarded for the Best Equity Adviser, India.
BSE Awards, 2022 (October 2022)	The Bondskart platform has been recognised by BSE Limited as the Best Performer in Retail Trading in Corporate Bonds – Fintech Platforms. JM Financial Services Limited has been recognised by BSE Limited amongst: - Top 5 Performers in Primary Market Segment (Equity - Members); - Top 5 Performers in Primary Market Segment (UPI Bids - Members); - Top 5 Performers in Primary Market Segment (Debt - Members); and - Best Performers in Institutional Segment – Domestic.
The Great Place to Work Institute. India's Great Mid-Sizes Workplaces (June 2022)	JM Financial Home Loans Limited recognised third time in a row among 'India's Top 50 Great Mid-Sized Workplaces 2022'.

Certifications

Great Place to Work-Certified™ (February 2023 - February 2024)	JM Financial Group has been accredited as Great Place to Work-Certified™ by the Great Place to Work Institute for the below five participating entities for the period February 2023 - February 2024. - JM Financial Limited (Institutional Securities Businesses); - JM Financial Services Limited; - JM Financial Products Limited (Dwello); - JM Financial Home Loans Limited; and - JM Financial Asset Management Limited.

Directors and Key Managerial Personnel

As on March 31, 2023, the Board of the Company comprises ten (10) Directors viz., two (2) executive directors, two (2) non-executive directors and six (6) independent directors including two (2) women independent directors.

Appointment of Non-Executive Independent Director

During the year under review, the members of the Company at its meeting held on August 2, 2022, had approved the appointment of Mr. Sumit Bose (DIN: 03340616) as an independent director for a period of five (5) years with effect from May 24, 2022 to May 23, 2027, basis the recommendation made by the NRC and the Board.

Retirement by Rotation

In accordance with the applicable provisions of Section 152 of the Act, Mr. Vishal Kampani (DIN: 00009079), a non-executive director of the Company, being longest in office since his last appointment, retires by rotation at the forthcoming AGM of the Company. Being eligible, Mr. Kampani has offered himself for re-appointment as a director.

A resolution seeking his re-appointment along with the brief particulars as required under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI Listing Regulations forms part of the Notice convening the 38th AGM of the Company.

None of the Directors is disqualified from being appointed as 'Director', pursuant to Section 164 of the Act or under any other applicable laws. The Company has obtained a certificate from 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 director of companies by the Securities and Exchange Board of India (the "**SEBI**")/Ministry of Corporate Affairs (the "**MCA**") or any such statutory authorities as on March 31, 2023. A copy of the said certificate is forming part of Corporate Governance Report, which forms part of this Report.

Cessation of Independent Directors

During the year under review, Mr. E A Kshirsagar (DIN: 00121824), Dr. Vijay Kelkar (DIN: 00011991), Mr. Paul Zuckerman (DIN: 00112255) and Mr. Keki Dadiseth (DIN: 00052165) ceased to be the independent directors of the Company with effect from close of business hours on July 2, 2022 upon completion of their second term pursuant to Section 149(11) of the Act. With this, they also ceased to be chairmen/members of the respective committees of the Board on which they were serving as such.

The Board acknowledges the immense benefit derived by the Company from the expertise and valuable guidance of the above directors and places on record its deep appreciation for the thoroughness, dedication and commitment shown by them during their stint as independent directors of the Company.

Change in Key Managerial Personnel

Ms. Dimple Mehta (Membership No. F12560) has been appointed as the Company Secretary & Compliance Officer (for SEBI Listing Regulations) of the Company with effect from April 1, 2023 and the Key Managerial Personnel (the "**KMP**") within the meaning of Section 203 of the Act. Mr. Prashant Choksi ceased to be the KMP upon he relinquishing his executive role on surpassing his superannuation age with effect from the close of business hours on March 31, 2023. The Board places on record its appreciation for flawless work/role played by Mr. Choksi during his association with the Company as such, including his swiftness in responding to the queries/requirements of the Board Members, past and present.

Other than above, there are no changes in the KMP of the Company. Mr. Atul Mehra, Mr. Adi Patel, Joint Managing Directors and Mr. Manish Sheth, Chief Financial Officer continue to be the KMPs within the meaning of Section 2(51) read with Section 203(1) of the Act.

Declaration by Independent Directors

The independent directors of the Company, pursuant to the provisions of Section 149 of the Act and SEBI Listing Regulations, have submitted their declaration confirming that each of them meets the criteria of independence as prescribed under the Act read with rules made thereunder and the SEBI Listing Regulations and that they continue to comply with the Code of Conduct laid down under Schedule IV to the Act. They have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties independently. Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the independent directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs.

DIRECTORS' REPORT (CONTD.)

Accordingly, based on the said declarations and after reviewing and verifying its veracity, the Board is of the opinion that the independent directors are persons of integrity, possess relevant expertise, experience, proficiency, fulfil the conditions of independence specified in the Act and SEBI Listing Regulations and are independent of the management of the Company.

There has been no change in the circumstances affecting their status as independent directors of the Company. During the financial year 2022-23, 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.

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 Act and the SEBI Listing Regulations. On an annual basis, all the Board Members and senior management personnel have affirmed compliance with the Code of Conduct.

Board Meetings

During the year under review, seven (7) meetings of the Board were held. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act and the SEBI Listing Regulations. Detailed update on the Board, its composition, governance of committees, number of meetings held during the financial year 2022-23 and attendance of the Directors thereat, is provided in the Corporate Governance Report, which forms part of this Report.

Policies on Appointment of Directors and their Remuneration

The Board values the significance of diversity and firmly believes that diversity of gender, thought, experience and knowledge leads to sharper and balanced decision-making. The Company has an eminent, high-performing and diverse board comprising 20% Women Directors. In terms of the applicable provisions of Section 178(3) of the Act and Regulation 19(4) of the SEBI Listing Regulations, the Company has adopted the policies on 'Selection and Appointment of Directors' and 'Performance Evaluation and Remuneration of the Directors'. Both these policies are available 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.

The salient features of the policy on Performance Evaluation and Remuneration of the Directors along with the details of remuneration and other matters have been disclosed at length in the Corporate Governance Report which forms part of this Report.

Evaluation of Board of Directors

Pursuant to the applicable provisions of the Act and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, the Board committees and individual directors. The evaluation was based on the criteria and questionnaire framed by the Company in accordance with its Policy on performance evaluation and remuneration of the Directors, which is available on the website of the Company and the Guidance Note on Board Evaluation issued by the SEBI vide its Circular dated January 5, 2017. The questionnaires were circulated online through the secured application and feedback received from the directors was discussed and reviewed by the NRC and the Board at their respective meetings.

The independent directors of the Company met separately at their meeting held on March 24, 2023, without the attendance of non-independent directors and members of the management. Based on the feedback received through performance evaluation questionnaires, the independent directors reviewed the following.

a) Performance of non-independent directors i.e., joint managing directors, non-executive vice chairman of the Company and the Board as a whole;

b) Performance of the various committees of the Board;

c) Performance of the chairman of the Board/Company; and

d) Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.

The independent directors expressed their satisfaction on the performance of the non-independent directors of the Company and the Board as a whole, for the financial year 2022-23 on the overall functioning of the Board committees.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the cohesiveness that exists amongst them, the two-way candid communication between the Board and the management and the openness of the management in sharing strategic information to enable the Board Members to discharge their responsibilities effectively.

As an outcome of this exercise, the Board was of the view that it has optimum mix of executive, non-executive and independent directors and that the Board and its Committees work to its optimum levels and functions with independence, integrity and professionalism for the long-term benefits of all the stakeholders. The Board noted that Joint Managing Directors were discharging their duties admirably and the Chairman has demonstrated exemplary leadership qualities in handling the board matters and has been regarded as the sagacious leader who commanded well deserved respect.

There have been no material observations or suggestions, consequent to such evaluation/review.

Board Committees

In compliance with the statutory requirements, the Board has 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

Detailed note on the composition of the Board and its committees, including its terms of reference and meetings held are provided in the Corporate Governance Report. The composition and terms of reference of the Committees of the Board of the Company is in line with the provisions of the Act and the SEBI Listing Regulations.

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 the 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 year under review, the members of the Company had approved the appointment of B S R & 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 from the conclusion of the 37th AGM until the conclusion of the 42nd AGM to be held in the financial year 2027-28.

Auditor's Report

The Statutory Auditors have issued their unmodified opinion, both on standalone and consolidated financial statements, for the financial year ended March 31, 2023. They have not highlighted any qualifications, reservations, adverse remarks or disclaimers. The Statutory Auditors have not reported any incidents of fraud to the Audit Committee of the Board during the financial year 2022-23. 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

The Board of the Company, on the recommendation made by the Audit committee, had appointed Makarand M. Joshi & Co., Company Secretaries, as the Secretarial Auditors (the "**MMJC**") to conduct an audit of the secretarial records for the financial year 2022-23.

The secretarial audit report as issued by MMJC for the financial year ended March 31, 2023, is appended to this Report as **Annexure B**, which is self-explanatory.

The Secretarial Auditors have not reported any fraud under Section 143(12) of the Act.

Further, in compliance with Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report issued by MMJB & Associates LLP, was submitted to the stock exchanges within the statutory timelines.

DIRECTORS' REPORT (CONTD.)

Secretarial audit report of material unlisted Indian subsidiary

A copy of the secretarial audit report for the financial year 2022-23 issued to JM Financial Services Limited, a material unlisted subsidiary of the Company is appended to this Report marked as **Annexure B1**.

Secretarial Standards

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

Internal Auditors

During the year under review, CNK & Associates LLP., Chartered Accountants, were appointed as the Internal Auditors of the Company in accordance with the applicable provisions of the Act.

Corporate Social Responsibility

The Corporate Social Responsibility Committee (the "**CSR committee**") has been established by the Board in accordance with Section 135 of the Act and details of its composition, terms of reference and particulars of meetings held during the year are stated in the Corporate Governance Report which forms part of this Report.

As earmarked for the financial year under review, the Company has spent ₹ 0.99 Crore as the CSR expenditure towards the CSR Project viz., Shri Vardhman Nidaan Seva.

The aforesaid CSR Project of the Company was in accordance with the activities specified under Schedule VII to the Act and a brief overview on the same is available on the website of the Company at https://jmfl.com/giving-csr/projects.

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. The CSR policy of the Company is available on the website of the Company at https://jmfl.com/investor-relations/CSR_Policy.pdf.

Pursuant to the amendment to the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "**CSR Rules**"), the Chief Financial Officer of the Company has certified that the funds disbursed basis the annual action plan for the financial year 2022-23 have been utilised for the purpose and in the manner as approved by the Board.

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

Risk Management

Risk management is an integral part of the Company's strategy for achieving the long-term goals. The Company and its subsidiaries are exposed to various risks which include 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, among others. A comprehensive risk management policy has been formulated by the Company apart from the processes which are in place 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 of the Company as established by the Board has been entrusted with the responsibility of reviewing the risk management process in the Company. The committee also reviews the cyber security function, assess various risks and ensures that the risks are brought within acceptable limits. The Audit committee has an additional oversight in the area of financial risks and controls.

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 system and its adequacy

The Company has adequate internal financial control system over financial reporting which ensures that all transactions are authorised, recorded, and reported correctly in a timely manner. 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 Statutory Auditors and the Internal Auditors of the Company also provide their confirmation that the internal financial control framework is operating effectively.

The Company on a regular basis tracks all amendments to Accounting Standards and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same. During the year, no material or serious observations have been highlighted for inefficiency or inadequacy of such controls. The details of adequacy of internal controls are given at length in the Management Discussion and Analysis Report which forms part of this Report.

Deposits

There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, as amended, at the end of financial year 2022-23 or the previous financial year. The Company did not accept any deposits during the financial year 2022-23.

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 2022-23, there has been no change in the nature of the Company's business except that as mentioned earlier, upon receipt of all approvals from the concerned authorities and pursuant to the Scheme of Arrangement, the Private Wealth and PMS divisions of JM Financial Services Limited, a wholly owned subsidiary of the Company, shall be classified under the Investment Bank segment of the Company.

Significant and material orders

During the financial year under review, there were no significant/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

Pursuant to Regulation 34 read with Schedule V to the SEBI Listing Regulations, a report on Corporate Governance for the financial year 2022-23 along with the certificate from the Secretarial Auditors of the Company confirming the compliance with the regulations of Corporate Governance under the SEBI Listing Regulations is annexed and forms part of this Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report as stipulated under Regulation 34 of the SEBI Listing Regulations is presented in a separate section forming part of this Report, which gives an update, *inter-alia* on the following matters.

- Industry structure and developments;
- Segment-wise overview of business performance;
- Financial Overview;
- Risk management;
- Internal control systems and their adequacy;
- Corporate Social Responsibility and Philanthropy; and
- Human Resources.

Business Responsibility and Sustainability Report (BRSR)

Pursuant to Regulation 34 of the SEBI Listing Regulations, detailed BRSR report, in the format as prescribed by SEBI, describing various initiatives taken by the Company towards the Environmental, Social and Governance aspects forms part of this Report.

Particulars of employees and related information

The ratio of remuneration of each Director to the median employees' remuneration as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (the "**Rules**") as amended, is disclosed in **Annexure D**, appended to this Report.

In terms of Section 136(1) of the Act, the Annual Report is being sent to the members, excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the said Rules. Any member desirous of obtaining such information may write to the Company Secretary at ecommunication@jmfl.com and the same will be furnished on such request.

Particulars of loans, guarantees or investments

The details, if any, of loans, guarantees and investments falling under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in note 37 of notes to the standalone financial statements of the Company.

DIRECTORS' REPORT (CONTD.)

Credit rating

Details of all the credit ratings obtained by the Company is mentioned in the General Shareholders' Information which forms a part of the Corporate Governance Report.

Investor Education and Protection Fund (IEPF)

Details of unclaimed dividends and equity shares which are transferred to the Investor Education and Protection Fund and Investor Education and Protection Fund authority are mentioned in the General Shareholders' Information which forms a part of the Corporate Governance Report.

Particulars of contracts or arrangements with related parties

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a 'Policy on dealing with Related Party Transactions' and the said policy is uploaded on the website of the Company at https://jmfl.com/investor-relation/Disclosures-of-related-party-transactions.html.

All the related party transactions were placed before the Audit committee for its review on a quarterly basis. An omnibus approval of the Audit committee had been obtained for the related party transactions which were repetitive in nature. Further, as per the applicable provisions of the SEBI Listing Regulations, necessary approvals of the members of the Company were also sought for the material related party transactions proposed to be entered with the related parties.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act, as prescribed in Form AOC-2.

The related party transactions as required under Ind AS – 24 are reported in note 37 of notes to the standalone financial statements and note 41 of notes to the consolidated financial statements of the Company.

The Company in terms of Regulation 23 of the SEBI Listing Regulations, submits the disclosures of related party transactions on a consolidated basis to the stock exchanges within the stipulated time. The said disclosures are available on the website of the Company at https://jmfl.com/investor-relation/overview.html.

Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Act, the Annual Return for the financial year 2022-23, is available on the website of the Company at https://jmfl.com/investor-relation/agm-egm.html.

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

The operations of the Company are not energy intensive nor does they 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. The Company has, however, implemented various energy conservation measures across all its functions which are highlighted in the BRSR forming part of this Report.

During the financial year 2022-23, the total foreign exchange earned by the Company was ₹ 12.05 Crore and the total foreign exchange outgo was ₹ 0.79 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 Company encourages an open and transparent system of working and dealing amongst its stakeholders and accordingly, has framed a robust vigil mechanism in the form of Whistle Blower policy. This policy enables its directors and employees of the Company or any other person who avails the mechanism framed under this policy to report concerns about unethical or improper practices or alleged wrongful conduct, actual or suspected fraud etc., without any fear of discrimination or victimisation of any kind. This policy protects such directors and employees from unfair or prejudicial treatment by anyone within the Company. It also provides direct access to the chairman of the Audit committee. Details of vigil mechanism/whistle blower policy are included in the Corporate Governance Report, forming part of this Report. The policy is available on the website of the Company at https://jmfl.com/investor-relations/Whistle_Blower_Policy.pdf.

In order to enhance the knowledge amongst the employees about the Whistle Blower policy, an awareness programme was undertaken by the Company and an annual affirmation in this regard was obtained from the employees.

During the financial year 2022-23, no complaints under this mechanism have been reported.

Maintenance of cost records

The maintenance of cost records as specified under Section 148 of the Act is not applicable to the Company.

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

In compliance with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, the Company has a policy in place and has constituted Internal Complaints Committee (the "**ICC**") to deal with complaints relating to sexual harassment at workplace. All employees, permanent, contractual, temporary and trainees are covered under this policy. A quarterly report on the complaints, if any, is placed before the Board for its review.

During the financial year 2022-23, no complaints were received from any of the employees, under this policy.

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 SEBI Listing Regulations forms part of Corporate Governance Report, which forms part of this Report.

Other Disclosures

The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

The Company has not issued any sweat equity shares during the year.

No proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution.

Acknowledgements

The Board of Directors take this opportunity to place on record its sincere thanks to SEBI, RBI, MCA, National Housing Bank, Real Estate Regulatory Authority, 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. The Directors also recognise the support and co-operation extended by the Government of India, State Governments, Overseas Regulatory Authorities and their agencies.

The Board of Directors wish to place on record their appreciation to employees at all levels for their dedication and commitment.

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman
DIN: 00009071

Place: Mumbai
Date: May 9, 2023

DIRECTORS' REPORT (CONTD.)

ANNEXURE A

DETAILS OF THE EMPLOYEES' STOCK OPTION SCHEME AS REQUIRED UNDER THE APPLICABLE SEBI SBEB REGULATIONS

1.	Options granted during the financial year 2022-23	:	11,90,779
2.	Pricing formula	:	As determined by the Nomination and Remuneration committee
3.	Options vested during financial year 2022-23	:	6,08,252
4.	Options exercised during financial year 2022-23	:	7,48,270
5.	Total number of shares arising as a result of exercise of options during financial year 2022-23	:	7,48,270
6.	Options lapsed during financial year 2022-23	:	1,23,975
7.	Variation of terms of options	:	None
8.	Money realised from the employees by exercise of options during financial year 2022-23	:	7,48,270*
9.	Total options granted and outstanding as on March 31, 2023	:	23,41,609
10.	Employee wise details of options granted to:		
	(i) senior managerial personnel;	:	1,90,015 stock options have been granted to 2 senior managerial personnel (eligible employees of the Company and subsidiary)
	(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 – ₹ 2.86 Consolidated – ₹ 6.25
12.	Weighted-average exercise prices and weighted average fair values of options for options whose exercise price is either equals 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									
		Series 14			Series 15			Series 16			
		T^1	T^2	T^3	T^1	T^2	T^3	T^1	T^2	T^3	T^4
i.	**Risk-free interest rate (in %)**	6.57	7.10	7.23	6.57	7.10	7.23	7.55	7.28	7.33	7.42
ii.	**Life of options (in years)**	2.75	3.75	4.50	2.75	3.75	4.50	2.75	3.75	4.75	5.50
iii.	**Expected volatility**	0.4679	0.4545	0.4466	0.4679	0.4545	0.4466	0.4462	0.4363	0.4376	0.4355
iv.	**Expected dividend yield (in %)**	2.40	2.40	2.40	2.40	2.40	2.40	2.24	2.24	2.24	2.24
v.	**The price of the underlying share in market at the time of Option grant (in ₹)**	68.75			68.75			73.80			

^Symbol T denotes the word Tranche

*In addition to ₹ 7,48,270 received from eligible employees, an aggregate amount of ₹ 34,83,231, 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 ₹ 77,80,467, 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: The relevant disclosures in terms of the Ind AS 102 relating to share based payments, 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.

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman
DIN: 00009071

Place: Mumbai
Date: May 9, 2023

ANNEXURE B

FORM MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2023

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

To,
The Members,
JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025.

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 requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2023 (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 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, 2023 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 and Sweat Equity) Regulations, 2021;

   (e) 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;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

DIRECTORS' REPORT (CONTD.)

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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ('Listing Regulations').

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc., as mentioned above except that the composition of Nomination and Remuneration Committee was not in accordance with Regulation 19 of the Listing Regulations read with FAQs issued by the exchanges for a short period.

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 Audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

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.

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 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,

1. The Board of Directors of the Company at its meeting held on May 24, 2022 had approved the Scheme of Arrangement (the "Scheme") for the demerger of the undertakings of JM Financial Services Limited (the "JMFSL") into the Company, comprising Private Wealth and Portfolio Management Services including its investment in JM Financial Institutional Securities Limited (a wholly owned subsidiary of JMFSL and step down subsidiary of the Company). The said Scheme was later partially modified on August 2, 2022, to include the merger of JM Financial Capital Limited, a wholly owned subsidiary of JMFSL, into it.

   Further, National Company Law Tribunal, Mumbai Bench sanctioned the Scheme vide its order on March 24, 2023 and issued certified copy of the same on April 20, 2023. The Scheme will be made effective from the appointed date i.e. April 1, 2023, post filing of the necessary forms with Registrar of Companies, Maharashtra.

2. The Company has 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 August 02, 2022.

3. The Company has issued and allotted 7,48,270 Equity Shares of face value of ₹ 1/- each towards exercise of options vested under JM Financial Limited – Employees' Stock Option Scheme 2007.

For **Makarand M. Joshi & Co.**
Company Secretaries

Kumudini Bhalerao
Partner
FCS No: 6667
CP No: 6690
PR No: 640/2019
UDIN: F006667E000273978

Place: Mumbai
Date: May 9, 2023

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

Annexure A

To,
The Members,
JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025.

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: 6667
CP No: 6690
PR No: 640/2019
UDIN: F006667E000273978

Place: Mumbai
Date: May 9, 2023

DIRECTORS' REPORT (CONTD.)

ANNEXURE B1

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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 400 025

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, 2023, 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, 2023, 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, 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 (**the "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 **(during the period under review not applicable to the Company)**;

(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) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(during the period under review not applicable to the Company)**;

(e) 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)**;

(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, 2021 **(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 not applicable to the Company)**;

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

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 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 the 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 Directors at their meeting held on May 13, 2022 recommended payment of Final Dividend of ₹ 10/- per Equity share of the face value of ₹ 10/- each for the financial year 2021-22 and also recommended payment of dividend of ₹ 45,00,000/- (Rupees Forty Five Lakh Only) in respect of 75,00,000 6% Compulsorily Convertible Preference Shares of the face value of ₹ 10/- each for the financial year 2021-2022 which was approved by the Members of the Company at their Annual General Meeting held on July 21, 2022.

2. The Board of Directors at their meeting held on May 13, 2022 provided their approval to create, grant and issue to the existing and/or future employees and/or directors (except independent directors) (hereinafter collectively referred to as "**the Employees**") of the Company or of the Holding Company or of the Subsidiary Company(ies) of the Company, upto 25,00,000 (Twenty Five Lakh) equity stock options, which when exercised by the Employees shall give rise to equal number of equity shares (upto 25,00,000) of the Company of the face value of ₹ 10/- each aggregating upto ₹ 250,00,000/- (Rupees Two Crore Fifty Lakh only) under a scheme called the "**Employees Stock Option Scheme**" which was subsequently approved by the Members of the Company at their Annual General Meeting held on July 21, 2022.

3. The Board of Directors at their meeting held on May 23, 2022 approved the Scheme of Arrangement between JM Financial Services Limited ("**JMFSL**"/the "**Company**") and JM Financial Limited ("**JMFL**") and their respective shareholders (the "**Scheme**") providing for demerger of the 'Demerged Undertaking' as defined in the Scheme of JMFSL into JMFL. The Scheme was further modified on July 21, 2022 to include the merger of JM Financial Capital Limited, the wholly owned subsidiary with the Company.

4. The Board of Directors at their meeting held on January 25, 2023 approved to offer, issue and allot upto 20,00,000 (Twenty Lakh only) 9% Redeemable

DIRECTORS' REPORT (CONTD.)

Cumulative Preference Shares of the face value of ₹ 10/- (Rupees Ten only) each for cash at a premium of ₹ 200/- (Rupees Two Hundred only) per share, aggregating ₹ 42,00,00,000/- (Rupees Forty Two Crore only) on rights basis to the existing Equity Shareholders of the Company, viz., JM Financial Limited which was subsequently approved by the Members of the Company at their Extra Ordinary General Meeting held on January 25, 2023.

5. The Board of Directors at their meeting held on January 25, 2023 provided their In-Principle approval to offer, issue and allot secured/unsecured, listed/unlisted, rated/unrated redeemable Non- Convertible Debentures (the "**NCDs**") including Principle Protected, Market Linked NCDs, to the eligible investors in one or more tranches, from time to time, for an amount aggregating upto ₹ 200 Crore (Rupees Two Hundred Crore only) on private placement basis and/or through public offer.

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

Dipti Mehta
Partner
FCS No: 3667
CP No: 23905

Place: Mumbai
Date: April 27, 2023

UDIN: F003667E000203405

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

Annexure A

To,
The Members,
JM FINANCIAL SERVICES LIMITED
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025

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: April 27, 2023

UDIN: F003667E000203405

DIRECTORS' REPORT (CONTD.)

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 ("**CSR**") at JM Financial is undertaken to create long-term impact through development projects with collective action, collaborations and creating equitable opportunities for the underserved. Our CSR projects are envisioned and implemented with the aim of actively working towards community development, with a focus on integrated rural transformation in predominantly difficult terrains of our country.

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 2022-23 was ₹ 3.54 Crore. During the year, the CSR committee and the Board of the Company have approved the CSR Project viz., Shri Vardhman Nidaan Seva. The Project aims to provide doorstep primary preventive and curative healthcare services to rural communities residing in remote terrains of Khaira and Sikandra blocks of Jamui district, Bihar. The CSR committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

2. Composition of the CSR Committee as on March 31, 2023:

Sr. No.	Name of the Members	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.	Ms. Jagi Mangat Panda	Member - Independent Director	2	2
3.	Mr. Pradip Kanakia	Member - 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 executive summary along with the web link(s) 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: Not applicable.

5. (a) **Average net profit of the Company as per Section 135(5):** ₹ 176.69 Crore

(b) **Two percent of average net profit of the Company as per Section 135(5):** ₹ 3.54 Crore

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** None

(d) **Amount required to be set off for the financial year, if any:** None

(e) **Total CSR obligation for the financial year [(b)+(c)- (d)] :** ₹ 3.54 Crore

6. (a) **Amount spent on CSR Projects (Ongoing Project):** ₹ 0.99 Crore

(b) **Amount spent in Administrative overheads:** ₹ None

(c) **Amount spent on Impact Assessment, if applicable:** None

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 0.99 Crore

(e) **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) of the Act		Amount transferred to any fund specified under schedule VII as per second proviso to Section 135(5) of the Act		
	Amount (in ₹)	Date of transfer	Name of the fund	Amount	Date of transfer
0.99 Crore	2.55 Crore	April 25, 2023	Not applicable		

(f) **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)	3.54 Crore
ii.	Total amount spent for the financial year	0.99 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

7. Details of Unspent CSR amount for the preceding three financial years: None as there was no unspent CSR amount from the preceding three financial years i.e., FY 2021-22, FY 2020-21 and FY 2019-20.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: None.

9. 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 9, 2023

Atul Mehra
Joint Managing Director
DIN: 00095542

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 2022-23 is as follows:

Sr. No.	Name of the Directors	Designation	Ratio of remuneration of Director to the median remuneration
1.	Mr. Nimesh Kampani	Non-executive Chairman	Refer Note below
2.	Mr. Vishal Kampani	Non-executive Vice Chairman	0.63
3.	Ms. Jagi Mangat Panda	Non-executive Independent Director	1.03
4.	Mr. P S Jayakumar	Non-executive Independent Director	1.17
5.	Mr. Navroz Udwadia	Non-executive Independent Director	0.72
6.	Ms. Roshini Bakshi	Non-executive Independent Director	1.10
7.	Mr. Pradip Kanakia	Non-executive Independent Director	1.20
8.	Mr. Sumit Bose *(with effect from May 24, 2022)*	Non-executive Independent Director	1.00
9.	Mr. Atul Mehra	Joint Managing Director	16.27
10.	Mr. Adi Patel	Joint Managing Director	19.09

Note: Not applicable, since no remuneration in the form of sitting fees and/or commission has been paid/proposed to be paid to Mr. Nimesh Kampani for the financial year 2022-23, as has been voluntarily declined by him.

b. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23, is as follows:

Sr. No.	Name of the Directors/ Key Managerial Personnel	Designation	Increase (%)
1.	Mr. Nimesh Kampani	Non-executive Chairman	Refer Note in table (a) above
2.	Mr. Vishal Kampani*	Non-executive Vice Chairman	-
3.	Ms. Jagi Mangat Panda	Non-executive Independent Director	5.3
4.	Mr. P S Jayakumar	Non-executive Independent Director	20.7
5.	Mr. Navroz Udwadia*	Non-executive Independent Director	-
6.	Ms. Roshini Bakshi*	Non-executive Independent Director	-
7.	Mr. Pradip Kanakia*	Non-executive Independent Director	-
8.	Mr. Sumit Bose#	Non-executive Independent Director	-
9.	Mr. Atul Mehra*	Joint Managing Director	-
10.	Mr. Adi Patel*	Joint Managing Director	-
11.	Mr. Manish Sheth	Chief Financial Officer	7.5
12.	Mr. Prashant Choksi	Company Secretary	2.2

*Percentage increase is not mentioned as the same is not comparable with the previous year (holding position for part of the previous year).

#Percentage increase is not mentioned as the same is not comparable since Mr. Bose held the position only for the part of the financial year 2022-23

c. Percentage increase in the median remuneration of employees in the financial year 2022-23: 18%

d. Number of permanent employees on the rolls of Company at the end of March 31, 2023:

Particulars	As at March 31, 2023	As at March 31, 2022
Number of permanent employees on the rolls of the Company (including fixed term contract employees)	160	146

e. Average percentile increase/(decrease) already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase/decrease 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 decreased by 9.7% during the financial year 2022-23 as compared to the previous year.

Average salary of key managerial personnel has increased by 1.9%.

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 9, 2023

Management Discussion and Analysis Report

Global Economy wades through uncertainties

The global economy continued to manoeuvre through uncertainties in FY23. Uncertainties pertaining to the likely escalation of Russia-Ukraine war, continuous disruption in global supply chain leading to inflation globally due to closing down of China were amongst the major events that provided maximum volatility to the markets. Expectation of an imminent recession got stronger as major central banks continued to tighten monetary conditions. However, on a positive note in mid FY23, notable improvement in supply chains led to easing inflationary pressures and entire commodity prices moderated, Brent crude prices peaked in FY23 and moderated ~35% by year end. Global growth projections were lowered to 2.9% for 2023 by IMF from 3.4% in 2022.

Indian Economy remains resilient with elevated inflation

Indian economy demonstrated resilience throughout FY23 even as global macroeconomic environment threw challenges in the form of tight monetary policy, reduced global demand, high commodity prices especially crude. India's prudent fiscal planning aided in meeting the fiscal deficit target of 6.4% of GDP in FY23, moreover a lower Fiscal Deficit target for FY24 (5.9% of GDP) and record high capex allocation (₹ 10tn) reflected the government's strong intent to continue on its fiscal consolidation path, while carefully balancing the growth requirement of the economy. The uptick in benchmark yields (10yr Gsec) was marginal (50bps) even though the repo rates was hiked by 250 bps during this period, reflecting the confidence of the bond markets in the economy. GST collections have been consistently clocking above ₹ 1tn mark since last 21 months, collections reached record high of ₹ 1.6tn in Mar'23. India's trade deficit reached as high as USD 29.3bn in Sep'22 vs USD 15.9bn avg. during FY22, which reduced significantly by the end of FY23 (USD 17.4bn in Feb). The positive improvement in trade balance was on account of sharp fall in imports vs exports, decline in oil prices and resilient services exports helped cushion the Current Account Deficit. The import cover ratio averaged 9.5 times during this period.

The global uncertainties hampered RBI's ability to provide a clear policy path going forward, and on the growth front RBI scaled down the GDP growth projections for FY23 to 6.8% from 7.2% earlier. The scale down of the inflation projection (6.5% vs 6.7% earlier) for FY23 reflected that the RBI expects inflation to remain elevated with shallow moderation.

Sticky inflation keeps monetary conditions tight

The fall in pace of rate hikes (50bps in Sep'22 to 25bps in Feb'23) reflected RBI's comfort in growth and inflation dynamics in the country. The central bank continued to remain hawkish throughout FY23 as inflation hovered above the 6% mark, systemic liquidity reduced sharply from ₹ 6.6tn (Apr'22) to ₹ 1tn in Mar'23, it even turned deficit during Mar'23 calling for RBI's intervention. The tightening liquidity condition was evident in the steep rise in overnight call money rates (6.4% vs 3.3% in Apr'22).

The repo rate at 6.5% has already reached pre-pandemic levels. RBI like other central banks is targeting to bring down inflation decisively within the accepted tolerance band (4% + - 2%).

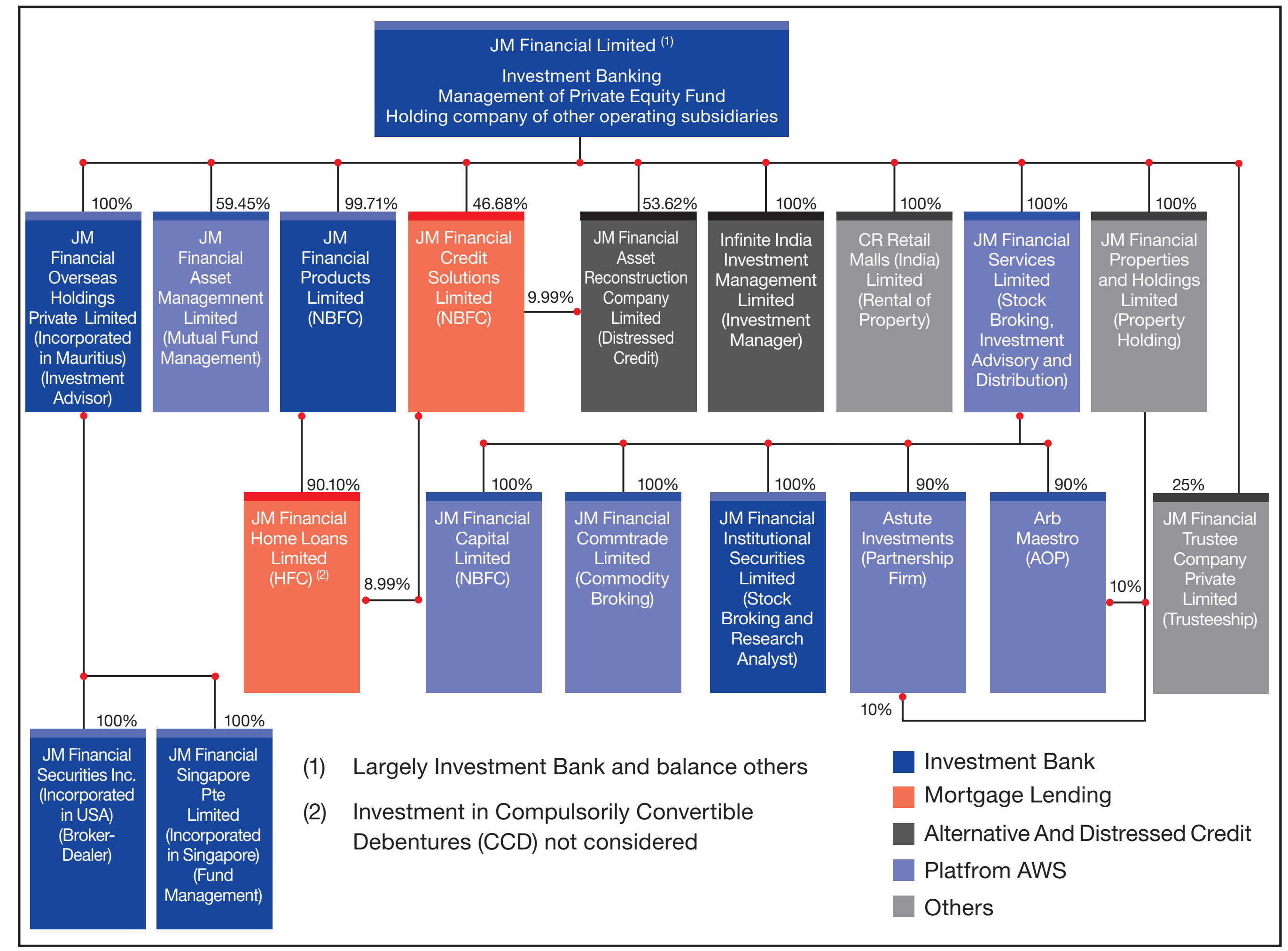
Resilience in external economy amidst global uncertainties

The external sector has continued to remain resilient amidst the global uncertainties and expectations of the spill over effects due to an imminent slowdown in the developed market economies. India's exports reached an all-time high of USD 750bn in FY23 from USD 672bn in FY22. The growth in merchandise exports on a FYTD basis (Apr-Feb'23) moderated to 7% vs 47% earlier, while imports growth moderated to 19% vs 59% earlier, trade deficit widened to USD 251bn vs USD 173bn earlier. However, robust services balance (USD 125bn vs USD 93bn earlier) helped cushion the Current Account Deficit (CAD) in FY23. Software exports constitutes majority of India's services exports and the consistent growth in this category is not reflecting the spill over effect of growth slowdown in DM economies (~ 90% of India's software exports is concentrated in US and Europe). India's forex reserves fell USD 39bn during FY23, but remained at comfortable levels of USD 579bn which comes to an import cover ratio of 9.5times.

Source: International Monetary Fund, RBI, CMIE

DISCUSSION ON BUSINESSES AND OPERATIONAL PERFORMANCE

The corporate structure of JM Financial Group (the "**Group**") as at March 31, 2023 is presented below:



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. 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. During the year, a Scheme of Arrangement was filed with the National Company Law Tribunal (**NCLT**) for demerger of the undertaking (the "**Scheme**") comprising of Private Wealth and Portfolio Management Services (the"**PMS**") 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 JM Financial Limited. The Scheme also comprises merger of JM Financial Capital Limited, which is a wholly owned subsidiary of JM Financial Services Limited, into JM Financial Services Limited. The Company has received the NCLT order approving the Scheme on April 20, 2023 with the appointed date April 1, 2023. The Scheme shall become effective upon filing of certified copy of NCLT order with Registrar of Companies (the "**ROC**"). Once the Scheme comes into effect, the Private Wealth and PMS divisions shall become part of the Company and be classified under the Investment Bank segment from the Platform AWS segment.The core business area of the Group remains financial services. Our business segments are as follows:

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

- **Investment Bank (IB):** The integrated 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. Once the order for the Scheme is filed with the appropriate authorities, the Scheme shall become effective. As stated above, Private Wealth and PMS businesses will form a part of the integrated Investment Bank, once the Scheme becomes effective.
- **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 affordable housing finance business and secured MSME lending.
- **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.

Our business segments are discussed in detail below:

Integrated Investment Bank (IB)

Investment Banking Business

Investment banking division 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 five 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.

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 2023-24.

Market Environment

Primary Market

The breakup of funds raised in public markets during FY 2022-23 as compared to the FY 2021-22 is as follows:

Capital market	FY 2022-23		FY 2021-22		FY 2022-23 v/s FY 2021-22
	No.	₹ in Crore	No.	₹ in Crore	In %
Initial Public Offering ("**IPO**")	37	52,116	53	1,11,547	(53%)
IPO on the SME Platform	125	229	70	965	(76%)
FPO	-	-	1	4,300	(100%)
SME FPO	-	-	1	14	(100%)
InvIT	3	2,382	6	15,442	(85%)
Rights Issue	12	5,779	10	25,301	(77%)
Qualified Institutions Placement ("**QIP**")	12	8,120	29	28,532	(72%)
Offer for Sale ("**OFS**")	17	11,150	20	14,530	(23%)
Total Equity Raised	**206**	**79,776**	**190**	**2,00,631**	**(60%)**
Total Debt raised through Public issue	32	7,444	27	10,710	(30%)
Total Amount Raised	**238**	**87,220**	**217**	**2,11,341**	**(59%)**

(Source: Prime Database as on April 1, 2023)

Equity capital markets in India have shown resilience amidst one of the most turbulent time, the amount raised in FY23 is still the third highest ever in terms of IPO fund raise after FY22 and FY19. Throughout FY23, the market remained volatile and as a result 2/3rd of the IPOs came in just three months (May, November and December). 37 corporates raised over ₹ 52,000 Crore through IPOs in FY23 as compared to 53 corporates raising over ₹ 1.1 Lakh Crore through IPOs in FY22.

JM Financial also continued its dominance in Equity Capital Markets successfully executing over 20 transactions in FY23. JM Financial is having a dominant share of ~60% of equity raised via IPOs during FY23. Our commitment and deep understanding of the Indian markets have helped our clients achieve their goals.

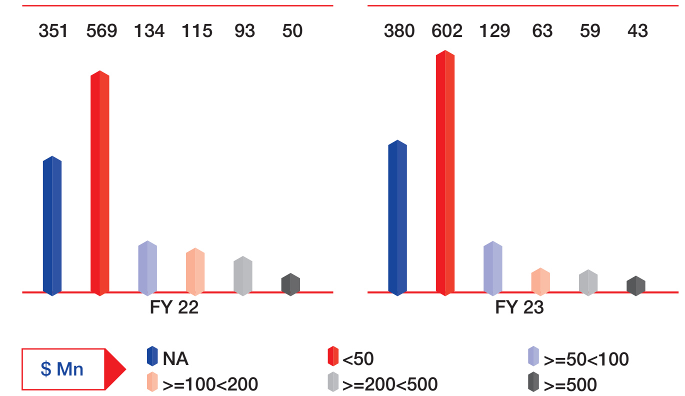
Mergers and Acquisition [(1)/(2)/(3)]

During FY 2022-23, a total of 1,276 deals were announced as compared to 1,312 deals in FY 2021-22. The total value of the deals announced was ₹ 13.2 Lakh Crore [(4)] for FY 2022-23 as against ₹ 9.4 Lakh Crore [(5)] for FY 2021-22

Deal Volume

No of Deals

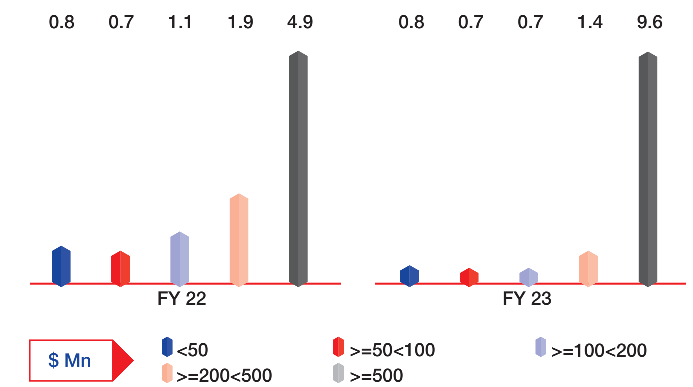
Total: 1,312 | **Total: 1,276**



Deal Volume

₹ lakh crore

Total: ₹ 9.4 lakh crore | **Total: ₹ 13.2 lakh crore**



Source: Mergermarket

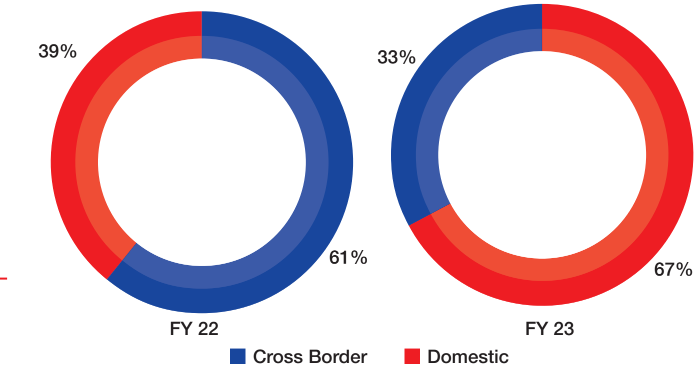
Domestic v/s Cross-Border Activity

During FY 2022-23, domestic transactions contributed 67% to the overall M&A activity with deal value aggregating ₹ 8.8 Lakh Crore compared to 39% in FY 2021-22 and a deal value aggregating ₹ 3.7 Lakh Crore.

Domestic Vs Cross Border

₹ Lakh Crore

Total: ₹ 9.4 Lakh Crore | Total: ₹ 13.2 Lakh Crore



Source: Mergermarket

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

3. Deal values are converted from USD to INR based on the average exchange rates for FY 2021-22 and FY 2022-23 FBIL website i.e. https://fbil.org.in.
4. Total deal value for FY2022-23 does not include 380 deals for which deal values were not available.
5. Total deal value for FY2021-22 does not include 351 deals for which deal values were not available.

Private Equity

In FY 2022-23, private equity deals worth ₹ 2.4 Lakh Crore were announced compared to ₹ 5.6 Lakh Crore in FY 2021-22 (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 2023, we concluded the following equity capital market transactions:

➢ **Book Running Lead Manager to the IPOs of:**
- Life Insurance corporation of India – ₹ 20,557 Crore
- Global Health (Medanta) – ₹ 2,688 Crore*
- Paradeep Phosphates – ₹ 1,502 Crore
- Archean Chemical Industries – ₹ 1,462 Crore
- Campus Activewear – ₹ 1,400 Crore
- Fusion Micro Finance – ₹ 1,104 Crore
- Bikaji Foods International – ₹ 880 Crore
- Uniparts India – ₹ 836 Crore
- Harsha Engineers International - ₹ 755 Crore
- Electronics Mart India – ₹ 500 Crore
- ELIN Electronics – ₹ 475 Crore

*Including Pre-IPO

➢ **Managers to the OFS in:**
- Indian Railway Catering and Tourism Corporation by the President of India, acting through Ministry of Railways, Government of India – ₹ 2,720 Crore

➢ **Book runner of Block Deals in:**
- Sona BLW Precision Forgings by Blackstone - ₹ 4,917 Crore
- Sapphire Foods India by Samara Capital and Goldman Sachs Asset management - ₹ 958 Crore
- Campus Activewear by TPG - ₹ 806 Crore
- Gokaldas Exports by Clear Wealth Consultancy (Florintree Advisors) - ₹ 235 Crore

➢ **Book Running Lead Managers to the QIP by:**
- Indiabulls Real Estate – ₹ 865 Crore
- Data Patterns (India) – ₹ 500 Crore

➢ **Buyback:**
- Bajaj Auto – ₹ 2,500 Crore (Through Stock Exchange)
- UPL – ₹ 1,100 Crore (Through Stock Exchange)

Mergers & Acquisitions and Private Equity Syndication

We are proud to maintain our growth momentum in the Indian M&A industry, having successfully announced nine new M&A transactions with a combined deal value of ~ ₹ 4,66,000 Crore during FY23.

Some of the marquee M&A transactions where JM Financial was an advisor during FY23 include:

- Exclusive financial advisor to Bandhan Financial Holdings, GIC, ChrysCapital ("Bandhan Consortium") on acquisition of IDFC Asset Management Company and IDFC AMC Trustee Company from IDFC Limited;
- Financial advisor to HDFC Limited on its merger with HDFC Bank Limited*;
- Exclusive financial advisor to Hero FinCorp on fundraise from Apollo Global Management and other investors;
- Exclusive financial advisor and exclusive manager for the open offer to the shareholders of New Delhi Television by the subsidiaries of Adani Enterprises;
- Advisor and manager in relation to the open offer to the shareholders of Eveready Industries;
- Exclusive financial advisor to Rapido on fundraise from Swiggy, TVS Motors, WestBridge, Shell Ventures and Nexus Ventures;
- Manager to the Delisting Offer by Advent International for delisting of equity shares of DFM Foods;
- Financial advisor on scheme of arrangement involving merger of Pioneer Distilleries with United Spirits;
- Exclusive financial advisor to the open offer by Shiva Performance Materials to the public shareholders of Ineos Styrolutions India;
- Exclusive financial advisor on scheme of amalgamation involving merger of Expleo India Infosystems into Expleo Solutions;
- Exclusive financial advisor to AM Marketplaces and its shareholders on acquisition by V-Mart;
- Fairness Opinion to the board of
  - o JSW Ispat on amalgamation of Creixent Special Steels, JSW Ispat Special Products with and into JSW Steel;
  - o ABB India Limited on valuation of its wholly owned subsidiary Turbocharging Industries and Services and India Private Limited;
  - o Kirloskar Ferrous Industries on the share exchange ratio on amalgamation of ISMT.

* Announced Transaction, completion is subject to regulatory approvals

Source: Mergermaket and JM Internal Database

Institutional Equities

Our Institutional Equities business offers broking services in both cash and derivatives segments to Indian and global institutional clientele. We provide research services that focus on new stock ideas, intensive client servicing and efficient trade execution, complemented by post trade settlement. The performance of our Institutional Equities business is backed by years of investment in appropriate talent across sales, trading, research, operations, compliance and technology functions.

Equity markets and returns in last financial year haven't been as easy as they were a year ago. Trading volumes have also been lower compared to the FY23 peak-levels. The Institutional Equities business' performance, however, continued to be reasonably resilient. This was primarily achieved through years of investment in appropriate through a stable talent pool in sales, strong customer focus, consistent higher levels of servicing provided to its institutional clientele, differentiated service offerings together helped enhance the firm's rankings amongst many of its top-tier institutional clients.

Yields in the business continued to trend lower which is 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 remained protected by judicious management of costs and extracting better operating leverage out of the talent pool and its technology platforms.

Indian equity markets have been volatile given concerns around inflation and interest-rates, geo-political tensions endangering global trade. We, however, expect Indian markets to do relatively better given the domestic household liquidity - Equity Inflows in mutual funds have averaged ₹ 186bn/month, with SIP inflows at ₹ 130bn/month and we expect these 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; (iv) Financial institutional financing; and (v) Retail Mortgage (including purchase pool of assets and lending in retail mortgage lending).

Capital Markets lending

Our Capital Markets Lending group offers loans against shares, and other securities to meet the fund requirements of various categories of clients inter-alia Retail, 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 in the nature of short-term advances.

The capital markets loan book as at March 31, 2023 stood at ₹ 1,062 Crore as compared to ₹ 834 Crore as at March 31, 2022.

Bespoke Finance

The Bespoke Finance Group provides comprehensive financing solutions to operating businesses to refinance existing debt, working capital / capex funding and acquisition financing. We offer financing to promoter holding companies against listed / unlisted securities or mortgage of properties to meet their strategic requirements, such as stake accretion, investments, buying out of investors and debt refinancing. We differentiate our lending business basis our ability to provide large balance sheet commitment, strong syndication and placement capability superior client management and efficient turnaround time.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

The Bespoke Finance book as at March 31, 2023 stood at ₹ 2,636 Crore as compared to ₹ 4,287 Crore as at March 31, 2022. During FY23, the Bespoke Finance Group focused on profitable short-term transactions and deployment of capital to support franchise clients. We ramped up our syndication business this year enabling balance sheet churn and higher profitability, whilst also creating a strong market recall for our transactions.

Given our overall low leverage and strong balance sheet position, we have a strong competitive advantage in underwriting complex transactions, thereby providing well-structured and speedy financing solutions to our clients.

Financial Institution Financing (FIF)

Our Financial Institution finance business provides customised credit facilities to Financial Institutions (**FIs**). FIF specialises 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 investors as part of their capitalisation table with strong management teams.

The FIF loan book for March 31, 2023 stood at ₹ 1,592 Crore as compared to ₹ 440 Crore as at March 31, 2022.

Real Estate Consultancy Services (Dwello.in)

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

Dwello has presence in top four Indian cities for residential real estate by volume viz., Mumbai, Pune, Bangalore and NCR. As on March 31, 2023, our portal displayed detailed information on 8,879 projects, with 5,262 projects from Mumbai, 2,907 projects from Pune, 550 projects from Bengaluru, 7 projects from Delhi and 153 projects from Gurugram. Our teams facilitated sales spanning 1.2 mn sq. ft. of carpet area, in this financial year.

A fair share of our visitors to the online portal come organically, enquiring about properties. Dwello has developed unique capabilities of acquiring customers digitally using its web assets including Dwello portal, CRM, analytics, and efficiencies achieved in its marketing processes.

Investment Grade, Debt Trading and syndication (Debt Capital Markets)

The Investment Grade Group ("**IGG**") (erstwhile Institutional Fixed Income Division) in its third full year of operations consolidated its position in the league tables working extensively with issuers in both the private and public sector space. We continued to actively trade in corporate bonds and continued to provide market making in the debt ETF schemes where it's a designated market maker. The key developments along with focus areas are as follows:

1. **Public Issues of NCDs:** In the public issue space, the team worked with first time issuers across both the private and public sector. We rank #3rd for the FY23 in the Prime Database League Table. The total volume of issuances managed in the public issue space was ~ ₹ 2,227 Crore and achieved a market share of 25%.

2. **Private Placement:** In the private placement space, the team worked extensively in top rated corporates, thereby consolidating its league table ranking to 10th on the table for FY23. We arranged ~ ₹ 1,51,264 Crore in the private placement space across 69 issuances.

3. **Sales and Distribution:** We actively traded and acted as a market maker in corporate bonds while continuously adding to the empanelled list of investors. The desk on-boarded 1,600 investors in FY23. The year saw OTC trade volume of ~ ₹ 26,798 Crore with ~ 1,896 counterparties while the exchange traded volume stood at ~ ₹ 327 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.

4. **Market Making:** Additionally, we continued market making as an authorised market maker for Debt ETF schemes providing two-way quotes on the exchanges. During the year, we added another two schemes to its market making portfolio, taking the total number of schemes to ten. The year saw trade volumes of ~ ₹ 1,768 Crore in ETF (market making) with ~ ₹ 648 Crore on the OTC platform and ~ ₹ 1,120 Crore on the exchange. We are #1 market maker in debt related index ETFs/ passive funds.

Bondskart

Bondskart – JM Financial's Online Bond Platform, offering a portfolio of corporate bonds ranging from AAA to A credit rating continued to strengthen its reach during the year. The platform provides easy buying and selling of securities to investors.

Private Equity Fund Management

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 finalised ten investments and is fully deployed. In addition, Fund II has completed a partial divestment from one of its portfolio companies.

JM Financial India Growth Fund III ("Fund III") completed its third closing in March 2023. As of March 31, 2023, Fund III has finalised four investments - API Holdings Limited, Aarman Solutions Private Limited, BigHaat Agro Private Limited and SilverEdge Technologies 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. Fund I raised ₹ 952 Crore and has successfully exited from all of its portfolio companies (including one partial exit) and distributed / appropriated an aggregate of 203% in INR terms (before income tax related retentions and reserves) of the capital contributions.

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.

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 also have a representative office in Dubai.

Our IB segment is subject to threats which include

- macro-economic factors such as 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

₹ in Crore

Particulars	FY 2022-23	FY 2021-22
Gross Income	1,232.21	1,272.56
Profit before tax	503.09	472.81
Profit after tax before non-controlling interest	388.27	352.90
Profit after tax after non-controlling interest	387.31	352.40
Segment Capital Employed	**2,686.71**	**2,498.72**

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

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.

- **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).

As at March 31, 2023, the total loan book for wholesale mortgage lending stood at ₹ 8,445 Crore as compared to ₹ 6,286 Crore as at March 31, 2022.

The real estate sector over the last few years has witnessed very strong sales cycle resulting into a lot of cash inflows for the developers. On account of the high cash inflows, the utilisation of construction finance by developers is lower. These trends have impacted our ability to grow faster.

Retail Mortgage Lending

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, loan against residential property and Micro, Small and Medium Enterprise (MSME) loans. It has strong synergies with the established real estate-focused businesses of the group and leverage its competencies – service and speed – with technology to develop a successful business model. It chose to serve the growing needs of housing finance customers in the low and middle income segments of sub-urban and rural India, going contrary to the industry's preference to serve the customers in the metro cities and urban regions of the country. The majority of our customers have limited access to formal banking credit facilities.

There has been a tremendous growth in India's housing sector due to migration, employment opportunities, formation of nuclear family by younger generation etc. We have delivered a robust all-round performance, emerging stronger from the crisis.

In terms of operating performance as at March 31, 2023, our total retail mortgage loan book stood at ₹ 1,918 Crore as compared to ₹ 1,170 Crore as at March 31, 2022. The Gross Non- Performing Assets (GNPA) was at 1.09% as of March 31, 2023. The GNPA is below industry average GNPA despite focusing on the affordable housing segment, which reflects that the conservative credit underwriting approach as well as a robust risk framework.

We expanded our branch network from 55 to 93 during FY 2022-23.

The various product offering have evolved over a period of time based on our wide based experiences across geographies and our close association with our customers:

Home Loans

We offer home loans for ready to move in homes, home construction, home improvement, home extension, plot plus construction, balance transfer and top up loans to customers across 93 branches in India with an average loan value of ₹ 12 Lakh.

MSME

The MSME business within Retail Mortgages comprises two business segments, Loans to Education Institutions (EIL) and Loans to Small and Medium Enterprises (MSME LAP) for Business expansion purposes.

The focus of the business in EIL segment continues to be on relatively larger schools which have managed well through the Covid-19 pandemic and have seen a resurgence in terms of new admissions for the year 2022-23 which is expected to increase in the FY24 as well. Majority of the new funds are being deployed by these institutions to expand existing infrastructure and in some cases acquire struggling schools available at distress valuations. Further as a strategy, we have curtailed over ticket sizes of EIL loans in rural/semi-urban areas and to move away from purely rural affordable schools.

The small and medium business enterprises (MSME) are also seeing demand revival which is also vouched by Transunion CIBIL in their MSME Pulse Report which indicates that the MSME growth has been significant and within NBFC segment, the demand has gone to 2x when compared to two years ago. With banking system being slow in responding to the expanding working capital of business expansion capital requirements of these enterprises, there is opportunity for our business to respond to this demand for capital and be in a position to choose stronger credit profiles. As a business strategy, we would be growing this business within a ticket size range of ₹ 2-5 Crore and in metro cities, these could go to ₹ 5-10 Crore based on bankable credit of the Borrower.

JMFHLL and Indostar Capital Finance Limited have engaged in preliminary discussions to explore strategic options including potential combination and listing of the retail mortgage portfolio of the JMFHLL subject to satisfactory due diligence, execution of definitive agreements and receipt of relevant regulatory and other approvals.

Our mortgage lending segment is subject to threats which include:

- Macro-economic factors such as 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

(₹ in Crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	1,318.49	1,191.04
Profit before tax	467.72	375.70
Profit after tax before non-controlling interest	341.73	270.94
Profit after tax after non-controlling interest	161.49	116.54
Segment Capital Employed	4,348.66	3,969.60

Alternative and Distressed Credit Business

During FY23, RBI notified revised regulatory framework for ARCs towards strengthening and streamlining ARC framework for resolution of stressed assets. The guidelines inter alia, permit ARCs to invest in the SRs at a minimum of either 15 percent of transferors' investment in the SRs or 2.5 percent of the total SRs issued, whichever is higher, vis-à-vis the previous requirement of 15 percent of total SRs issued in all cases. This is expected to result in efficient utilisation of capital, enabling ARCs to participate in more and bigger deals.

Moreover, ARCs with a minimum Net Owned Fund (NOF) of ₹ 1,000 Crore have been permitted to act as resolution applicants under the Insolvency and Bankruptcy Code (IBC), and we are one of the very few ARCs to meet this criteria. Lenders have also been permitted to transfer all loans in default to ARCs, as opposed to the earlier stipulation of transferring only those loans which were in default for more than 60 days. This is expected to facilitate debt aggregation as well as better reconstruction and recovery from stressed assets.

During the year, we prioritised our focus on opportunistic acquisitions from the NBFC sector. We acquired dues of ₹ 9,751 Crore which majorly included portfolio of retail assets. This has allowed us to broad base our investment portfolio and diversify risk over large number of borrowers.

Our continued efforts on the resolutions resulted in recoveries of ₹ 1,067 Crore aided by sale of assets, restructuring, settlement and IBC. Security Receipts worth ₹ 807 Crore were redeemed during the year. We successfully restructured the debt of two accounts during this period.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

We have built strong expertise of around 15 years in this business. On the corporate side, we invest in overleveraged companies with strong asset/collateral base, viable business models and/or having real estate with good development potential. On the retail side, we take multiple factors into consideration, including ageing analysis, geographical spread, origination practices and past payment track records, credit bureau scores etc.,

We facilitate turnaround of our investee companies through initiatives like restructuring of debt, streamlining of operations and liquidation of non-core assets. Recoveries are aligned with the cash flows so as to ensure that our Internal Rate of Return (IRR) expectations are met.

We have a team of professionals from diverse backgrounds who are experienced in banking, corporate debt restructuring and bankruptcy. The team is also involved in financial and legal due diligence for acquisitions and resolutions. We also closely work with diverse sector-specific professionals and firms for revival of the acquired units.

Till March 31, 2023, we have acquired total outstanding dues of ₹ 73,508 Crore at a gross consideration of ₹ 21,680 Crore. The outstanding Security Receipts stood at ₹ 13,558 Crore as on March 31, 2023. The outstanding contribution of JM Financial Asset Reconstruction Company Limited stood at ₹ 3,862 Crore as on March 31, 2023. We have had 73 exits (trusts) spread across sectors which is a testimony of our strong expertise gained over the years in resolving distressed assets.

We witnessed delays in IBC processes which has impacted asset values and recoveries. During the year, we have made additional provisions in one large account due to expected lower than anticipated recovery in IBC process. In addition, we have taken cautious provisions on few other corporate accounts. The overall one time additional provision on Security Receipts of such corporate accounts amounts to ₹ 246 Crore in FY23.

Looking ahead, our acquisition strategy is towards full cash acquisitions with a co-investment model along with financial investors and strategic partners. Along with corporate accounts focus is also going to be on the acquisition of retail portfolios which would help to reduce concentration risk by diversifying the AUM. In the coming year, apart from focus on recoveries, we are focusing on acquisition of incremental assets based on co-investment model resulting in a healthy mix of fee based and fund based revenue model.

Real Estate Fund

The Property Fund has Assets under Management (the "AUM") of ₹ 39 Crore as at March 31, 2023. The Property Fund continues to focus on exploring exit opportunities for its outstanding portfolio investments. During the year, the onshore scheme of the Property Fund has received consent from its investors to extend the tenure by another two years till March 4, 2025.

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

- macro-economic factors such as 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 Segment

(₹ in Crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	137.13	522.09
Profit / (Loss) before tax	(172.02)	236.10
Profit / (Loss) after tax before non-controlling interest	(130.20)	177.39
Profit / (Loss) after tax after non-controlling interest	(73.39)	107.29
Adjusted Profit after tax after non-controlling interest**	34.01	107.29
Segment Capital Employed*	1,812.43	1,854.95

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

** Adjusted for additional provision considered in Security Receipts ("SRs") on a few accounts in FY23 (post tax and non-controlling interest) of ₹ 107.40 Crore.

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

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 206 cities in India through a network of 52 branches and 744 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, Patna, Ranchi, Burdwan, Nagpur, Ludhiana, etc., and are focusing on increasing our presence in eastern India. During FY 2022-23, 60% 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:

(₹ in Crore)

Average Daily Volume	FY 2022-23	FY 2021-22
Cash Market	62,547	78,413
Derivative	1,54,87,543	71,02,062
Total	**1,55,50,090**	**71,80,475**

(Source: SEBI, NSE, BSE)

During FY 2022-23, our average daily volume has grown to ₹ 26,831 Crore as compared to ₹ 15,453 Crore in FY 2021-22.

Digital Business Group

In early 2022, JM Financial entered into the rapidly expanding fintech industry, recognizing the incredible opportunity to deliver innovative financial solutions to the billion-plus Indian population. As a result, we are excited for our new FinTech platform which cuts across WealthTech, LendingTech and InvestmentTech domains.

- **App for digital business** - We have gone live with new mobile app and deployed the same in Playstore post approvals. The app is currently in Closed User Group (CUG). We have developed customer-centric features which we believe will provide a lot of value to the users.
- **Website for digital business** - During the last quarter of FY 2022-23, we rolled out two key website features to enhance user experience - Search and Market-Data pages. The Search is a flagship feature that cater to users' query in natural language from a simple knowledge query to a market-data query. Market-data pages on the other hand give a graphical overview of the market-data dissected in various views. Additionally, we have also equipped our CMS to handle SEO related changes on the website with continued focus to reduce developer dependency.
- **New DIY on-boarding platform** - We augmented our new AI-enabled In App DIY journey with 2 vernacular languages - Hindi and Gujarati and plan to add 3 more vernacular languages in the coming quarter. This new DIY platform has started to yield results. Furthermore, we are continuously developing new features to improve the offering.
- **Digital Marketing** – We started building knowledge-content on digital channels like YouTube, Twitter and our own website in the form of articles, videos, short-videos and info-graphic nuggets. Dissemination of this content will help us in wider reach and give a superior experience to the users.

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 Management 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 net worth in the range of ₹ 50 Lakh to ₹ 10 Crore and is present in eight cities. The segment has a team of 94 as of March 31, 2023. 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 in corporates, millennials on their journey to create wealth, tech savvy professionals.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

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.

The segment has ₹ 1,228 Crore of assets under management (AUM)* in the full year of operation.

Private Wealth Management Group is an arm exclusively focusing on Ultra HNI, Family Offices, Corporates and Institutions. It has an open architecture with regard to products, manufacturers and ideas. It offers personalised attention and execution expertise offering an extensive bouquet of products to serve its client's requirements. The group has a strong team of wealth advisors, focused to meet client requirements by providing them unbiased investment solutions.

During FY23, the segment has mobilised ~₹ 16,000 Crore in various products like equity and debt mutual fund schemes, corporate fixed deposits and bonds. Private Wealth Management Group AUM* stood at ₹ 56,515 Crore as at March 31, 2023.

During the year, a Scheme of Arrangement was filed with the National Company Law Tribunal (**NCLT**) for demerger of the undertaking (the "**Scheme**") comprising of Private Wealth and Portfolio Management Services (the "**PMS**") 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 JM Financial Limited. The Scheme also comprises merger of JM Financial Capital Limited, which is a wholly owned subsidiary of JM Financial Services Limited, into JM Financial Services Limited. The Company has received the NCLT order approving the Scheme on April 20, 2023. Once the order for the Scheme is filed with the appropriate authorities, the Scheme shall become effective and accordingly Private Wealth will form a part of the integrated Investment Bank.

Retail Wealth Group has a network of over 9,000 active Independent Financial Distributors (IFDs) who distributes various financial products such as Mutual Funds, SIPs, Fixed Deposits, IPOs, Bonds to retail and high net worth customers across the country. During the FY 2022-23, we have registered more than 38,000 SIPs and taking the total count of SIPs to more than 1 Lakh and have mobilised over ₹ 2,400 Crore in various Equity and Debt Mutual Fund schemes and more than ₹ 6,600 Crore in various corporate Fixed Deposits and Bonds. During FY 2022-23, we have procured more than 25 Lakh applications in IPO. Retail Wealth Management Group AUM* stood at ₹ 23,828 Crore as at March 31, 2023. The segment added new partners with majority of them being qualified professionals like CAs and senior Bankers.

During FY 2022-23, the segment strengthened its digital presence with substantial growth in online accounts for paperless transactions in mutual funds, fixed deposits and public issues. ~90% of the SIPs are done digitally. The segment took initiative of digitalizing the entire process of IFD empanelment which has changed the experience of on-boarding of our prospective IFDs.

During this financial year, the IPO bidding process was digitised, which helped to activate many small IFDs who had given up IPO marketing post UPI becoming mandatory.

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

Portfolio Management Services

FY 2022-23 was an eventful financial year for our PMS business. We grew our AUMs to ₹ 1,094 Crore as at March 31, 2023. As of March 2023, the NDPMS portfolio reported 15.6% alpha for new AUM. With a CAGR of 14.4% since inception, the flagship scheme FOCUS has reported a strong 2.5% Alpha. The DPMS portfolio IRP III reported strong 3-year relative outperformance of 10.8% CAGR and reported positive alpha since inception. Over 95% of total discretionary AUM has reported positive alpha since inception. On the manpower front, the PMS team size stood at 30 as at March 31, 2023 from 18 as at March 31, 2022. During the year, a Scheme of Arrangement was filed with the National Company Law Tribunal (**NCLT**) for demerger of the undertaking (the "**Scheme**") comprising of Private Wealth and Portfolio Management Services (the "**PMS**") 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 JM Financial Limited. The Scheme also comprises merger of JM Financial Capital Limited, which is a wholly owned subsidiary of JM Financial Services Limited, into JM Financial Services Limited. The Company has received the NCLT order approving the Scheme on April 20, 2023. Once the order for the Scheme is filed with the appropriate authorities, the Scheme shall become effective and accordingly Portfolio Management Services (PMS) will form a part of the integrated Investment Bank.

Asset Management

Our first initiative has been to strengthen our existing teams with experienced professionals from the industry. We have on-boarded senior key hires as Department-Heads for Digital, Strategic Alliance, Product, Marketing, Risk, Fund Management, Tech initiative, and Operations. Along with the leadership team, key roles have been filled across various verticals, making the larger part of hiring completed. This gives renewed impetus to build on our business in the coming financial year.

We now have an experienced investment team comprising experienced and competent Fund Managers in both Equity and Fixed Income, who have delivered across market cycles. They are ably assisted by a team of equity research, credit research, and macro-economic analysts. Our investment design is process-led, enabling us to focus on consistency and provide risk-adjusted returns across all cycles.

We also have a strong sales and product team with senior professionals from the industry joining us at all levels.

Our presence has expanded, and we now have representation across 13 major locations, including the recent additions of Lucknow and Baroda in FY 2022-23. All branches are fully equipped to handle the business growth and momentum, which has led to an increase in our partners/distributors count to over 18,000.

Moving on to our business developments, we have concluded our NFOs for the JM Short Duration Fund in July-August 2022 and JM Midcap Fund in November 2022. The Midcap NFO has helped us to add folios through unique PIN codes. With the addition of two NFOs, we now offer 14 mutual fund schemes to our 1.44 Lakh folios across asset classes of Equity, Fixed Income, and Hybrid. The SIP book has tripled in size, and the count has almost doubled during this financial year. Additionally, there has been an overall increase of folios covering 18 cities. We have repositioned one of our schemes from JM Core11 Fund to JM Focused Fund.

On the market engagement side, we have launched various engagement platforms like Nazariya, where our fund management team gives their opinions and views on various aspects of the market through physical and digital platforms. Additionally, for distributor engagement with a personal touch, we have an initiative named "Rubaru," where the AMC's senior management team meets up with our distributors to give a broader perspective about our Group, Mutual Fund, markets, etc.

We have also taken multiple initiatives to create better visibility and mind share through upgraded factsheets, market updates, fund insights, product decks, webinars, and much more being circulated to enable our partners to better understand our teams, our products, and our market views.

We have successfully established strategic alliance with 10-12 key players who have expressed interest in our products. Our partner activation has resulted in a remarkable 6-fold increase. Furthermore, we have intensified our focus on engagement within our group.

To improve our service delivery and strengthen our relationships with our partners and investors, we have undertaken several digital initiatives. This includes the implementation of Partner Online Empanelment, Distributor Interactive Transaction (DIT) portals for individual MFDs, and an investor portal that streamlines the entire online transaction process. In addition, we have been actively engaging with RIAs online and digital ARN's and are available on various industry-level transaction platforms.

Our digital eco-system now has 50 partners whom we engage with through webinars, emails and WhatsApp communication. We prioritise active engagement and communication with our partners and clients and have been successful in gaining over 5,000 followers on our LinkedIn handle. In the near future, we plan to expand our online presence by making our debut on Instagram and YouTube.

Over the past year, we have increased our presence across various media platforms to raise awareness of our brand.

Overall, the closing AUM has increased from ₹ 2,547 Crore for FY 2021-22 to ₹ 2,962 Crore for FY 2022-23 i.e. an increase of around 16%. The AAUM has increased from ₹ 2,139 Crore for FY 2021-22 to ₹ 3,079 Crores for FY 2022-23 i.e. an increase of around 44%. Our Equity AUM increased from ₹ 575 Crore for FY 2021-22 to ₹789 Crore for FY 2022-23 i.e. an increase of 37%.

Our Platform AWS segment is subject to threats which include:

- macro-economic factors such as 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

Financial performance of Platform AWS Segment

(₹ in Crore)

Particulars	FY 2022-23	FY 2021-22
Gross Income	627.78	662.27
Profit before tax (adjusted for investments in digital and asset management business)	68.04	142.56
Profit before tax	6.27	128.38
Profit / (Loss) after tax before non-controlling interest	(3.89)	90.50
Profit after tax after non-controlling interest	8.80	96.27
Segment Capital Employed	728.43	767.08

Analysis of Financial Performance

Consolidated Financial Performance

The consolidated gross income of the Company stood at ₹ 3,343.07 Crore as against ₹ 3,763.28 Crore in the previous year, registering a decline of 11.17%. Profit before depreciation and amortisation expense, finance cost and tax expense during the year stood at ₹ 2,172.99 Crore as against ₹ 2,467.55 Crore in the previous year. Pre-Provision Operating Profit during the year stood at ₹ 1,048.17 Crore as against ₹ 1,696.40 Crore in the previous year, thereby registering a decline of 38.21%. The Profit before and after tax stood at ₹ 952.61 Crore and ₹ 597.29 Crore respectively as against ₹ 1,348.04 Crore and ₹ 773.16 Crore in the previous year. The profit in the current year declined by 22.75% to ₹ 597.29 Crore from ₹ 773.16 Crore in the previous year primarily due to significant decline in the performance of Alternative and distressed credit and Platform AWS segment during the year.

During the current year, adjusted profit before tax stood at ₹ 1,198.87 Crore as against ₹ 1,348.04 Crore, thereby registering a decline of 11.07%. Adjusted profit after tax* stood at ₹ 704.69 Crore as against ₹ 773.16 Crore registering a decline of 8.86%.

*During FY23, the Company has considered the impact of ₹ 246.26 Crore on account of additional provision considered in Security Receipts ("SRs") on a few accounts in our distressed credit business. Adjusted net profit after tax and after non-controlling interest is prior to adjusting the loss of ₹ 107.40 Crore.

The following table describes consolidated income during the year:

(₹ in Crore)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest Income	1,935.30	1,850.71
Fees and Commission Income	657.48	816.96
Brokerage Income	314.03	330.54
Net gain on fair value changes	183.42	588.59
Net gain on derecognition of financial instruments carried at amortised cost	0.10	0.05
Other Operating Income	174.75	120.31
Other Income	77.99	56.12
TOTAL	**3,343.07**	**3,763.28**

Interest Income

Interest Income from lending activities continued to be a major contributor to the gross revenue at ₹ 1,935.30 Crore as against ₹ 1,850.71 Crore during the previous year, constituting around 57.89% of the total revenue. Increase in interest income is on account of increase in average loan book during the year. The increase was partially offset by significant decline in interest income on account of IPO financing during the year as compared to previous year.

Fees and Commission Income

Fees and commission earned during the year were ₹ 657.48 Crore as against ₹ 816.96 Crore during the previous year, constituting 19.67% of the total revenue. The decline is primarily on account of decline in fee income on account of decrease in deal closures in investment banking and on account of decline in fees from IPO financing during the year.

Brokerage Income

Brokerage income earned during the year was ₹ 314.03 Crore as against ₹ 330.54 Crore during the previous year, constituting around 9.39% of the total revenue. The decline in brokerage income is on account of decline in average daily turnover under cash segment during the year.

Net gain on fair value changes

Net gain on fair value changes stood at ₹ 183.42 Crore as against ₹ 588.59 Crore during the previous year, constituting around 5.49% 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 decline is primarily on account of decline in realised gains on de-recognition, fair value losses on investments in security receipts and reduced fair value gains on investment in equity instruments 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 ₹ 0.10 Crore as against ₹ 0.05 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 ₹ 252.74 Crore as against ₹ 176.43 Crore during the previous year, constituting around 7.56% of the total revenue.

The following table describes consolidated expenditure during the year:

(₹ in Crore)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Finance costs	1,178.51	1,081.73
Impairment on Financial Instruments	95.56	348.36
Employee Benefits Expense	622.34	547.81
Depreciation and amortisation expense	41.87	37.78
Other expenses	452.18	399.56
TOTAL	**2,390.46**	**2,415.24**

Finance Cost

The increase in finance cost from ₹ 1,081.73 Crore in the previous year to ₹ 1,178.51 Crore in the current year is on account of increase in average borrowings during the year. The same was partially offset by reduction in annual average borrowing rate.

Impairment on Financial Instruments

Impairment on Financial Instruments stood at ₹ 95.56 Crore as against ₹ 348.36 Crore during the previous year. This is on account of provisioning based on expected credit loss model on the loans, investments and trade receivables. The decline is primarily on account of reversal of provisioning on account of reduction in Stage 2 and Stage 3 assets as compared to previous year.

Employee Benefits Expense

The increase in employee cost by about 13.61% is mainly on account of increase in the head count and fixed compensation of the employees in the current year as compared to previous year.

Depreciation and Amortisation Expenses

The increase in depreciation and amortisation expenses by about 10.83% is on account of higher 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 declined by 2.18% in the current year because of corresponding decline in brokerage and fee income in the current year. Administrative costs mainly comprise establishment expenses. These expenses increased by 31.86% primarily attributable to increase in legal and professional fees, information technology expenses, advertisement expenses and travelling and conveyance expenses.

The break-up on a consolidated basis under key segments is as under:

(₹ In Crore)

	FY 2022-23		FY 2021-22	
	Amount	% to total	Amount	% to total
Segment Revenue				
Investment Bank (IB)	1,232.21	36.86%	1,272.56	33.82%
Mortgage Lending	1,318.49	39.44%	1,191.04	31.65%
Alternative & Distressed Credit	137.13	4.10%	522.09	13.87%
Asset Management, Wealth Management & Securities Business (Platform AWS)	627.78	18.78%	662.27	17.60%
Others	180.30	5.39%	243.28	6.46%
Total Segmental revenue	**3,495.91**	**104.57%**	**3,891.24**	**103.40%**
Less:- Inter segmental revenue	(152.84)	(4.57%)	(127.96)	(3.40%)
Total revenue	**3,343.07**	**100.00%**	**3,763.28**	**100.00%**
Segment Results (Profit Before Tax)				
Investment Bank (IB)	503.09	52.81%	472.81	35.07%
Mortgage Lending	467.72	49.10%	375.70	27.87%
Alternative & Distressed Credit*	74.24	7.79%	236.10	17.52%
Asset Management, Wealth Management & Securities Business (Platform AWS)	6.27	0.66%	128.38	9.52%
Others	147.55	15.49%	135.05	10.02%
Adjusted Profit before tax*	**1,198.87**	**125.85%**	**1,348.04**	**100.00%**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

(₹ In Crore)

	FY 2022-23		FY 2021-22	
	Amount	% to total	Amount	% to total
Additional provision on Security Receipts*	(246.26)	(25.85%)	-	-
Total Results (Profit before tax)	**952.61**	**100.00%**	**1,348.04**	**100.00%**
Segment profit after tax (after non-controlling interest)				
Investment Bank (IB)	387.31	64.85%	352.40	45.58%
Mortgage Lending	161.49	27.04%	116.54	15.07%
Alternative & Distressed Credit*	34.01	5.69%	107.29	13.88%
Asset Management, Wealth Management & Securities Business (Platform AWS)	8.80	1.47%	96.27	12.45%
Others	113.08	18.93%	100.66	13.02%
Adjusted Segment profit after tax (after non-controlling interest)*	**704.69**	**117.98%**	**773.16**	**100.00%**
Additional provision on Security Receipts*	(107.40)	(17.98%)	-	-
Total Segment profit after tax (after non-controlling interest)	**597.29**	**100.00%**	**773.16**	**100.00%**

* before considering the impact of ₹ 246.26 Crore on account of additional provision considered in Security Receipts ("SRs") on a few accounts in FY23. Net Profit after tax and after non-controlling interest is prior to adjusting a loss of ₹ 107.40 Crore.

(₹ In Crore)

	March 31, 2023		March 31, 2022	
	Amount	% to total	Amount	% to total
Segment Capital Employed				
Investment Bank (IB)	2,686.71	23.95%	2,498.72	23.63%
Mortgage Lending	4,348.66	38.77%	3,969.60	37.55%
Alternative & Distressed Credit	1,812.43	16.16%	1,854.95	17.55%
Asset Management, Wealth Management & Securities Business (Platform AWS)	728.43	6.49%	767.08	7.25%
Others	1,641.18	14.63%	1,482.85	14.02%
Total Capital Employed	**11,217.41**	**100.00%**	**10,573.20**	**100.00%**

Investment Bank (IB):

The Investment bank business registered revenue of ₹ 1,232.21 Crore as against ₹ 1,272.56 Crore in the previous year. During the year, the percentage of segment results to segment capital employed was 18.73% as against 18.92% in the previous year. This segment contributed 64.85% to our consolidated profit after tax.

Mortgage Lending:

This segment registered revenue of ₹ 1,318.49 Crore as against ₹ 1,191.04 Crore in the previous year. Percentage of segment results to segment capital employed in this segment was 10.76% as against 9.46% in the previous year. This segment contributed 27.04% to our consolidated profit after tax.

Alternative & Distressed Credit:

This segment registered revenue of ₹ 137.13 Crore as against ₹ 522.09 Crore in the previous year. Percentage of segment results to segment capital employed in this segment was (9.49%) as against 12.73% in the previous year. The contribution of this segment was (12.29%) to our consolidated profit after tax.

During FY23, this segment has accounted for an additional provision in Security Receipts ("SRs") on a few accounts to the tune of ₹ 246.26 Crore (Post tax impact of ₹ 184.28 Crore). Net Profit of the segment after tax and after non-controlling interest has been lower by ₹ 107.40 Crore.

Asset Management, Wealth Management & Securities Business (Platform AWS):

This segment registered revenue of ₹ 627.78 Crore as against ₹ 662.27 Crore in the previous year. During the year, the percentage of segment results to segment capital employed in the segment was 0.86% as against 16.74% in the previous year. This segment contributed 1.47% to our consolidated profit after tax.

Standalone Financial Performance:

On a standalone basis, gross income was lower at ₹ 488.56 Crore for the year ended March 31, 2023 as against ₹ 619.63 Crore in the previous year, registering a decline of 21.15%. The profit before tax was lower at ₹ 313.29 Crore as against ₹ 415.90 Crore in the previous year, registering a decline of 24.67%, and the profit after tax was lower at ₹ 273.07 Crore as against ₹ 327.78 Crore in the previous year, registering a decline of 16.69%. The profit in the current year declined primarily on account of decline in fee income from ₹ 349.01 Crore in the previous year to ₹ 193.99 Crore in the current year due to decline in deal closures in investment banking. Profit on sale of investment in subsidiary which stood at ₹ 30.02 Crore in the previous year is nil for the year ended March 31, 2023. The said decrease was partially off-set by increase in dividend income from subsidiaries which stood at ₹ 140.22 Crore for the year ended March 31, 2023 as compared to ₹ 46.14 Crore in the previous year.

Key Financial Ratios:

	Consolidated		Standalone	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Interest Coverage Ratio	1.72	2.27	47.48	51.07
Current Ratio	1.98	2.06	19.31	15.09
Debt Equity Ratio	1.45	1.29	-	-
Net Debt Equity Ratio	1.25	0.94	-	-
Cost to Net Total Income Ratio	46.25%	31.10%	30.32%	26.47%
Net Profit Margin	21.21%	26.37%	55.89%	52.90%
Return on Equity (ROE)	7.56%	10.58%	7.23%	8.99%
Return on Assets (ROA)	2.69%	4.24%	6.75%	8.32%

Ratios where there has been significant change (i.e. change of 25% or more as compared to the immediately previous financial year) from FY 2021-22 to FY 2022-23:

ROE and ROA:

On a consolidated basis, the ROE and ROA for the year ended March 31, 2023 were 7.56% and 2.69% as against 10.58% and 4.24% for the year ended March 31, 2022. The decline is primarily on account of decline in profitability during the year. The profit after tax pre and post non-controlling interests stood at ₹ 708.99 Crore and ₹ 597.29 Crore respectively as against ₹ 992.39 Crore and ₹ 773.16 Crore respectively in the previous year.

Net Debt Equity Ratio:

On a consolidated basis, the net debt equity ratio as at March 31, 2023 stood at 1.25 as against 0.94 as at March 31, 2022. The increase is on account of increase in gross debt coupled with decrease in cash and cash equivalents during the year. (Refer Note 49 of the Notes to the Consolidated Financial Statements)

Cost to Net Total Income Ratio:

On a consolidated basis, the Cost to Net Total Income Ratio for the year ended March 31, 2023 was 46.25% as against 31.10% for the year ended March 31, 2022. The increase is on account of decline in net total income coupled with increase in employee benefit expense and other operating expense during the year.

Current Ratio:

On a standalone basis, the Current Ratio as at March 31, 2023 was 19.31 as against 15.09 as at March 31, 2022. The increase in ratio is primarily on account of decline in current liabilities outstanding as at March 31, 2023.

Resource Mobilisation

NBFCs make a significant impact on the socioeconomic structure of Indian economy and the potential for credit penetration in India is still relatively high. NBFCs are well poised to cater to all segments of the pyramids from wholesale to retail borrowers.

The year started with armed conflict in Russia - Ukraine region and its impact on commodity and energy prices leading to a global impact on inflation. The urgency of the policy action was visible across the central banks in order to counter high inflation, leading to the start of hiking cycle. Our market too, saw successive hikes in repo rates and measures to absorb excess liquidity infused during the pandemic.

Below table portrays the rate hike movements during the FY 2022-23:

Period / Instruments	April 2022	March 2023	Change in BPS
Repo Rate	4.00%	6.50%	250 bps
Effective rate hike (incl. of change in LAF corridor)			290 bps
Weighted Average Call Rate (WACR)	3.40%	6.52%	312 bps
Certificate of Deposits – CD (3 Months)	3.95%	7.00%	305 bps
Commercial Paper – CP (3 Months)	4.10%	7.35%	325 bps
Government Security (1 Year)	4.75%	7.15%	240 bps
Bonds – AAA (1 Year)	4.90%	7.75%	285 bps
SBI - 1 year MCLR	7.00%	8.50%	150 bps

Source: www.rbi.org.in, www.sebi.gov.in, JM Financial Analysis and others

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

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, 2023 stood at ₹ 15,875 Crore versus ₹ 13,458 Crore a year earlier (an increase of approximately ₹ 2,417 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 ₹ 13,092 Crore versus ₹ 9,952 Crore a year earlier. The Group's long term: short term ratio stood at 82:18. The Group's short-term borrowing as at March 31, 2023 stood at ₹ 2,783 Crore compared to ₹ 3,506 Crore as at the previous year end. As at March 31, 2023, the liquidity in the Group stood at ₹ 2,207 Crore. During the financial year ended March 31, 2023, the Group raised ₹ 5,387 Crore as long term borrowings from banks, insurance and mutual funds. Respective companies in the Group have focused on maintaining righteous ALM, elongating maturities, optimising 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 agency 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 and Holdings Limited	AA / Stable	-	-
JM Financial Asset Reconstruction Company Limited	AA- / Stable	AA- / Stable	-

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 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 & transactions and an increasingly stringent regulatory framework, the financial services industry is subject to continuously evolving legislative and regulatory environment.

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 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 organisational 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, competition risk and risks pertaining Cyber Security.

Risk exposure is monitored and controlled through a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems. A team of experienced and competent professionals, at business level as well as 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 Risk Management Committee of the Board was formulated in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Committee has adopted the Risk Management Policy which ensures that risks is overseen and monitored at all the levels. The Committee oversees the risk management policy 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. Exposure limits are sanctioned to counterparties based on their credit worthiness Credit risk monitoring mechanism ensures that exposure to clients is diversified and remains within stipulated limits. Careful selection of quality and quantum of collateral is key for a client limit. Effective credit risk management has enabled us to steer through the current environmental stress conditions without any major impact. 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

Key Risk	Description/Impact of Risk	Risk Mitigation
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). As a part of it 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.	In order to monitor market risk, a comprehensive set of reports and limits has been put in place that track positions and various risk parameters. The risk framework ensures that the risks are monitored and necessary timely action is taken for every single instance of breach, in case they occur. Our portfolios and collaterals/ securities are continuously monitored and also the usage of derivative instruments which minimises the impact of market risk.
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 maintain sufficient liquidity cushion to meet our borrowing obligation and borrower side funding requirement. We have a strong financial position and all our businesses are adequately capitalised, 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. Additionally, the asset liability mismatch and collateral margins are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also ensure diversification in source of borrowing to reduce dependence on a single source. We also pro-actively modify our liabilities profile in sync with the changing assets profile to ensure that we do not carry any material asset liability mismatch.
Operational Risk	Operational risks can result from a variety of factors, including failure to obtain proper internal authorisations, 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.

Key Risk	Description/Impact of Risk	Risk Mitigation
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 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.
Competition Risk	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 liberalisation of financial services sector have prompted the entry of newer foreign and domestic financial services companies. 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.	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. 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

Key Risk	Description/Impact of Risk	Risk Mitigation
Business Continuity Risk	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.	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.
Cyber Security Risk	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.	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.

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 independence, the internal audit function has a reporting line to the Audit Committee of the Board.

Internal audit

Internal Auditors follow Standards on Internal Audit along with guidelines issued by regulators from time to time. The Internal Audit function operates under the supervision of the Audit Committee of the Board. With a view to strengthen the internal audit across the group, we have appointed the head of risk based internal audit and shall be supported by an internal team. The Group also appoints external professionals who provide an independent view and assurance by assessing the adequacy and effectiveness of internal controls, compliance to internal and external guidelines, and risk management practices across the group companies.

Internal audits are conducted periodically to ensure that the assigned responsibilities are carried out effectively.

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. They also recommend improving the efficacy of the existing internal audit and internal control systems. 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND PHILANTHROPY

The Company as part of the JM Financial group scaled new heights in its efforts to catalyse transformation in the areas of health, education, sports, agriculture and women empowerment.

The Group's CSR arm – JM Financial Foundation (**JMFF**), set up in 2001, invested itself intensively in some of the most deprived communities in an increased number of villages in the Aspirational District of Jamui in Bihar and in the tribal district of Palghar in Maharashtra. These interventions progressed concurrently with our extensive impact on the education of children, beyond the boundaries of the said two states.

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 thereafter, the CSR Committees of the JM Financial group entities have approved and allocated a total amount of ₹ 27.94 Crore in the Financial Year 2022-23, of which JM Financial Limited has approved and allocated an amount of ₹ 3.54 Crore. The amount has been allocated towards the CSR project – Shri Vardhman Nidan Seva, during the year.

The subsequent sections highlight CSR inputs and progression in the interventions undertaken, addressing each focus area, by the Company, along with those supported by the other Group entities, as per their respective Annual Action Plans.

HEALTH

26,000+
OPDs conducted

314
Mothers' Ante-Natal care supported

98+
Villages impacted

Shri Vardhman Nidan Seva

(multi-year project supported under Annual Action Plan 2022-23)

Shri Vardhman Nidan Seva, implemented through two Mobile Health Units (MHUs), is a glimmer of hope for communities residing in 30 villages and hamlets of tribal, insurgency affected Khaira, and Sikandra blocks in Jamui, Bihar. Each of these villages are served through preventive and curative, doorstep healthcare services, owing to their socio-economic deprivation, non-accessibility to timely healthcare and the poor state of health-seeking behavior. The MHU team comprises two doctors, two nurses, two health workers, two drivers, two project managers and an MIS Executive – all of whom are supported at the grassroots by 28 village-based Community Resource Persons. With a pre-designed weekly schedule, equipped with primary diagnostic tests, the MHUs consult and treat OPD patients daily (six days a week) and disseminate health education monthly. During the year, the two MHUs have conducted 24,223 OPD consultations for general, orthopedic, respiratory, gynecological, neurological and cardiovascular ailments, among others. The village communities have been educated periodically on preventive healthcare concerning anemia, diabetes, home-based newborn care, menstruation, malaria and typhoid, as per their health needs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

Extending Poshan, safeguarding health

Reena Murmu (*name changed to protect identity*) (31 years*/ female) resident of Khaira Block, Jamui, is a mother to four home-birthed children. Her husband is a marginal farmer. Reena was registered with the MHU during the second trimester in her fourth pregnancy. During her antenatal check-up with the MHU, she was diagnosed with severe anaemia, which could have caused high-risk delivery, detrimental to the health of both – mother and child.

Our timely support rendered by way of monthly POSHAN kits, along with nutritional supplements and monitoring, ensured a healthy delivery of her baby weighing 2.5 kg.

* as reported by the patient

The project has also identified and undertaken special-focus interventions on health concerns visible in the region, but unreported, undiagnosed and untreated owing to lack of awareness, specialised and timely care along with the social stigma that accompanies disease symptoms that aren't known to the majority. Given the prevalence of malnutrition in children and extremely poor health in young/under-age, expecting mothers, the project has introduced *Poshan* (nutrition) kits, that are provided to the identified pregnant women. Each time a pregnant woman visiting the MHU OPD is diagnosed to be anemic, she is provided with a kit comprising locally sourced *sattu* (roasted gram flour), *moong dal* (green gram beans) and soybean to fulfill her nutritional requirement. The efforts are strengthened with calcium and Iron-Folic Acid (IFA) tablets as a supplement. Ultimately, the antenatal care is monitored periodically, using mother and child healthcare indicators.

MHU Health Worker weighing baby - Khaira block, Jamui

Other special-focus interventions include –

- Screening and treating children (aged 6 to 59 months) for Severe Acute Malnutrition, Moderate Acute Malnutrition and high-risk for malnutrition. Those found to be critical, are facilitated for treatment under district Nutrition Rehabilitation Centre (NRC) ~ 522 children screened this year
- Screening and identifying patients from the MHU clinic villages for tuberculosis, epilepsy and and facilitating their treatment under experts ~ 68 patients this year

26,529

OPDs consulted through our healthcare projects

Maitri Karuna Netralaya

(multi-year project supported under Annual Action Plan 2022-23)

JMFF has been organizing annual eye-camps in some of the most remote villages of Jamui district, Bihar, since 2018. Till 2022, the Foundation had screened 2,512 patients for visual impairment, primarily including cataract, refraction, glaucoma infections among others. These camps were followed by facilitating cataract surgeries, spectacles and some referral services. However, our reach was limited, owing to lack of eyecare facilities accessible to the community in the region. Given this evident need, we committed ourselves to set up a hospital in Jamui, that would ensure providing timely eye-care services, to diagnose and treat preventable blindness, and cure patients to the last mile.

Maitri Karuna Netralaya – our eyecare facility in Gidhaur block of Jamui district, Bihar, opened its doors to OPD patients on January 23, 2023 after close to 10 months of reconstruction and renovation work spanning an area of 9,423.54 sq. ft. The new Netralaya has four wings containing two Operation Theatres, OPD and pharmacy facilities and 10 beds, among other clinical and surgical facilities. A total of 32 clinical and non-clinical personnel inclusive of two ophthalmology surgeons, form the exclusive team of the Netralaya.

Doctor's OPD in progress at Maitri Karuna Netralaya

Per our annual practice, JMFF scheduled eye-camps in January 2023, in the most distant villages of tribal Khaira block in Jamui, with the comfort of taking screened patients to our own Netralaya. The camps screened 1,172 patients from across the block. These formed the first set of Netralaya patients. From January 23, 2023 to March 31, 2023, the Netralaya has consulted 2,306 OPDs for vision ailments such as cataract, refraction and pterygium, among others. Notably, the Netralaya has successfully conducted 106 cataract surgeries (majorly with Phacoemulsification technology) and restored the patients' eyesight, in a period of 36 days up to March 31, 2023.

Pre-operative procedure at Maitri Karuna Netralaya

EDUCATION

279
Pre-school children care

1,381
Children and youth taught IT skills

3
Blocks impacted

Project Bachpan

(multi-year project supported under Annual Action Plan 2022-23)

Project Bachpan began in 2017 with five pre-school learning centres established by JMFF in backward villages of Sikandra block of Jamui, Bihar, where a large number of children aged 3 – 6 years were undernourished and unschooled due to reasons including but not limited to – inability of their low-resource families to provide for balanced nutrition, limited intake capacity of government-run Anganwadis and large-looming lack of awareness or means of the families to enroll them into alternative, distant options. Given the critical need of not allowing the most crucial formative years of any child to go unaddressed, JMFF set up and ran these five centres impacting 118 children in the said age-group, providing holistic learning and daily one-time nutrition. These centres instilled faith and confidence in the community who requested JMFF for more such centres to be opened up in nearby villages as well. With the experiential learning of implementing Project Bachpan over the past four years, we undertook and executed a plan to scale up the initiative to the most deprived communities.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

During the year, JMFF established seven new Bachpan centres, increasing the number of centres to 12 – 8 in Sikandra and 4 in Khaira blocks. Each of these centres is set up with a classroom, washroom, kitchen, play area and utility area. A total of 279 children (136 boys and 143 girls) are enrolled at these centres. Each centre has one teacher and one helper (*sahayika*), teaching children for four hours daily, using high-quality Teaching Learning Material (TLM) and play equipment that the students have never dreamed of, let alone used. The children are fed nutritious meals like vegetable *khichadi, upma, halwa* and vegetable *daliya* cooked by their mothers at the centres. The project operation is planned, monitored and executed by a JMFF project management team.

Group Chairman Nimesh Kampani handing gifts to children at the inauguration of Gayghat village Bachpan centre in October 2022 - Jamui, Bihar

JM Financial Shiksha Samarthan

(multi-year project supported under Annual Action Plan 2021-22)

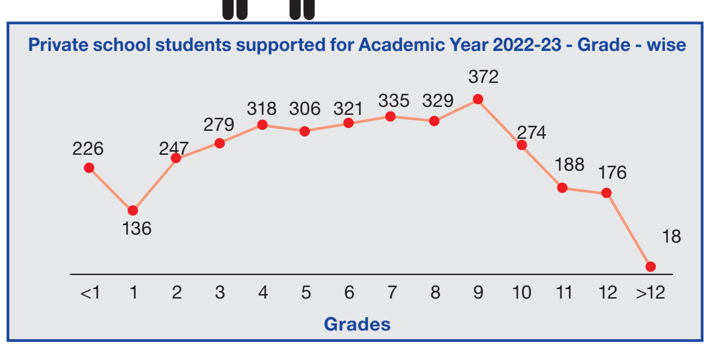
The two years of Covid-19 may be a period we don't want to remember, but many don't have a choice, owing to the deep grief the pandemic has left them with. While elders can express their feelings, young ones may or may not know how to. To make it worse, the loss of their fathers – the primary breadwinners in the family (as is the case with over a lakh families in India), has signaled a full-stop in the schooling of children and a question mark for their future. Responding timely to this crisis, JM Financial initiated Shiksha Samarthan to stand in support of every child who'd lost their parent/s to Covid-19, by securing their education up to grade 12. This project initiated independently by JMFF in May 2021, has supported 3,873 students enrolled in over 2,000 private schools, in FY 2022-23. The project outreach was extended in collaboration with The Women & Child Development Department – Government of Maharashtra and with The Social Justice and Empowerment Department – Government of Gujarat.

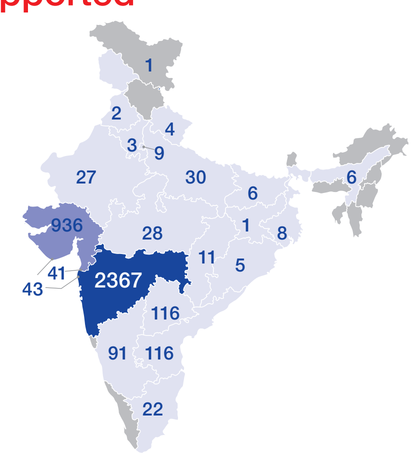
The unique feature of this support is marked by the remittance of each private school student's annual academic fee directly to their school bank accounts, up to an amount of ₹ 50,000/- per academic year. Alongside, in partnership with the aforementioned government departments and the Union Territory of Daman & Diu and Dadra & Nagar Haveli, 3,619 students enrolled in government schools have been provided with ancillary education support, amounting to ₹ 8,400/- per academic year.

3,873 private school students supported

2,083 Boys

1,790 Girls





The grade-wise distribution of students in the graph above, totals to 3,525, indicating the total unique students for whom the Foundation remitted private school fees for academic year 2022-23. In addition, another 348 private schools' student fees have also been remitted, which were pending for academic years 2020-21 and 2021-22, owing to the families' inability to pay the amounts after their loss.

3,619 government school students supported

Gujarat	Union Territory of Daman & Diu and Dadra & Nagar Haveli	Maharashtra
2,550 students	193 students	876 students

For each student supported, JMFF has undertaken comprehensive due-diligence of their family backgrounds, verified academic and identification documents, presented the cases for support to an internal assessment panel, followed by disbursements and notifications to schools and parents.

The JMFF project management team of five members has been in close, regular and personal contact with the surviving parents and children, as appropriate. All the aforementioned processes have been undertaken through phone calls, e-mails, WhatsApp messages and virtual meetings, ensuring that the students can continue their education despite any physical or financial barriers they may face.

To help parents associate a face with JM Financial Foundation and for us to know the supported families a little further, physical meets were organised and executed between April 2022 and February 2023, with 255 surviving mothers across five locations

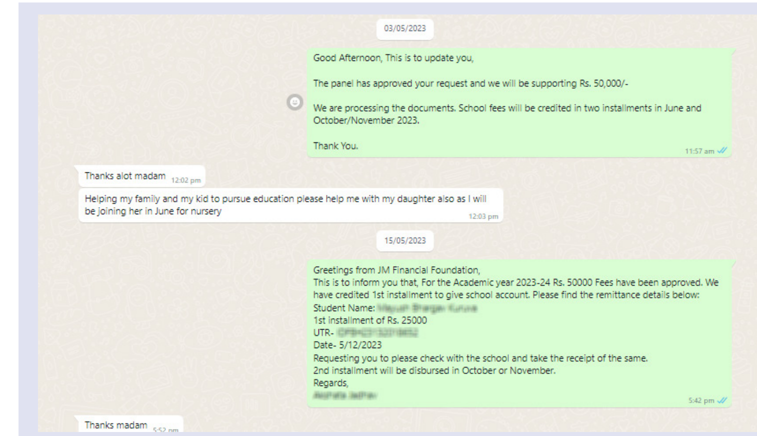
MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

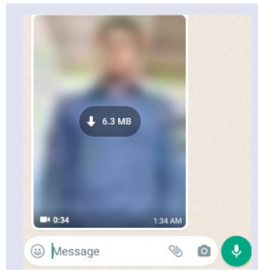
in Maharashtra. The struggles of all mothers weren't and aren't limited to the education of their children, but go beyond, to their own mental health, financial burdens and the weakened ability to face the world with practically no support from their relatives/friends.

Meeting with mothers and families of students supported under Shiksha Samarthan at Mumbai - May 2022

Mothers of our supported students at a Haldi-Kumkum ceremony organized by JMFF in Pune - January 2023

Blessings earned
Testimonials received for our support through JM Financial Shiksha Samarthan





"After my father's demise, I became the breadwinner for our family. I have two sisters aged 14 and 10. I had no option but to seek a job to sustain my family. JMFF came as a ray of hope as they supported mine and my sisters' education, and they are always in touch with us regarding any help we need."

* "Thank you, JM Foundation. You paid for my child's college fees this year as well. Truly, you have taken away my fear and worries and given me the confidence to live. Thank you, JM Foundation."

** Names of beneficiaries and parents hidden to protect their identity.*

JMFF Digital Saksharta

(multi-year project supported under Annual Action Plan 2020-21)

The Covid-19 pandemic highlighted, among other inequalities, the gaping digital divide in the country. This deprivation was seen to be largely experienced by the rural populace, with little to no connectivity to digital services. Moreover, among the poorest households, only a measly number enjoy access to digital connection and/or Internet services. With schools shut and no access to digital education, students in our CSR geographies of Palghar and Jamui appealed to JMFF to facilitate their induction into the world of computers, basis which the Digital Saksharta programme was implemented.

In Jamui district, Bihar, the programme is run by way of one hub centre equipped with 15 computers, imparting advanced and professional level IT (Information Technology) literacy and soft skills, and three village-based spoke centres equipped with nine computers, imparting basic digital education. Since the inception of these centres, the programme has trained 856 students aged 5 to 20 years in Jamui. Similarly, in Mokhada block of Palghar district, Maharashtra, one hub centre equipped with 50 computers has imparted advanced digital education to 525 students aged 13 to 20 years.

Students learning computers at Digital Saksharta centre in Mokhada - Palghar, Maharashtra

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

JMF Scholars – Ashoka University

(multi-year project supported under Annual Action Plan 2020-21)

Ashoka University located in Sonepat, Haryana, has one of the largest and most successful need-based financial aid programmes in the country, under which, 5,000+ students have been provided with scholarships in the last 10 years. Often-times, these students belong to lesser-privileged backgrounds, with families where their parents work as daily wage labourers, farmers, motor loaders and domestic helps, earning an annual income of less than ₹ 2 to ₹ 3 Lakh per year.

Interested students from over 150 towns and cities, 28 states of India and from across the world, apply and get admitted into the university on the basis of holistic selection criteria. The project has supported and named 55 such students as 'JMFF Scholars', pursuing their three years' undergraduate studies at Ashoka University.

SPORTS DEVELOPMENT

4
Sportsgrounds created

296
Children and youth trained in football and athletics

89
Accolades won

48+
Villages impacted

JMF Sports Project

(multi-year project supported under Annual Action Plan 2020-21)

Children from rural India are organically exposed to a higher degree of physical activity from a young age. Sports comes naturally to them, through village-based games, which primarily includes kabaddi, football, cricket, javelin, high-jump and long-jump. However, the expression of their passion often remains limited to the games learned and played at a local level. Against this backdrop, the JMF Sports Project was conceptualised and implemented to bridge the gap in sports infrastructure and regular, expert coaching, that can help talented children and youth hone their skills and lead them on a path to successful careers in sports. The project envisages a long-term change in youth development and an increase in their participation in district, state, national and international sports tournaments.

With this vision, as planned, JMFF has created four large-sized and fully-equipped sportsgrounds in the most remote villages of Aliganj, Lakshmipur, Sikandra and Chakai blocks of Jamui, Bihar. Each of the aforementioned grounds has a running track, full-sized football field, dedicated space for throwing sports, high jump and long jump pits along with changing rooms and washrooms.

The project has deployed 13 qualified and license-holding coaches in football and athletics, led by two technical directors and a JMFF project management team. The coaches have trained a total of 230 boys and 66 girls in the age group of 5 to 19 years. Their training encompasses daily exercises, sport-specific training and nutrition inputs. The trainee children and youth are provided with superior quality sports gear, necessary for their optimal performance.

Jumping high - Trainees at JMFF sportsground - Jamui, Bihar

As a first proof of success of this intervention, our trained children and youth brought home 89 medals from 11 sports tournaments they participated in at state and national levels.

Accomplishment of one's dream is a success for many

Ashish (second from left) receiving a medal at the 37th Junior National Athletics Championship - Guwahati, Assam

This holds true for 13-year old Ashish Kumar, the most decorated athlete from our sports program, with an incredible journey to success. He was born in a farmer's family in Sikandra block, Jamui, and is the eldest among his siblings. He developed an interest in sports and athletics during his early years, and a golden opportunity rose for him when JM Financial Foundation initiated its program near his village to promote sports in the area. Ashish had participated in school sporting events, but had never got the opportunity to showcase his talent at other arenas, nor had he received the exposure which would catalyse the fulfillment of his dream. His talent met with this opportunity when he joined our program in May 2022. Ashish learned the skills during the practice sessions under the able training of our coaches, with the help of the equipment provided. The regular training built the confidence in him to win at the championships.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

AGRICULTURE

13,000 kg+
agri-inputs provided

1 Lakh +
sapling inputs provided

8,000+
farmers impacted*

* cumulative

Model Village Development Project

(multi-year project supported under Annual Action Plan 2022-23)

JMFF has been working in Jamui district of Bihar through the Model Village Development Project since FY 2018-19, with an aim of forging comprehensive development in the villages of Sikandra block. What started as an ambition to work on integrated aspects of rural life in this region, quickly evolved to become an agriculture-intensive intervention implemented across 15 villages, owing to some extremely crucial grassroots realities – dependence of majority of the population on agriculture, rainfall deficit, potential soil and cultivable land, and unscientific farming practices followed by farmers.

Given this background, our project has adopted an approach of deploying farmers' capacity-building, helping them pilot advanced agri-inputs and solutions, introducing scientific methods rooted in tradition and hand-holding them throughout.

During the year, the project has increased its footprint to include farmers of the adjacent, but topographically different, Khaira block. With large expanses of undulating terrain populated by scattered, tribal households, the agricultural practices in Khaira are even more backward and ill-informed, manifesting in poor sustenance of the families. However, the region has a sizeable number of available water sources and the community has been positive about adopting technically sound agricultural techniques and varieties.

- Farmers' capacity-building

Continuous training and awareness for our farmers forms the cornerstone of our project approach.

This year, we have trained a total (cumulative) of 1,774 farmer trainees through 72 organised training sessions centered around:

Training sessions	Villages
Paddy cultivation through Systematic Rice Intensification	8
Seed selection techniques – 7 crop varieties	20
Soil nutrient management	
Planning cultivation of alternate crops - papaya, mangoes, watermelon, sweet-corn, lemon, capsicum	15
Pest management in vegetables and high-value crops	
Nutrition gardens and their benefits	25
Drip irrigation and water management	12
Availability and uses of new and affordable agricultural equipment	15

Complementing our training efforts through meetings and exposure visits is the Model Farm (also known as Demonstration Farm) – an under 0.75-acre land parcel in JMFF premises in Lachhuar village (Sikandra). This plot of land has been cultivated and curated as a laboratory and exposure site, with the objective of demonstrating new, scientific and alternative practices in agriculture in the region, while utilizing the same resources available to all farmers. This year, the model farm has been home to 30+ varieties of vegetable plants, 21 varieties of fruit plants and 19 varieties of medicinal plants.

- Advanced agri-inputs

Along with training and continuous handholding, providing the right inputs to farmers is of paramount importance to the project objective. During the year, the Foundation has encouraged the cultivation of staples using high-quality, scientifically-researched seeds, along with that of high-value crops, to help the farmers earn, beyond providing for their families' nutrition.

High-quality staple crops' seeds

Crop	Farmers	Inputs provided (seeds in kg)
Monsoon crop (Kharif season) – FY 2022-23		
Paddy	596	4,980
Maize	106	100
Green Gram	150	300
Pigeon Pea	50	80
Winter crop (Rabi season) – FY 2022-23		
Wheat	194	2,000
Gram	49	350
Mustard	113	110

High-value crops' saplings

Crop	Farmers	Inputs provided (saplings)
Capsicum	52	96,810
Watermelon	58	12,000
Lemon	56	1,576
Mangoes	(orchard development)	388

JMFF Model Farm at Lachhuar village - Sikandra block, Jamui, Bihar

Wheat produce yielded by seeds provided under Model Village Development Project - Jamui, Bihar

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

As planned, this year too, JMFF promoted Nutrition Gardens as low-cost, consistent and convenient sources of vegetables with 2,640 farmers in the two blocks. The project has contributed by educating farmers on the model and by providing them one kit each comprising 250 gms (approx.) of coriander, green spinach, red spinach, bitter gourd, carrot, beans, radish, beetroot, cabbage, cauliflower, brinjal, ladies finger and chilli. This is in addition to 45,045 vegetable plant saplings provided to 613 farmers.

Water Conservation Program

(multi-year project supported under Annual Action Plan 2022-23)

JMFF has been working in Jamui district to bring about rural transformation since FY 2017-18, across three blocks of Jamui, Bihar. Under this approach, our efforts in agriculture have helped introduce farmers to practice multi-cropping, harvesting crops in both seasons and also avail of scientific cattle healthcare services. However, central to the sustainability of these efforts is availability of water and its efficient management.

Against this backdrop, JMFF commissioned a water study to be conducted by an external institute, to identify scientifically, water-critical pockets in Jamui and provide technical inputs on watershed development. Study findings revealed that in our project geography, even though Khaira block has adequate water resources available, water conservation and management has been a challenge prohibiting better irrigation and a second crop.

Basis these findings, we undertook a pilot in Mahengro village of Khaira, with an approach of integrated water conservation and management, involving a community-based process, promoting the management of surface and ground water, land and related resources, while aiming to maximise socio-economic well-being equitably and maintaining the sustainability of vital ecosystems. Mahengro, made up of 110 tribal households living in *kachcha* houses, has 12 wells and five large and small ponds for drinking water and irrigation. These water bodies are meant to naturally recharge and maintain the groundwater table essential and sufficient for irrigation, keeping the soil health intact. However, over time, the village has been facing a severe water crisis owing to ill-informed practices and irresponsible water management, combined with insufficient monsoons.

As a first step in the direction of water conservation and management, JMFF undertook the complete renovation and beautification of 12 open wells constructed between 1973 and 1985, lying in a dilapidated state. Our team mapped each of the wells with the village community and obtained their written consensus for their cleaning, de-silting, repair and renovation. Between June 2022 to March 2023, these wells were cleaned with the deployment of local labourers, following a Standard Operating Procedure developed for their safety.

Condition of wells prior to JMFF intervention

The Foundation went one step further and also constructed a covered enclosure to help women perform their personal routines with dignity. As of the end of March 2023, all wells stand completely cleaned and renovated, with only painting and tiling work to be accomplished. Each well is expected to recharge effectively, thereby increasing the nearby groundwater table over an area of up to five acres.

Wells being used by Mahengro village residents post renovation

Integrated Livestock Development Centres (ILDC)

(multi-year project supported under Annual Action Plan 2022-23)

Bihar has had a historical association with cattle breeding. Considering that 76 per cent of its residents are engaged in agricultural pursuits, it is home to nearly 15.3 million cattle population (2019 Livestock Census). However, the absence of functional veterinary services and the resultant lack of access to timely cattle healthcare has denied most cattle the nutritional balance and impacted cattle-owners' finances.

Prior to the project initiation, JMFF had discovered through a survey, the grave unavailability of veterinary care, difficulty in transporting large livestock to access healthcare, lack of awareness on preventive and timely curative veterinary services, and the dire need for advanced cattle rearing practices to increase milking capacity and thereby, farmers' livelihood. It was in this context that the project ILDC was launched in January 2018, and project continues till date for long-term input enabling sustainable impact. Every ILDC under this project has been set up as a veterinary centre, associated with a local youth identified and trained to be a para-veterinarian (Gopal). A total of 22 ILDCs are located in 22 Gram Panchayats, serving cattle owners in 210+ villages across Chakai, Jhajha, Sikandra and Khaira blocks of Jamui, Bihar.

Measuring temperature of calf belonging to farmer Basu Sah in village Dariyo, ILDC Borwa - Jhajha block, Jamui, Bihar

The project model enables the impactful delivery of decentralised livestock healthcare services in the region. Gopals are equipped with motorbikes, laden with medicines and consumables. This helps them ensure timely services even for critical needs like calf delivery, major infection/ abscess, deep injuries and life-threatening health conditions, when otherwise, it would have been difficult for farmers to transport their cattle to the poorly functioning or non-functional veterinary centres located at distant places.

Services	Counts
De-ticking	1,39,551
Deworming	1,42,165
Vaccination	80,603
First-Aid Treatment	42,866
Infertility Treatment	10,256
Fodder Plots Cultivation	2,943
Farmers Training Sessions	3,729
Cattle Health Camps	430

Treatment of buffalo of farmer Salikaram Pandit of village Akauni, ILDC Pohe - Jamui, Bihar

The project has helped 2,943 farmers with 350 kg of Makhhan grass (Lolium Multiflorum) green fodder seeds. These seeds yield an output of 20 – 30 kg for at least four months annually, thereby providing fresh green and nutritious fodder for the cattle. During the year, in synergy with the Block Veterinary Officials, our Gopals have also facilitated the reach and administration of 2,683 doses of HSBQ (Haemorrhagic Septicaemia Black Quarter) and 3,929 doses of FMD (Foot and Mouth Disease) vaccines to 6,612 cattle in Jhajha and Sikandra blocks.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

Integrated Village Development Project

(multi-year project supported under Annual Action Plan 2022-23)

Akin to our approach under the Model Village Development Project in Bihar, JMFF has implemented the Integrated Village Development Project in seven villages of Mokhada block, Palghar district, Maharashtra. The project was undertaken in FY 2018-19 through a partnership with the district authorities and continues to be implemented as a long-term project.

Prior to the project initiation, JMFF had observed, that despite enjoying a good average annual rainfall of 2,450 mm, tribal farmers in this region followed unscientific farming practices, mono-cropping, grew single crop annually with a mere cultivation of staples. While rainfall is abundant, there were no structures to arrest the downflow of rainwater off the undulating terrain, negating any possibility of its percolation into the ground. Moreover, the lack of awareness among the population residing in the far-flung villages, also resulted in government schemes and entitlements not reaching the last mile as intended. Against the backdrop of all these lacunae, JMFF implemented the Integrated Village Development Project with an aim of strengthening livelihoods through agriculture enhancement, water conservation and increasing community access to public entitlements.

- Agriculture enhancement

  The adoption of improved agri-practices has a higher probability among farmers, when aided by frequent training and capacity building. This year, JMFF has trained 1,235 farmers through 44 organised sessions addressing – pest and disease management, horticulture and *wadi* farming, cashew processing, systematic rice intensification, vermicomposting, use of farm equipment such as conoweeders and soil health testing. In addition to these sessions, a total of 99 farmers were taken on three exposure visits to – Krishithon 2022 (India's largest international agriculture trade fair held in Nashik), strawberry and French beans plantations in Sakhre Gondi village and to Krishi Vigyan Kendra (KVK) in Kosbad, Dahanu block.

In tandem with the aforementioned capacity-building, the project provided the following inputs to the farmers in Kharif and Rabi seasons:

Crop	Farmers	Inputs provided (seeds in kg)
Monsoon crop (Kharif season) – FY 2022-23		
Blue rice	20	150
Paddy	265	2,650
Pigeon pea	235	235
Maize	200	400
Mango	23	680
Cashew		1,018
Finger millets	30	(Support through fertilizers and soil health testing with KVK, Kosbad)
Winter crop (Rabi season) – FY 2022-23		
Chickpea	220	1,760
Papaya	20	2,500
Custard apple	20	3,460

Blue Rice production - Farmer Mohan Balu Raut at Beriste, Mokhada - Palghar, Maharashtra

- Water conservation

  Our water conservation interventions are targeted at conserving the heavy rainfall received by this region using low-cost, eco-friendly, rainwater harvesting structures, dug by farmers with our technical inputs and handholding. The two kinds of structures encouraged are as under:

Continuous Contour Trenches (CCTs): JMFF introduced the concept of CCTs in FY 2019-20, as low-cost, sustainable trenches, dug lining the hill slopes of our project geography, with the aim of raising the groundwater table and increasing soil moisture. This year, the project facilitated the digging of 2,241 CCTs covering an area of 36.24 acres, with each CCT measuring 18' * 2.5' * 2' (length * depth * width), with a storage capacity of 1,500 litres. In order to help bind the soil around the trenches, the Foundation has also provided the farmers with mango and cashew saplings as mentioned in the table above.

Jalkunds: While CCTs are dug along hill-slopes, *jalkunds* (literally translating to water ponds) were introduced in FY 2021-22 to be dug on low-lying terrains, especially in the wadi (cluster-farming) plots created with project support in the past three years. This year, 90 *jalkunds* have been dug on 90 farmer beneficiaries' plots in Ase, Brahmangaon, Dhamani, Karoli and Kalamgaon villages. Each *jalkund* sized 10 metres * 10 metres * 1.5 metres (length * depth * width) has an average rainwater storage capacity of 96,000 – 1,00,000 litres.

8,267 CCTs

to infiltrate and raise groundwater tables

- Increasing community access to public entitlements

  Two village-level helpdesks have been set up and run under the project since initiation, with the objective of educating the village communities on various government schemes and policies, enlisting their interest, facilitating the required paperwork, followed by submission to and follow up with the respective government departments for their successful convergence. Over the years, the project has been a catalyst for government entitlements reaching and benefitting their intended beneficiaries.

  This year, a total of 683 beneficiaries have received scheme benefits amounting to ₹ 1.19 Cr.

PHILANTHROPY

Supporting philanthropic causes has been part of JM Financial Foundation's essence and action since its inception. The JM Financial group of Companies has been supporting some very commendable work undertaken by several charitable organisations in the areas of education, healthcare, sports development, support to the differently-abled, animal welfare and promotion of Indian art and culture. This year, some of these initiatives supported by JMFF are as under:

Enabling education for children with special needs

Our supported organisations provide specialised care for children with most developmental disabilities. The support provided by JMFF has been extended to facilitate the education, engagement and rehabilitation efforts of differently-abled children; along with enabling research in traditional medicine.

Aiding healthcare services

Our support under healthcare has aided in the medical treatment of lesser-privileged children suffering from life-threatening diseases, medical and nutritional assistance to vulnerable children who are unable to be supported by their families owing to grave circumstances, eye-care services for the most-needy beneficiaries from rural areas in the southern part of India and quality medical treatment for rural communities in Satara district. We have facilitated the OT equipment for a deserving multi-speciality, charitable hospital in Mumbai; cleft lip surgeries for young children. Additionally, JMFF has extended itself to one of the most challenging services of providing relief to disabled individuals, enabling them with artificial limbs, calipers and other scientifically designed instruments.

Training of sports athletes

We continued our support to athletes' training for the Olympics with nutrition inputs and sports management. During the year, our support has enabled the trained athletes win gold for the country in various sports such as shooting, javelin and badminton, and paralympic sportspersons to compete on recognised platforms.

Promotion of music and cultural traditions

Protecting our national cultural heritage is essential, as it maintains our integrity as a people. JMFF has been supporting an organisation in its efforts to protect, promote and preserve the Carnatic music tradition.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

HUMAN RESOURCES

We at JM Financial, are driven by the success of our employees. Our employees have increased to 3,260 as of March 31, 2023 as compared to 2,405 as of March 31, 2022 and 1,978 employees as of March 31, 2021. It represents a net addition of 854 employees over the course of the FY 2022-23 and a net addition of 1,281 employees over the last two financial years. We have expanded across our businesses and more specifically in our non-institutional businesses such as asset management, wealth and distribution, digital businesses and retail mortgage. We are putting in dedicated efforts to attract and recruit the best talent in alignment with the organisational needs. Our Human Resources department plays a crucial role in ensuring that we attract, develop and retain the talent needed to achieve our strategic goals.

Our team always will work tirelessly to support our employees in the face of unprecedented challenges. We ensure to support our business objectives in order to attract and retain top talent, ensure compliance with employment laws and regulations, and promote a workplace culture that fosters collaboration, innovation and excellence.

HR Promise - The Human Resources Tagline

HUMAN RESOURCES
Pragmatic | Professional | Progressive

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.

Engagement Surveys – Great Place to Work

This year, five entities i.e. 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 2023 – Feb 2024.

Talent Management

We believe that investing in our employees is critical to our long-term success and we will continue to prioritise talent management in years to come focusing on creating a highly engaged and motivated workforce.

We aim at improving the recruitment process, enhancing the onboarding experience, investing in the training and development as well as creating career development plans or succession plan.

Workforce Diversity

Our efforts to create a diverse and inclusive workforce are guided by a solid foundation to provide equal employment opportunities to all individuals.

Hiring

For the whole Group, a Centralised Campus team has been created to manage campus hiring. The team plays a key role in forging a solid connection with the Institutes, B-schools, CAs, Law schools and Schools specializing in Social Studies.

The campus team constantly engages with the Institutes for live projects, internships, and final placements after getting the hiring requirements from the businesses.

Rewards and Recognition

Rewards & Recognition plays a vital role in any work environment wherein the employees are recognised and rewarded for their contributions towards achieving organisational goals. The timely and fair recognition awards motivate employees and at JM Financial we provide these boosters at regular intervals and at each business level.

We use other tools such as iCheer to share appreciations wherein the employees can appreciate each other.

Employee Engagement

We at JM Financial, engage our employees through various initiatives at Group as well as business level. As our tradition, we celebrate all the festivals in great zest. Employees at JM Financial Home Loans came together to celebrate our amazing monuments and our culture to bring awareness towards our monuments sites on the World Heritage Day on 18th April, 2022 which included fun & games, Virtual quiz along with Birthday Celebrations.

This year on the International Yoga Day on 21st June, 2022, we scheduled a in person workshop that included few chair/desk yoga which we can do even while working in our JM Financial Home Loans. We also arranged a monsoon trek for more than 50 people from various departments that work interconnected.

75th Independence Day was celebrated this year - from singing songs, playing fun games, and creating memories. We also arranged a beach cleaning drive in the month of August 2022 with support of leaders to contribute towards the environment. Along with which we also arranged a tree plantation drive at Rajkot.

We celebrated a lightening Diwali with Kids to work day to celebrate an integrated Diwali. A variety of dishes prepared by employees were savoured along with them enjoying a day filled with fun, dance and games. The group and the entities also celebrated a wonderful evening on the Christmas eve with Secret Santa at some locations and gathering to celebrate the eve in other entities.

To celebrate Republic Day this year, we had an evening open session for all the Pan-India locations coming together and sharing their love for the nation using songs or instruments they like. We also arranged games and fun activities.

On the occasion of Women's Day, an event was held to honour women's accomplishments and contributions. Senior management addressed the gathering in Cnergy office followed by some games and fun.

Employee Wellbeing Initiatives

At JM Financial, we are committed to providing our employees with the resources and support they need to achieve their best possible physical, mental, and emotional health. Some of the initiatives include Doctor on Call, Leave & Paid Time Off.

Performance Management

We follow a comprehensive performance evaluation process for annual reviews, which was digitalised and a structured performance evaluation calendar was launched.

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 joinees, in order to help them get equipped with the appraisal process and the system.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (CONTD.)

Compensation and Benefits

Our compensation framework is structured to align the interests of our employees with the long-term interests of the group and its other stakeholders.

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 customised 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

Employee training initiatives have been an integral part of the HR vision and long term objectives of our firm.

The new normal has undoubtedly had an impact on the mode of trainings which led us to conduct both physical as well as virtual sessions. This combination worked well as we saw an increase in the level of participation. Also, we conduct department specific trainings which focus on inducting the new hires helping them understand their department better.

At **JM Financial Home Loans**, we arranged behavioural trainings called 'Pragati' as our learning intervention to engage, enhance & encourage our employees. We continued this intervention from October to December 2022. We also arranged policy training, Critical Policy Changes for Operations was conducted to highlight key changes in the policy. Monthly Credit Refresher training for new joinees is organised. DigiZen Sales App Refresher session to all branch sales employees & for our new joinees. A product training of newly launched MSME products was also arranged. Other trainings like 'Own Your Success' and 'Cyber Security Training' were also arranged in this year.

For **Retail Wealth**, a training on System development has been imparted in the month of January, 2023. This training highlighted new changes or developments in the system. Regular training for product and process were also arranged for internal teams.

LEAP Plus -Phase II was launched in the month of February 2023. LEAP Plus training focuses on the functional skill development for the JM Financial Asset Management employees. With the use of this online training intervention, our LEAP Plus training programme equips staff with the necessary product knowledge.

Stepping Stones is a learning intervention designed specifically for the Investment Banking team, in which team leaders facilitate an interactive session on a technical topic/case study/recent deal.

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's philosophy of Corporate Governance is built on a foundation of ethical business practices, transparency and trust in dealing with all stakeholders. It 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 its stakeholders. The Corporate Governance Philosophy of the Company is drawn from its core vision and values of being the most trusted partner for every stakeholder in the financial world, thereby creating and enhancing long term stakeholders' value on a continuous and sustainable basis.

Responsible corporate conduct is an integral way we do our business. Our actions are guided by our values and principles viz., integrity, teamwork, client focus, innovation, implementation, performance and partnership, which are reinforced at all levels within the Company. We are committed in doing things the right way which means taking business decisions and acting in a way that is ethical and in compliance with applicable laws, thereby ensuring that we gain and retain the trust of our stakeholders at all times.

At JM Financial, we always strive to adopt best practices which goes beyond the regulations and provisions of the law with a strong aspiration to achieve good governance. These ethical and transparent 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 management ensures that JM Financial continues to remain a Company of uncompromised integrity, excellence and is driven towards responsible growth.

The Company complies with the requirements of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "**SEBI Listing Regulations**"), and the applicable provisions of the Companies Act, 2013 (the "**Act**").

Accordingly, the Corporate Governance Report as prescribed under the SEBI Listing Regulations is being presented as below.

II. Board of Directors

The Board of Directors (the **"Board"**) of the Company is an apex body, which *inter alia*, oversees the Company's overall functioning, provides a strategic direction, guidance, leadership and have a 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 adhere to high corporate governance practices and protect the interest of the stakeholders.

A. Composition of the Board

The Company recognises and embraces the importance of diverse culture of the Board. The Company believes that the Board enhances the quality of the decisions made by it, which is necessary for achieving desired objectives and sustainable results.

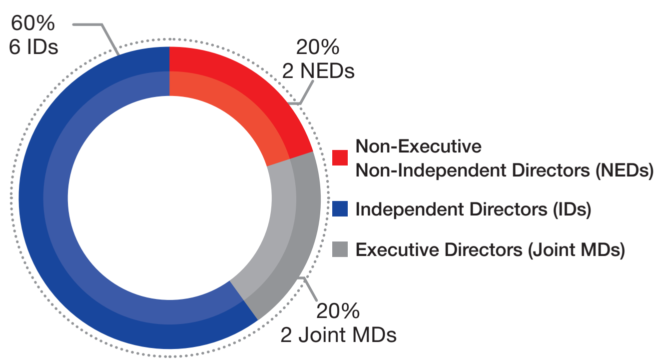
Guided by the Board Diversity Policy adopted by the Company, the Board is a blend of members having diverse skills, experience, knowledge, capabilities, expertise, attributes and educational qualifications, amongst others. The composition of the Board comprises highly experienced and knowledgeable persons with good repute and eminence. It has a diverse mix of executive, non-executive and independent directors representing an optimal mix of professionalism, knowledge and experience required for the financial services industry.

The Board consists of ten (10) directors, of which six (6) are independent directors including two (2) women independent directors, two (2) non-executive and non-independent directors and two (2) executive directors designated as the Joint Managing Directors. The composition of the Board is in conformity with the Act and SEBI Listing Regulations with majority of the Board members comprising independent directors.

The Chairman of the Board is a non-executive non-independent director. Accordingly, the Board fulfils the requirement of having 50% independent directors.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

The composition of the Board is depicted in the chart below. The profile of each of the directors is available on the Company's website at https://jmfl.com/investor-relation/board-directors.html.



Confirmation on Independence of Directors

The Company has received declarations from all its independent directors confirming that they meet the criteria of independence as prescribed under the Act and SEBI Listing Regulations.

Based on the declarations received above, the Board has confirmed that they meet the criteria of independence as prescribed under the Act and the SEBI Listing Regulations and are independent of the management.

Changes in the directorships during the financial year 2022-23

Changes in the directorships during the financial year 2022-23 are given as below.

Sr. No.	Name of the Directors	Nature of Change	Date of Change
1.	Mr. E A Kshirsagar (DIN: 00121824)	Ceased to be the independent directors of the Company upon completion of their second term pursuant to Section 149(11) of the Act.	Close of business hours on July 2, 2022
2.	Dr. Vijay Kelkar (DIN: 00011991)		
3.	Mr. Paul Zuckerman (DIN: 00112255)		
4.	Mr. Keki Dadiseth (DIN: 00052165)		
5.	Mr. Sumit Bose (DIN: 03340616)	Appointed as an independent director with effect from May 24, 2022 for a first term of five (5) consecutive years.	May 24, 2022

None of the directors of the Company is related to other directors except that Mr. Nimesh Kampani and Mr. Vishal Kampani are related to each other.

B. Directorships/memberships in other companies

None of the directors of the Company hold directorships in more than twenty (20) companies and within which not more than ten (10) public companies. In accordance with the SEBI 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 2022-23. 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 is 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 SEBI 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 by the Company's directors in other public companies including the names of the listed entities as on March 31, 2023 is given below for information of the members.

Sr. No.	Name of the Directors	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, 2023
			Listed@	Name of the Listed Company	Category of Directorship	Unlisted	Chairmanships	Memberships	
1.	Mr. Nimesh Kampani	Non-Executive Chairman	-	-	-	2	1	1	12,57,50,000#
2.	Mr. Vishal Kampani	Non-Executive Vice Chairman	-	-	-	9	-	4	1,30,00,000
3.	Ms. Jagi Mangat Panda	Independent Director	1	Ortel Communic-ations Limited (Under CIRP)	Managing Director	4	1	2	Nil
4.	Mr. P S Jayakumar	Independent Director	3	CG Power and Industrial Solutions Limited		6	3	9	Nil
				Adani Ports and Special Economic Zone Limited	Independent Director				
				HT Media Limited					
5.	Mr. Navroz Udwadia	Independent Director	-	-	-	-	-	-	Nil
6.	Ms. Roshini Bakshi	Independent Director	1	Persistent Systems Limited	Independent Director	1	-	1	Nil
7.	Mr. Pradip Kanakia	Independent Director	2	Camlin Fine Sciences Limited	Independent Director	1	2	3	Nil
				Healthcare Global Enterprises Limited					

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Sr. No.	Name of the Directors	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, 2023
			Listed@	Name of the Listed Company	Category of Directorship	Unlisted	Chairmanships	Memberships	
8.	Mr. Sumit Bose	Independent Director	3	Coromandel International Limited J. B. Chemicals and Pharmaceuticals Limited HDFC Life Insurance Company Limited	Independent Director	4	4	6	Nil
9.	Mr. Atul Mehra	Joint Managing Director	-	-	-	1	-	1	5,66,666
10.	Mr. Adi Patel	Joint Managing Director	-	-	-	1	-	1	15,49,535

 # including 12,50,000 shares held in the name of Nimesh Kampani HUF.

** other directorships do not include private limited companies, foreign companies and Section 8 companies registered under 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 public limited companies. Committee membership(s) include chairmanship(s).*

@ includes only equity listed entities.

C. Core skills/Expertise/Competencies of the Board

The Board members have rich and varied experience in critical areas like governance, finance, entrepreneurship, economics, commercial, general management, marketing etc., that allows them to make effective contribution to the Board and its Committees.

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 SEBI Listing Regulations, the core skills/expertise/competencies possessed by the directors are stated below.

Sr. No.	Name of the Directors	Skills/expertise/competencies						
		Leadership qualities	Industry Knowledge and experience	Financial Expertise	Corporate Governance	Understanding of relevant laws/ rules/ regulations and policies	Risk Management	Global experience/ International Exposure
1.	Mr. Nimesh Kampani	✓	✓	✓	✓	✓	✓	✓
2.	Mr. Vishal Kampani	✓	✓	✓	✓	✓	✓	✓
3.	Ms. Jagi Mangat Panda	✓	✓	-	✓	✓	✓	✓
4.	Mr. P S Jayakumar	✓	✓	✓	✓	✓	✓	✓
5.	Mr. Navroz Udwadia	✓	✓	-	✓	-	✓	✓
6.	Ms. Roshini Bakshi	✓	✓	✓	✓	✓	-	✓
7.	Mr. Pradip Kanakia	✓	-	✓	✓	✓	✓	✓
8.	Mr. Sumit Bose	✓	✓	✓	✓	✓	✓	-
9.	Mr. Atul Mehra	✓	✓	✓	✓	✓	✓	✓
10.	Mr. Adi Patel	✓	✓	✓	✓	✓	✓	✓

D. Board meetings and Board procedure

During the financial year 2022-23, the Board met seven (7) times. The interval between the two (2) meetings was well within the maximum gap of one hundred and twenty (120) days. The Board meetings are usually held at the registered office of the Company in Mumbai. As permitted under Section 173(2) of the Act read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, the facility to participate in the meetings through video conference is also made available to the Board members as and when requested by them due to their inability to attend the meeting in person.

The details of meetings held along with the attendance of the directors thereat during the financial year 2022-23 and at the last annual general meeting (the **"AGM"**) held on August 2, 2022, is given below. The required quorum was present at all the meetings, as shown below.

Name of the Directors	Number of Board meetings held							% of Attendance of the directors	Attendance at last AGM held on August 2, 2022 (Yes/No/NA)
	1 April 22, 2022	2 May 24, 2022	3 August 2, 2022	4 September 20, 2022	5 November 14, 2022	6 December 12, 2022	7 February 10, 2023		
Mr. Nimesh Kampani	👤	👤	👤	👤	👤	👤	👤	100	Yes
Mr. Vishal Kampani	👤	👤	👤	👤	👤	👤	👤	100	Yes
Mr. E A Kshirsagar*	👤	👤	NA	NA	NA	NA	NA	100	NA
Dr. Vijay Kelkar*	📹	👤	NA	NA	NA	NA	NA	100	NA
Mr. Paul Zuckerman*	📹	👤	NA	NA	NA	NA	NA	100	NA
Mr. Keki Dadiseth*	📹	📹	NA	NA	NA	NA	NA	100	NA
Ms. Jagi Mangat Panda	👤	L	👤	📹	👤	📹	👤	85.71	Yes
Mr. P S Jayakumar	👤	👤	📹	👤	👤	📹	👤	100	Yes
Mr. Navroz Udwadia	📹	📹	📹	📹	L	📹	L	71.43	Yes

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Name of the Directors	Number of Board meetings held							% of Attendance of the directors	Attendance at last AGM held on August 2, 2022 (Yes/No/NA)
	1	2	3	4	5	6	7		
	April 22, 2022	May 24, 2022	August 2, 2022	September 20, 2022	November 14, 2022	December 12, 2022	February 10, 2023		
Ms. Roshini Bakshi	🎥	👤	🎥	🎥	🎥	👤	👤	100	Yes
Mr. Pradip Kanakia	👤	👤	👤	🎥	👤	👤	👤	100	Yes
Mr. Sumit Bose (With effect from May 24, 2022)	NA	👤	👤	🎥	👤	🎥	👤	100	Yes
Mr. Atul Mehra	👤	👤	👤	👤	👤	👤	👤	100	Yes
Mr. Adi Patel	👤	👤	👤	👤	👤	👤	👤	100	Yes
Overall attendance at the meeting (in %)	100	92.86	100	100	90.00	100	90.00		

👤- Present in Person L – Leave of absence 🎥- Attended through Video Conferencing NA - Not Applicable

** Ceased to be the independent directors of the Company with effect from close of business hours on July 2, 2022, upon completion of their second term as the independent directors.*

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 calendar. 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 agenda, setting out the business to be transacted at the meeting, action taken report comprising actions emanating from the earlier board/committee meetings and status updates thereof, with well-structured and comprehensive notes on agenda, is circulated 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 agenda items are taken up with the permission of the Chair and requisite consent of the directors present at the meeting. 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 laws, which are noted and confirmed in the subsequent Board and committee meetings.

With a view to ensure high standards of confidentiality of the Board papers and to leverage technology and reducing paper consumption, the Board and committee meetings agenda and pre-read materials are circulated in electronic mode through a secured software which complies with high standards of security and integrity. The Directors can securely view the agenda and pre-read papers through their hand held devices, laptops, i-pads and browser.

The Board has unrestricted access to all Company related information including to the members of the management. The Company Secretary ensures that the Board and the committees of the Board are provided with the relevant information, details and documents required for decision making. All material information including the relevant information as stipulated in Part A of Schedule II of the SEBI Listing Regulations is circulated to the Board as part of the agenda. The information, in the nature of Unpublished Price Sensitive Information, is circulated to the Board/committee members at a shorter notice on secured platform, with the unanimous consent of the Board obtained at its first meeting held during each financial years.

In order to facilitate effective discussions, the agenda is bifurcated into items requiring consideration and approval and items which are to be noted by the Board.

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 senior executives/management of the Company and its subsidiaries are also invited to attend the meetings to make presentations on business plans, business performance, operations, financial performance, risk management, update on regulatory changes applicable to the Company and its subsidiaries and to provide update on other significant 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. These processes provide opportunity to the Board/committee members to interact with the members of the management.

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 also includes the summary of compliance confirmations pertaining to 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, risk management, corporate restructuring, major accounting provisions and write-offs, material default in financial obligations, if any, etc.

The Board is provided with all the information in a timely manner in order to discharge its duties and to take well informed decisions.

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. The draft minutes of the meetings of the Board and its committees are sent to the Board/committee 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 Board/committee members are suitably incorporated in the draft minutes, in consultation with the Chairman of the Board/committee. Thereafter, the minutes are entered in the minutes book within the prescribed time limit.

Succession Planning

Succession planning is an essential component for the survival and growth of any business as it ensures continuity of business process. It provides a way to identify key roles, people with the right skills/talent and filling up the vacancy, as and when required.

The Company's succession planning framework deliberates on various factors including current tenure of Directors, anticipated vacancies in key Board and Senior Management positions, assessment of skills including skill-gaps, diversity, etc., to ensure orderly succession planning.

E. Separate meeting of independent directors

In accordance with provisions of the Act and the SEBI Listing Regulations, a separate meeting of the independent directors of the Company was held on March 24, 2023, without the presence of the management and other directors of the Company.

The meeting was attended by all the independent directors except Mr. P S Jayakumar and Mr. Navroz Udwadia due to some personal exigencies.

The independent directors, *inter alia,* discussed and reviewed the matters prescribed under Schedule IV to the Act and Regulation 25 of the SEBI Listing Regulations, among others and expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's management and the Board.

As required under the SEBI Listing Regulations, the Company has Directors and Officers Liability Insurance (D&O Policy) which is renewed every year. It covers directors including independent directors of the Company and of its subsidiaries.

F. Familiarisation Programme for independent directors

In compliance with the requirements of the SEBI Listing Regulations, the Company has 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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

independent directors during the financial year 2022-23, 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, a formal letter of appointment is being issued by the Company to the independent directors outlining the role, functions, 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 programme, consists of the Company's profile, key milestones, key business segments, nature of business activities, depth of management, awards and recognitions received, group structure, its code and policies, investor presentations, latest annual report, extract of the applicable provisions of the Act and the SEBI Listing Regulations pertaining to the code, duties and responsibilities of the independent directors.

As part of the continuous familiarisation programme, the Joint Managing Directors, the Chief Financial Officer, the Company Secretary and the respective business heads of the Company make comprehensive presentations to the independent directors about the business strategy, financial performance, operations and functions of the Company and that of its subsidiaries. During this, update on the regulatory changes and its impact on the Group, among others is also provided to 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/Code**") in accordance with applicable provisions of the Act and the SEBI Listing Regulations 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 the provisions of the laws on insider trading, anti-bribery, anti-corruption, anti-money laundering and other 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 for the financial year 2022-23 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 2022-23.

Atul Mehra
Joint Managing Director
DIN: 00095542

Adi Patel
Joint Managing Director
DIN: 02307863

Place: Mumbai
Date: May 9, 2023

III. Committees of the Board

As on March 31, 2023, the Board has six (6) committees, details of which are given below. These committees monitor the activities as per the scope defined in their respective terms of reference, which are reviewed annually by the Board.

The particulars of the Board constituted committees as on March 31, 2023 are provided below.

Committees Overview

Audit committee	Nomination and Remuneration committee	Corporate Social Responsibility committee	Stakeholders' Relationship committee	Risk Management committee	Allotment committee
Mr. Pradip Kanakia - Chairman	**Mr. P S Jayakumar - Chairman**	**Mr. Nimesh Kampani - Chairman**	**Ms. Jagi Mangat Panda - Chairperson**	**Mr. P S Jayakumar - Chairman**	**Mr. Nimesh Kampani - Chairman**
Mr. P S Jayakumar	Mr. Nimesh Kampani	Mr. Pradip Kanakia	Mr. Nimesh Kampani	Mr. Navroz Udwadia	Ms. Jagi Mangat Panda
Ms. Roshini Bakshi	Ms. Roshini Bakshi	Ms. Jagi Mangat Panda	Mr. Navroz Udwadia	Mr. Vishal Kampani	Mr. Atul Mehra
Mr. Sumit Bose	Ms. Jagi Mangat Panda		Mr. Atul Mehra	Mr. Atul Mehra	Mr. Adi Patel
				Mr. Adi Patel	

The composition of the committee is available on the website on the Company at https://jmfl.com/investor-relation/board-directors.html.

Audit Committee

The Audit committee consists of four (4) members, all of whom are non-executive independent directors thereby meeting the requirements of Section 177 of the Act read with rules thereto and Regulation 18 of the SEBI Listing Regulations. All the members of the Audit committee are financially literate and possess relevant knowledge of the financial services industry.

Mr. Pradip Kanakia, an independent director and a qualified chartered accountant is the Chairman of the Audit committee with effect from August 2, 2022. He attended the last AGM held on the same day after he being appointed as the Chairman of the Audit committee as required under Regulation 18(1)(d) of the SEBI Listing Regulations.

The Board, at its respective meetings held on April 22, 2022 and August 2, 2022 inducted additional members in the Audit committee viz., Mr. Pradip Kanakia, Mr. P S Jayakumar, Ms. Roshini Bakshi and Mr. Sumit Bose respectively, in order to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members. Consequent upon completion of second term of Mr. E A Kshirsagar, Dr. Vijay Kelkar, Mr. Paul Zuckerman and Mr. Keki Dadiseth from the close of business hours on July 2, 2022, they ceased to be the members of the Audit committee.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

The Company Secretary acts as the Secretary to the Audit committee. The meetings of the Audit committee are also attended by the 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 Audit committee had reviewed the information stipulated in Part C of Schedule II of the SEBI Listing Regulations during its meetings.

During the financial year 2022-23, five (5) meetings of the Audit committee were held and the attendance of the members thereat was as under.

Name of the Members	Position	Number of Audit committee meetings held					% of Attendance of the members
		1	2	3	4	5	
		April 22, 2022	May 24, 2022	August 2, 2022	November 14, 2022	February 10, 2023	
Mr. E A Kshirsagar*	Chairman	👤	👤	NA	NA	NA	100
Mr. Pradip Kanakia@#	Chairman	NA	👤	👤	👤	👤	100
Dr. Vijay Kelkar*	Member	📹	👤	NA	NA	NA	100
Mr. Paul Zuckerman*	Member	📹	👤	NA	NA	NA	100
Mr. Keki Dadiseth*	Member	📹	📹	NA	NA	NA	100
Mr. P S Jayakumar@	Member	NA	👤	📹	📹	L	75
Ms. Roshini Bakshi@	Member	NA	👤	📹	📹	👤	100
Mr. Sumit Bose^	Member	NA	NA	NA	👤	👤	100
Overall attendance at the meeting (in %)		100	100	100	100	75	

👤 - Present in Person   L – Leave of absence   📹 - Attended through Video Conferencing   NA - Not Applicable

@ Appointed with effect from April 22, 2022.

** Ceased to hold the above positions with effect from the close of business hours on July 2, 2022 upon completion of their second term as the independent directors.*

 # Appointed as the Chairman with effect from August 2, 2022.

^ Appointed as a member with effect from August 2, 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).

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 auditor's 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 the 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;

REPORT ON CORPORATE GOVERNANCE (CONTD.)

r) Review the functioning of the Whistle Blower mechanism;

s) Approve appointment of the chief financial officer;

t) Review of utilisation 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 controls 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; and

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 auditor's reports and the limited review reports provided by them.

Nomination and Remuneration Committee

The Nomination and Remuneration committee (the "**NRC**") consists of four (4) members, three (3) of whom are independent directors thereby meeting the requirements of Section 178 of the Act read with rules thereto and Regulation 19 of the SEBI Listing Regulations.

Mr. P S Jayakumar, an independent director was appointed as the Chairman of the committee with effect from November 14, 2022.

The Board, at its meeting held on April 22, 2022, inducted additional members in the NRC viz., Mr. P S Jayakumar, Ms. Roshini Bakshi, Ms. Jagi Mangat Panda and Mr. Vishal Kampani in order to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members. Consequent upon completion of the second term of Dr. Vijay Kelkar and Mr. E A Kshirsagar from the close of business hours on July 2, 2022, they ceased to be the members of the NRC.

The matters considered by the NRC during the year, *inter alia*, included determination of remuneration of key managerial personnel and senior managerial personnel, evaluating the profile of suitable candidates for the position of director and key managerial personnel and recommending the same to the Board, review of policies, grant of stock options to the eligible employees, performance evaluation of the board and committees, etc.

During the financial year 2022-23, three (3) meetings of the NRC were held and the attendance of the members thereat was as under.

Name of the Members	Position	Number of NRC meetings held			% of Attendance of the members
		1	2	3	
		May 5, 2022	November 14, 2022	February 10, 2023	
Dr. Vijay Kelkar *	Chairman	📹	NA	NA	100
Mr. P S Jayakumar@#	Chairman	📹	👤	👤	100
Mr. E A Kshirsagar*	Member	📹	NA	NA	100
Mr. Nimesh Kampani	Member	📹	👤	👤	100
Ms. Roshini Bakshi@	Member	📹	📹	👤	100
Ms. Jagi Mangat Panda@	Member	📹	👤	👤	100
Mr. Vishal Kampani@^	Member	📹	NA	NA	100
Overall attendance at the meeting (in %)		100	100	100	

👤 - Present in Person 📹 - Attended through Video Conferencing NA - Not Applicable

@ Appointed with effect from April 22, 2022.

** Ceased to hold the above positions with effect from the close of business hours on July 2, 2022 upon completion of their second term as the independent directors.*

 # Appointed as the Chairman with effect from November 14, 2022.

^ Ceased to be member with effect from November 14, 2022.

The required quorum was present at all the NRC meetings.

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, all remuneration, in whatever form, payable to senior management; and

h) Such other functions as may be entrusted to it by the Board of Directors from time to time.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Criteria for Performance Evaluation of Directors and their Remuneration

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 SEBI Listing Regulations and those of the Act, annual performance evaluation was carried out by the NRC of the Board during the financial year 2022-23. The same was then recommended to the Board of Directors.

The Policy, *inter alia*, provides the criteria for performance evaluation such as board effective leadership and strategic guidance to the management, quality of discussion and contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, nudging for long term focus areas such as succession planning, business continuity planning, contribution of the committee members in discharging their functions, etc. This Policy is also available on the website of the Company at https://jmfl.com/investor-relations/Policy_on_Performance_Evaluation_and_Remuneration_of_the_Directors.pdf.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (the "**CSR**") committee consists of three (3) members, two (2) of whom, are independent directors. The composition is 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, inducted additional members in the CSR committee viz., Ms. Jagi Mangat Panda and Mr. Pradip Kanakia in order to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members. Consequent upon completion of second term of Mr. Paul Zuckerman and Mr. Keki Dadiseth from close of business hours on July 2, 2022, they ceased to be the members of the CSR committee.

During the financial year 2022-23, two (2) meetings of the CSR committee were held and the attendance of the members thereat was as under.

Name of the Members	Position	Number of CSR committee meetings held		% of Attendance of the members
		1	2	
		August 1, 2022	March 23, 2023	
Mr. Nimesh Kampani	Chairman	👤	👤	100
Mr. Paul Zuckerman*	Member	NA	NA	-
Mr. Keki Dadiseth*	Member	NA	NA	-
Mr. Pradip Kanakia@	Member	👤	🎥	100
Ms. Jagi Mangat Panda@	Member	👤	🎥	100
Overall attendance at the meeting (in %)		100	100	

👤 - Present in Person 🎥 Attended through Video Conferencing NA - Not Applicable

@ Appointed with effect from April 22, 2022.

** Ceased to hold the above positions with effect from the close of business hours on July 2, 2022 upon completion of their second term as the independent directors.*

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.

Stakeholders' Relationship Committee

The Stakeholders' Relationship committee (the "**SRC**") consists of four (4) members, two (2) of whom are independent directors, thereby meeting the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II to the SEBI Listing Regulations.

Ms. Jagi Mangat Panda, an independent director, was appointed as the Chairperson of the SRC with effect from August 1, 2022. She attended the last AGM held on August 2, 2022 as required under Regulation 20(3) of the SEBI Listing Regulations.

The Board, at its meeting held on April 22, 2022, inducted additional members in the SRC viz., Mr. Navroz Udwadia and Mr. Atul Mehra in order to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members. Consequent upon completion of second term of Dr. Vijay Kelkar from close of business hours on July 2, 2022, he ceased to be the member of the SRC.

The Company Secretary also acts as the Compliance Officer and the Secretary to the SRC.

During the financial year 2022-23, four (4) meetings of the SRC were held and the attendance of the members thereat was as under.

Name of the Members	Position	Number of SRC meetings held				% of Attendance of the members
		1	2	3	4	
		May 24, 2022	August 1, 2022	November 14, 2022	February 10, 2023	
Dr. Vijay Kelkar@	Chairman	👤	NA	NA	NA	100
Ms. Jagi Mangat Panda#	Chairperson	L	👤	👤	👤	75
Mr. Nimesh Kampani	Member	👤	👤	👤	👤	100
Mr. Navroz Udwadia*	Member	🎥	L	L	L	25
Mr. Atul Mehra*	Member	👤	👤	👤	👤	100
Overall attendance at the meeting (in %)		80	75	75	75	

👤 - Present in Person L - Leave of absence 🎥 - Attended through Video Conferencing NA - Not Applicable

** Appointed with effect from April 22, 2022.*

@ Ceased to be member and chairman with effect from close of business hours on July 2, 2022 upon completion of his second term as an independent director.

 # Appointed as the Chairperson with effect from August 1, 2022.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

The required quorum was present at all the SRC meetings.

The broad terms of reference of the SRC, *inter alia,* includes the following:

a) 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.;

b) Review of measures taken for effective exercise of voting rights by shareholders;

c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Transfer Agent;

d) 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;

e) Such other tasks as may be entrusted to it by the Board of Directors, from time to time.

Nature and number of complaints

During the financial year 2022-23, the Company/its Registrar and Transfer Agents (the "**RTA**") received fifteen (15) complaints from the shareholders pertaining to non-receipt of dividend, share certificates, shares sent for dematerialisation and in relation to sending of physical copy of financial statements of subsidiary companies. The complaints received as above were duly resolved in a timely manner. No complaints were pending to be resolved at the end of any quarter.

The communications received by the Company from its shareholders/investors, which were in the nature of queries and not complaints, have been duly responded to.

Requests for transmission of shares, held in physical mode, are approved by the concerned authorised person(s) as per the authority delegated by the Board to them for speedy disposal of such cases.

Compliance Officer

Ms. Dimple Mehta (Membership No. F12560) has been appointed as the Company Secretary & Compliance Officer (for SEBI Listing Regulations) of the Company with effect from April 1, 2023 and the Key Managerial Personnel within the meaning of Section 203 of the Act. Mr. Prashant Choksi ceased to be the Key Managerial Personnel upon he relinquishing his executive role on surpassing his superannuation age with effect from the close of business hours on March 31, 2023.

Risk Management Committee

The Risk Management committee (the "**RMC**") consists of five (5) members, two (2) of whom are independent directors, thereby meeting the requirements of Regulation 21 of the SEBI Listing Regulations.

Mr. P S Jayakumar, an independent director was appointed as the Chairman of the RMC with effect from October 14, 2022.

The Board, at its meeting held on April 22, 2022, inducted additional members in the RMC viz., Mr. P S Jayakumar, Mr. Navroz Udwadia and Mr. Atul Mehra in order to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members. Consequent upon completion of second term of Mr. Paul Zuckerman from close of business hours on July 2, 2022, he ceased to be the member of the RMC. Further, Mr. Darius Pandole also ceased to be a member of the RMC with effect from April 22, 2022.

During the financial year 2022-23, two (2) meetings of the RMC were held and the attendance of the members thereat was as under.

Name of the Members	Position	Number of RMC meetings held		% of Attendance of the members
		1	2	
		April 21, 2022	October 14, 2022	
Mr. Paul Zuckerman*	Chairman		NA	100
Mr. P S Jayakumar@#	Chairman	NA		100
Mr. Vishal Kampani	Member			100
Mr. Navroz Udwadia@	Member	NA	L	0
Mr. Adi Patel	Member			100
Mr. Atul Mehra@	Member	NA		100
Mr. Darius Pandole**	Member	L	NA	0
Overall attendance at the meeting (in %)		75	80	

- Present in Person L – Leave of absence - Attended through Video Conferencing NA - Not Applicable

@ Appointed with effect from April 22, 2022.

*** Ceased to be a member with effect from April 22, 2022.*

** Ceased to be the member and chairman with effect from close of business hours on July 2, 2022 upon completion of his second term as an independent director.*

 # Appointed as the Chairman with effect from October 14, 2022.

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 SEBI Listing Regulations.

The broad terms of reference of the RMC, inter alia, includes the following.

a) Formulation of detailed risk management policy which shall include:

i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the committee;

ii. Measures for risk mitigation including systems and processes for internal control of identified risks; and

iii. Business Continuity plan.

b) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c) Monitoring and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

d) Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e) Keeping the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

f) Appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and

REPORT ON CORPORATE GOVERNANCE (CONTD.)

g) Such other functions as may be entrusted to it by the Board of Directors, from time to time.

Allotment Committee

The Allotment committee consists of four (4) members, one (1) of whom is an independent director.

The committee is chaired by Mr. Nimesh Kampani, the non-executive Chairman of the Company.

The Board at its meeting held on April 22, 2022, inducted additional members in the Allotment committee viz., Ms. Jagi Mangat Panda, Mr. Atul Mehra and Mr. Adi Patel in order to provide continuity and to ensure smooth transition of the responsibilities amongst the committee members. Consequent upon completion of second term of Mr. Keki Dadiseth from close of business hours on July 2, 2022, he ceased to be the member of the Allotment committee.

During the financial year 2022-23, five (5) meetings of the Allotment committee were held and the attendance of the members thereat was as under.

Name of the Members	Position	Number of Allotment committee meetings held					% of Attendance of the members
		1	2	3	4	5	
		May 18, 2022	July 21, 2022	October 4, 2022	December 7, 2022	March 21, 2023	
Mr. Nimesh Kampani	Chairman	📹	📹	👤	👤	👤	100
Mr. Keki Dadiseth*	Member	📹	NA	NA	NA	NA	100
Ms. Jagi Mangat Panda@	Member	L	📹	📹	L	📹	60
Mr. Atul Mehra@	Member	📹	📹	👤	👤	👤	100
Mr. Adi Patel@	Member	📹	👤	L	👤	👤	80
Overall attendance at the meeting (in %)		80	100	75	75	100	

👤 - Present in Person L - Leave of absence 📹 - Attended through Video Conferencing NA - Not Applicable

@ Appointed with effect from April 22, 2022.

** Ceased to be a member with effect from close of business hours on July 22, 2022 upon completion of his second term as an independent director.*

The broad terms of reference of the Allotment committee, *inter alia,* includes the following.

a) 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;

b) Requests for issue of duplicate share certificates; and

c) Issuance of new share certificates upon rematerialisation, etc., as and when required.

Disclosure in relation to recommendations made by the committees of the Board

During the financial year under review, there were no such recommendations made by any committees of the Board that were mandatorily required and not accepted by the Board.

IV. Disclosure in relation to Remuneration of Directors

a) 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; and

– Performance of the Company.

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

The above compensation structure is also reviewed annually by the NRC and approved by the Board.

Details of remuneration to the Joint Managing Directors of the Company

In accordance with the terms of the employment agreement entered into by the Company with Mr. Atul Mehra and Mr. Adi Patel, the Joint Managing Directors an aggregate amount of the remuneration as mentioned below has been paid/payable by the Company to them for the financial year 2022-23.

(Amount in ₹)

Particulars	Mr. Atul Mehra	Mr. Adi Patel
Salary*	3,94,41,243	3,59,20,000
Perquisites	49,87,500	1,64,13,233
Notice period	Three (3) months prior notice in writing.	
Service Contract	Three (3) years with effect from October 1, 2021, unless the employment is terminated by either party.	
Severance fees	No severance fees will be paid as per the terms of the employment agreement.	

** Comprises fixed salary and year end performance linked discretionary bonus.*

The amount as stated above does not include the Company's contribution to provident fund, which is paid as per the rules of the Company.

No sitting fees were paid to the above Joint Managing Directors during the financial year 2022-23 for attending the meetings of the Board/committees.

b) Criteria for payment of remuneration to 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 and as approved by the members at the AGM held on August 2, 2016.

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, if any, 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 contribution of such directors and performance of the Company as well as the industry standards in determining the remuneration of the non-executive/independent directors.

Keeping the above in mind, the Board has decided to pay an aggregate amount of ₹ 1.51 Crore as and by way of commission to the non-executive/independent directors of the Company for the financial year 2022-23. None of the non-executive directors has received remuneration exceeding 50% of the total remuneration to the non-executive directors.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

The details of sitting fees/commission paid/payable to the non-executive/independent directors are given below.

(Amount in ₹)

Name of Directors	Sitting fees paid for the financial year 2022-23		Commission	
	Board meetings	Committee meetings	Paid for the financial year 2021-22	Payable for the financial year 2022-23
Mr. Nimesh Kampani*	-	-	-	-
Mr. Vishal Kampani	7,00,000	60,000	10,00,000	10,00,000
Mr. E A Kshirsagar**	2,00,000	1,20,000	25,00,000	5,00,000
Mr. Paul Zuckerman**	2,00,000	1,10,000	20,00,000	5,00,000
Dr. Vijay Kelkar**	2,00,000	1,30,000	23,00,000	5,00,000
Mr. Keki Dadiseth**	2,00,000	1,05,000	20,00,000	5,00,000
Ms. Jagi Mangat Panda	6,00,000	1,85,000	20,00,000	20,00,000
Mr. P S Jayakumar	7,00,000	2,60,000	20,00,000	23,00,000
Mr. Navroz Udwadia	5,00,000	10,000	-	15,00,000
Ms. Roshini Bakshi	7,00,000	2,80,000	3,00,000	20,00,000
Mr. Pradip Kanakia	7,00,000	2,60,000	3,00,000	23,00,000
Mr. Sumit Bose@	6,00,000	1,00,000	-	20,00,000

* 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 2022-23.

@ Appointed as an Independent Director on the Board of the Company with effect from May 24, 2022.

**Ceased to be the Independent Directors of the Company with effect from close of business hours on July 2, 2022, upon completion of their second term as the independent directors.

Sitting fees for attending the committee meetings are as follows.

i. Audit committee - ₹ 50,000 per meeting

ii. Nomination and Remuneration committee - ₹ 30,000 per meeting

iii. Corporate Social Responsibility committee - ₹ 30,000 per meeting

iv. Stakeholders' Relationship committee - ₹ 10,000 per meeting

v. Risk Management committee - ₹ 30,000 per meeting

vi. Allotment committee - ₹ 5,000 per meeting

Notes:

1. Additionally, the independent directors who were present have also been paid sitting fees of ₹ 1,00,000 each for attending the independent directors' meeting held on March 24, 2023.

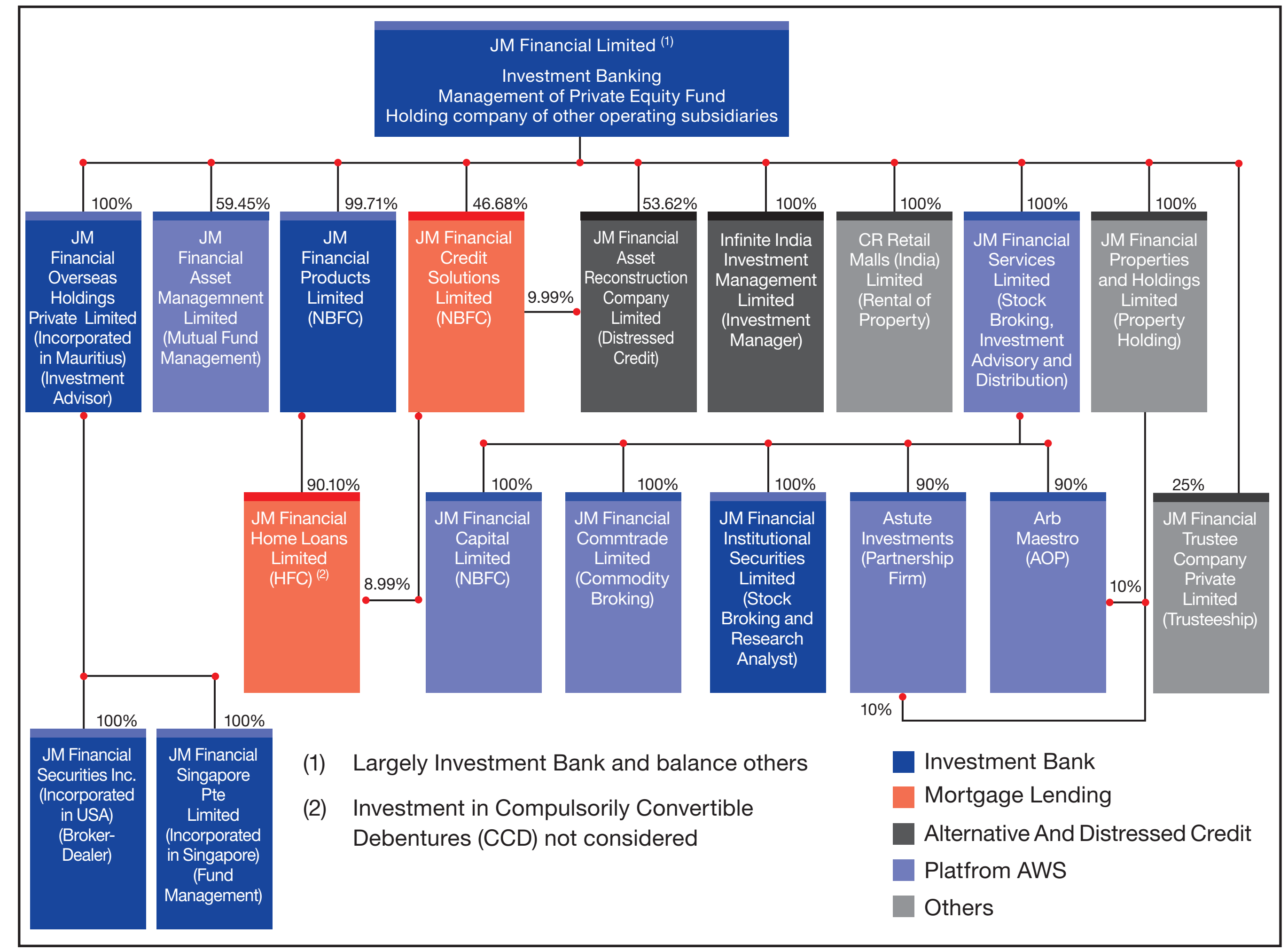
2. Mr. Keki Dadiseth serves as a senior advisor, in his professional capacity, in one of the Company's private equity funds, namely, JM Financial India Trust II, for which he was paid a professional fees of ₹ 1,00,000 till the date of his term as an independent director of the Company viz., July 2, 2022. The payment of the said professional fees does not affect his independence.

3. 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 2022-23 will be paid to non-executive/independent directors after the financial statements are adopted by the members at the 38th AGM of the Company.

Subsidiaries, Associate and Others (Partnership firm/Association of Persons [AOP])

Group Structure : As on March 31, 2023



In terms of Regulation 16(1)(c) of the SEBI Listing Regulations, the material subsidiaries of the Company along with the details of such subsidiaries, as required under Schedule V(C) of the SEBI Listing Regulations, are given below.

Name of Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of Statutory Auditors	Date of Appointment
JM Financial Products Limited*	July 10, 1984	Mumbai, Maharashtra, India	Mukund M. Chitale & Co., Chartered Accountants	July 22, 2022
JM Financial Credit Solutions Limited*	May 15, 1980	Mumbai, Maharashtra, India	B S R & Co. LLP, Chartered Accountants	July 25, 2022
JM Financial Asset Reconstruction Company Limited*	September 19, 2007	Mumbai, Maharashtra, India	Sharp & Tannan Associates, Chartered Accountants	July 22, 2022
JM Financial Services Limited	June 19, 1998	Mumbai, Maharashtra, India	B S R & Co. LLP, Chartered Accountants	July 21, 2022

** referred as the "high value debt listed entities" under the provisions of Regulation 15(1A) of the SEBI Listing Regulations.*

REPORT ON CORPORATE GOVERNANCE (CONTD.)

In terms of the Regulation 24(1) of the SEBI 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 function 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, a statement of significant transactions and arrangements entered into by all the subsidiaries of the Company. The Audit committee also reviews the financial statements, in particular, the investments made by the subsidiaries.

V. General Body Meetings

i. The details of the 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 Resolution
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 p.m.	Yes	• Issue of redeemable non-convertible debenture 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 p.m.	Yes	• 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 debenture for an amount aggregating up to ₹ 1,000 Crore.
August 2, 2022	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 p.m.	Yes	• Appointment of Mr. Sumit Bose (DIN: 03340616) as an independent director of the Company for a term of five consecutive years with effect from May 24, 2022 to May 23, 2027. • Issue of redeemable non-convertible debenture for an amount aggregating up to ₹ 1,000 Crore.

ii. Special Resolutions passed through Postal Ballot

During the financial year 2022-23, no special resolutions were passed through postal ballot.

Resolutions, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

VI. Disclosures

A. Policies determining Material Subsidiaries

The Board has adopted the policy for determining material subsidiaries pursuant to Regulation 16 of the SEBI Listing Regulations, which is available on the website of the Company at https://jmfl.com/investor-relations/Policy_on_Material_Subsidiaries.pdf.

B. Disclosure on Material Related Party Transactions

All material related party transactions entered into with related parties during the financial year 2022-23, as defined under the Act and read with the SEBI Listing Regulations, were in the ordinary course of business and at an arm's length pricing basis; and within the permissible limits as approved by the members at the 37th AGM of the Company. 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.

The policy on dealing with related party transactions, pursuant to Regulation 23 of the SEBI Listing Regulations, is also available on the website of the Company at https://jmfl.com/investor-relations/Policy_on_dealing_with_related_party_transactions.pdf.

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 for prevention of insider trading (the "**Code**") to regulate the trading in securities by the designated persons of the Company pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "**SEBI PIT Regulations**"), 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 pursuant to the SEBI PIT Regulations, for monitoring the Code applicable to the Company as a listed entity.

The Company has built an in-house secured software which monitors and tracks the pre-clearance requirement which has to be obtained by the designated persons before dealing in the shares of the Company in accordance with the provisions of the Code and the SEBI PIT Regulations.

The Company has in place a Structured Digital Database (the **"SDD"**) wherein details of persons with whom UPSI is shared on need-to-know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tampering of the database. The SDD is maintained internally by the Company and is not outsourced in accordance with the provisions of the SEBI PIT Regulations.

The Audit committee has reviewed the compliance in terms Regulation 9A(4) of the SEBI PIT Regulations and confirmed that the systems for internal control are adequate and are operating effectively.

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 SEBI 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 or any other person who wants to avail the mechanism, to report their genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud without the fear of any victimisation. The Company has provided a dedicated e-mail address for reporting such concerns. Alternatively, employees can also send written communication to the Chairman of the Audit committee. The Company affirms that no personnel have been denied access to the Chairman of the Audit committee. The Chairman of the Audit committee has confirmed that there were no such cases of whistle blower complaint reported to him, during the financial year 2022-23.

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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. Further, as part of creating awareness amongst the employees, the Company has launched mandatory e-learning course on the said mechanism and obtains annual affirmation from all its employees that they have understood and are aware about this policy.

The whistle blower policy is also 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, 2023, the Company has foreign exchange receivable which is equivalent to ₹ 3.25 Crore and there was no foreign exchange payable as on the said date.

G. Certification about Directors

The Company has obtained a certificate from Makarand M. Joshi & Co., Company Secretaries, to the effect that none of the directors on the Board of the Company has been debarred or disqualified by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authorities from being appointed or continuing as directors of companies. 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 2022-23, is stated in note 35.1 of the notes to consolidated financial statements, which forms part of this Annual Report.

I. Certificate from the Joint Managing Directors (Joint MDs) and Chief Financial Officer (CFO)

As required under the SEBI Listing Regulations, the Joint MDs and the CFO of the Company have certified the accuracy of financial statements for the financial year 2022-23 and adequacy of internal control systems for financial reporting for the said year, which is appended to this Report.

J. Details of Utilisation of Funds raised through Qualified Institutional Placement

The Company has not raised funds by issue of equity shares either on preferential basis or through qualified institutions placement during the financial year 2022-23.

The Company had raised ₹ 770 Crore through an equity issuance under Qualified Institutions Placement (the "**QIP**") route in June 2020. The net proceeds from the QIP, pending utilisation, have been temporarily deployed in income generating assets. There were no deviation in the utilisation of funds raised through QIP.

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 the Company's workplace, experience an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights.

The Company has constituted the Internal Complaints committee in compliance with the requirements under POSH. There were no complaints received or pending in this regard, during the financial year under review.

L. Auditor's Certificate on Corporate Governance

Pursuant to the SEBI Listing Regulations, the Company has obtained Auditor's Certificate on compliance with the provisions relating to the Corporate Governance, which is appended to this Report.

M. Annual Secretarial Compliance Report

Pursuant to Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report for the financial year ended March 31, 2023 issued by MMJB & Associates LLP, Company Secretaries, confirming compliance with all the applicable SEBI Regulations and Circulars/Guidelines issued thereunder, has been submitted to the Stock Exchanges within the prescribed timelines.

VII. 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 SEBI Listing Regulations and are also published in English newspaper (Business Standard) and a Marathi (Sakal). The quarterly/annual results, press releases, earnings calls on the financial results with its audio/video link and the transcript 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 whose email ids have been registered with their Depository Participants or with it/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 is 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 viz., www.jmfl.com provides information about the businesses carried on by the Company, its subsidiaries and associate. The primary source of information to the shareholders, customers, analysts and other stakeholders of the Company and to the 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 Regulation 46 of the SEBI 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, auditor's 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 Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and National Securities Depository Limited at www.evoting.nsdl.com.

Further, the financials of the subsidiaries of the Company are also simultaneously uploaded on the website of the Company at www.jmfl.com.

E. Reminder to Shareholders

In order to protect the interest of shareholders, the Company sends individual reminders 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.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

A separate reminder, in accordance with the Act and IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 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. The Company also publishes newspaper advertisements before transferring the said shares to IEPF. Once the unclaimed dividend/ shares are transferred to the IEPF, Shareholders will not be able to claim the same from the Company.

F. NSE Electronic Application Processing System (NEAPS) and BSE Listing 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., https://neaps.nseindia.com/NEWLISTINGCORP/ and the BSE Listing portal i.e., https://listing.bseindia.com/.

G. 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 SEBI Listing Regulations.

H. Designated email id for grievances

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 also displayed on the Company's website.

I. Investor Calls/Conference

The Company arranges investors' calls/conferences for discussing financial results 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.

VIII. 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.

IX. Compliance with mandatory/non-mandatory requirements

The Company is materially in compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI 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 SEBI Listing Regulations. In addition, the Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II to the SEBI Listing Regulations which are being reviewed from time to time.

X. Loans and Advances

During the financial year under review, the Company has provided loans to its subsidiaries particulars of which are given in the note 37 of the notes to standalone financial statements, which forms part of this Annual Report. Apart from the aforesaid, no loans and advances were given to any firms/companies in which any of the Directors are interested.

Certificate

TO THE BOARD OF DIRECTORS OF JM FINANCIAL LIMITED

Certified that for the financial year 2022-23;

A. We have reviewed financial statements and the cash flow statement for the financial year 2022-23 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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:

1. no significant changes in internal control over financial reporting during the year;
2. no significant changes in accounting policies during the year;
3. There have been no instances of significant fraud of which we have become aware of and the involvement therein of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Place: Mumbai Date: May 9, 2023	**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 400025

We have examined the relevant disclosures provided by the Directors of JM Financial Limited (as enlisted in Table A), bearing CIN L67120MH1986PLC038784, having registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi Mumbai - 400025 (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 at 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) have been debarred or disqualified from being appointed or continuing 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, 2023.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. Nimesh Kampani	00009071	12/06/1987
2.	Mr. Vishal Kampani	00009079	03/02/2016
3.	Ms. Jagi Mangat Panda	00304690	31/03/2015
4.	Mr. P S Jayakumar	01173236	30/07/2020
5.	Mr. Navroz Udwadia	08355220	09/12/2021
6.	Ms. Roshini Bakshi	01832163	09/12/2021
7.	Mr. Pradip Kanakia	00770347	07/02/2022
8.	Mr. Sumit Bose	03340616	24/05/2022
9.	Mr. Atul Mehra	00095542	01/10/2021
10.	Mr. Adi Patel	02307863	01/10/2021

For **MMJB & Associates LLP**
Company Secretaries

Saurabh Agarwal
Designated Partner
FCS No. 9290
CP No. 20907
UDIN: F009290E000279351

Place: Mumbai
Date: May 9, 2023

Corporate Governance Compliance Certificate

To,
The Members,
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, 2023, 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 (the "**SEBI Listing Regulations**").

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 SEBI Listing Regulations except that the composition of Nomination and Remuneration Committee was not in accordance with Regulation 19 of the Listing Regulations read with FAQs issued by the exchanges for a short period.

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.

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: F006667E000273991

Date: May 9, 2023
Place: Mumbai

General Shareholders' Information

1.	**Corporate Identification Number (CIN)**	L67120MH1986PLC038784
2.	**Registered Office**	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025
3.	**Annual General Meeting (the "AGM")**	
	Day & Date	Thursday, August 3, 2023
	Time	4.00 p.m.
	Venue/Mode of Conducting	Through Video Conferencing ("**VC**")/Other Audio Visual Means ("**OAVM**") facility being pursuant to the Ministry of Corporate Affairs (**"MCA"**) and Securities and Exchange Board of India (**"SEBI"**) circulars, issued in this regard.
	Deemed venue of the meeting	Registered Office of the Company
4.	**Final Dividend per share and payment date**	Subject to the approval by the shareholders at the 38th AGM, the Board has recommended a final dividend of ₹ 0.90 per equity share of face value of ₹ 1/- each for the financial year 2022-23, to be paid on or after Friday, August 4, 2023. The payment of dividend will be subject to deduction of tax at source, as applicable, in compliance with the statutory requirements.
5.	**Dates of closure of the register of members for the purpose of receiving the final dividend**	**Monday, May 22, 2023** to **Thursday, May 25, 2023** (both the days inclusive)
6.	**Website**	www.jmfl.com
7.	**Financial Calendar**	
	Financial year (FY)	April 1 to March 31
	Tentative calendar for consideration of unaudited/audited financial results for the financial year 2023-24	
	- First quarter ending June 30, 2023 (Unaudited)	On or before August 14, 2023
	- Second quarter and half year ending September 30, 2023 (Unaudited)	On or before November 14, 2023
	- Third quarter and nine months ending December 31, 2023 (Unaudited)	On or before February 14, 2024
	- Last quarter and financial year ending March 31, 2024 (Audited)	On or before May 30, 2024
8.	**Listing Details**	
	Name of the stock exchanges & Security Code/Symbol	*Addresses, Contact details and website(s)*
	BSE Limited ("**BSE**") Security Code: **523405**	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Tel: +91 22 2272 1233/4 Fax: +91 22 22721919 www.bseindia.com
	National Stock Exchange of India Limited ("**NSE**") Symbol: **JMFINANCIL**	Exchange Plaza, C-1, Block – G, Bandra Kurla Complex, Bandra East, Mumbai 400 051 Tel: +91 22 2659 8100/14 Fax: +91 22 26598120 www.nseindia.com
	The Company hereby confirms that annual listing fees for the financial year 2023-24 have been paid to both the aforesaid stock exchanges.	
9.	**International Securities Identification Number (ISIN) for Depositories**	INE780C01023
10.	**Plant Location**	Not applicable since the Company is engaged in financial services business and does not have any plant.

11. Address of Correspondence

Company

The Company Secretary & Compliance Officer
JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025
Tel: +91 22 6630 3030

Email Ids:

- For general communication: ecommunication@jmfl.com
- For grievances: shareholdergrievance@jmfl.com
- For Corporate Governance, IEPF and other secretarial matters: dimple.m@jmfl.com

Registrar and Transfer Agents (the "RTA")

KFin Technologies Limited
Unit: JM Financial Limited
Selenium Building, Tower-B, Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddy,
Telangana India 500 032
Email id: einward.ris@kfintech.com
Toll Free No.: 1800 309 4001
WhatsApp Mobile No.: +91 910 009 4099
KPRISM: https://kprism.kfintech.com
Corporate Website: https://ris.kfintech.com
Investor Support Centre: https://ris.kfintech.com/clientservices/isc

12. Market price data

High, low and trading volume of the Company's equity shares during each month of the financial year 2022-23 at BSE and NSE are given below.

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Number of shares traded)	High (₹)	Low (₹)	Volume (Number of shares traded)
April 2022	79.90	67.50	87,74,618	80.00	67.65	4,85,03,677
May 2022	76.40	57.20	27,61,774	76.55	57.15	2,37,70,037
June 2022	66.35	56.95	10,12,794	66.55	57.10	61,30,888
July 2022	66.45	59.50	8,22,760	67.00	59.50	76,61,988
August 2022	68.45	61.00	15,40,706	68.50	61.00	1,48,38,749
September 2022	76.75	63.10	70,98,377	76.50	63.40	5,53,31,957
October 2022	75.10	65.75	28,86,116	75.25	66.50	1,69,02,235
November 2022	78.40	67.45	31,72,413	78.30	68.05	4,10,06,388
December 2022	84.60	67.20	69,25,228	84.90	67.20	6,31,35,413
January 2023	74.90	64.60	19,49,991	74.90	64.55	1,81,85,994
February 2023	68.55	62.55	13,00,342	68.50	62.55	1,79,50,684
March 2023	66.94	57.38	17,01,850	65.95	57.85	1,44,55,699

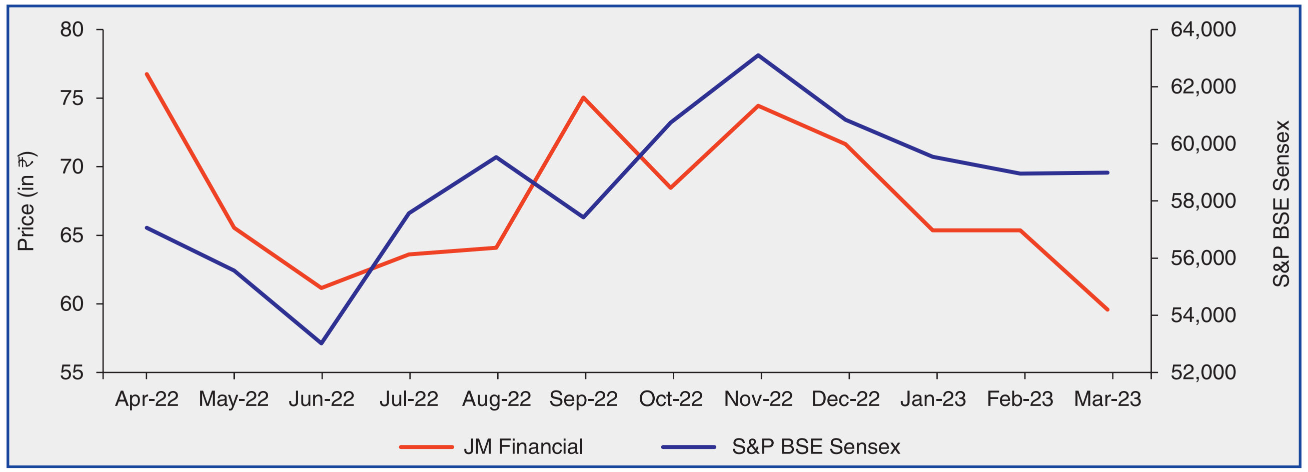
Source: www.bseindia.com and www.nseindia.com

GENERAL SHAREHOLDERS' INFORMATION (Contd.)

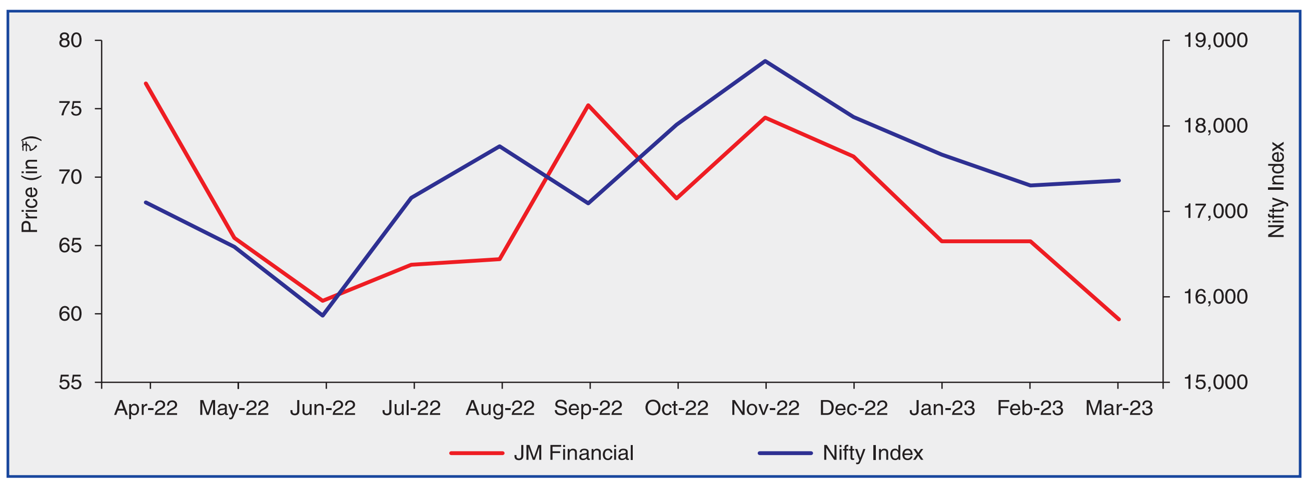
13. Stock Performance vs. S&P BSE Sensex and Nifty Index

The performance of the Company's equity shares on BSE and NSE in comparison to broad based indices like S&P BSE Sensex and Nifty Index are given below.

i) Monthly closing price of the Company's equity shares on BSE as compared to S&P BSE Sensex - FY 2022-23



ii) Monthly closing price of the Company's equity shares on NSE as compared to Nifty Index - FY 2022-23



14. Share transfer system

Trading of shares is permitted only in dematerialised mode. In continuation of its efforts to enhance ease of dealing in securities market by investors, the SEBI had mandated all the listed entities to issue securities only in dematerialised form, while processing service requests for issue of duplicate share certificates, claiming the shares from Unclaimed Suspense Account, renewal/exchange of share certificate, endorsement, sub-division/splitting of share certificates, consolidation of folios, transmission and transposition. Shareholders who hold shares in physical form are advised to convert them into dematerialised mode to avoid the risk of loss of shares, fraudulent transactions and to receive better investor servicing. It is the Company's constant endeavour to encourage the shareholders to dematerialise their shares, if any, held in physical form.

Shareholders, who wish to understand the procedure for dematerialisation of shares, may contact the Company or its RTA or refer the FAQs as published by National Securities Depository Limited (the "**NSDL**") on its website at https://nsdl.co.in/faqs/faq.php.

15. Dematerialisation of shares and liquidity thereof

Out of a total 95,48,03,803 equity shares outstanding as on March 31, 2023, as many as 95,29,52,122 equity shares representing 99.81% are held in dematerialised form under both the depositories viz. NSDL and Central Depository Services (India) Limited (the "**CDSL**"). These shares can be transferred through the Depository Participants (the "**DPs**") in electronic mode with no involvement of the Company. The summary of demat transactions are placed before and noted by the Board on a periodical basis. The remaining 18,51,681 equity shares (402 shareholders) representing 0.19% are held in physical form.

Number of shares held in dematerialised and physical form

Particulars	Number of equity shares	% to total paid-up equity share capital
Held in dematerialised mode in NSDL	90,87,40,556	95.18
Held in dematerialised mode in CDSL	4,42,11,566	4.63
Held in physical form	18,51,681	0.19
Total	**95,48,03,803**	**100.00**

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 returned to the DPs under advice to the concerned shareholders.

16. Mandatory furnishing of PAN, KYC details and Nomination

Pursuant to the mandate issued by SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, shareholders holding shares in physical form are mandatorily required to furnish their following details in the forms as prescribed by SEBI in the said circular and as mentioned in the below table. The forms can also be downloaded from the Company's website by accessing the link at https://jmfl.com/investor-relation/investors_service_requests_forms.html.

Sr. No.	Particulars	Forms
1.	(i) Permanent Account Number (PAN) (ii) Postal address with PIN code (iii) Mobile Number (iv) Email id (*Optional. However, the shareholders are encouraged to update the same to avail online services*).	ISR-1
2.	Bank account details (bank name and branch, bank account number, IFS code) *[To enable the Company to credit dividend directly into the bank accounts through Electronic Clearing Services/National Automated Clearing House]*	
3.	Specimen Signature	ISR-1 and ISR-2 (as applicable)
4.	Nomination Form	SH-13
5.	Declaration to Opt-out of nomination	ISR-3
6.	Cancellation or variation of nomination	SH-14

Shareholders, can send the above forms/documents from their registered email address, either to the Company on its email id ecommunication@jmfl.com or to the RTA at einward.ris@kfintech.com in the form(s) as prescribed in the aforesaid circular or by sending physical copies of the forms/documents to RTA at its registered office address as stated above.

Freezing of Folios without PAN, KYC details and Nomination

In order to sensitise the shareholders, holding the shares in physical form, to mandatorily furnish PAN, KYC details and nomination, the Company has sent one on one communication to each such shareholder and also uploaded the forms on the website of the Company for easy access. In case, if the said details are not updated by the concerned shareholders by September 30, 2023, then such folios shall be frozen with effect from October 1, 2023 by the RTA and such shareholders shall not be able to lodge any grievances or raise any service requests in respect of such frozen folios.

Furthermore, effective from April 1, 2024, any payment including dividend in respect of such frozen folios, shall be made electronically only upon complying with the requirements of the said circular.

GENERAL SHAREHOLDERS' INFORMATION (Contd.)

Accordingly, shareholders are requested to update the mandatory details as mentioned above to avoid their folios getting frozen.

17. Dispute Resolution Mechanism

SEBI vide its Circular dated May 30, 2022 issued the Standard Operating Procedures (SOP) for dispute resolution under the stock exchange arbitration mechanism for disputes by the shareholders on a listed company and/or its RTA.

In this regard, the Company has sensitised all its shareholders holding shares in physical form about the said mechanism through various modes viz., by email, SMS, and letters. The copy of the said circular is made available on the website of the Company at https://jmfl.com/investor-relation/SEBI-Circulars-on-investor-services.html.

18. Distribution of shareholding

Distribution of shareholding as on March 31, 2023 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	94,261	97.28	3,66,55,672	3.84
5,001 - 10,000	1,279	1.32	96,86,478	1.01
10,001 - 20,000	627	0.65	91,52,627	0.96
20,001 - 30,000	213	0.22	53,32,514	0.56
30,001 - 40,000	93	0.10	33,20,404	0.35
40,001 - 50,000	60	0.06	27,59,757	0.29
50,001 – 1,00,000	145	0.15	1,04,77,648	1.10
1,00,001 and above	213	0.22	87,74,18,703	91.89
Total	**96,891**	**100.00**	**95,48,03,803**	**100.00**

The Company did not have any outstanding warrants or other convertible instruments as on March 31, 2023 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.

19. Categories of shareholders as on March 31, 2023

Category	Number of equity shares	% to total paid–up equity share capital
Shareholding of Promoter & Promoter Group		
Promoter	35,38,59,100	37.06
Promoter Group and Persons acting in concert including relatives	18,54,74,158	19.43
Total (A)	**53,93,33,258**	**56.49**
Public Shareholding		
Individuals	11,27,67,384	11.81
Directors and Relatives	21,21,201	0.22
Bodies Corporate	2,08,54,822	2.18
Mutual Funds	6,99,54,500	7.33
Alternative Investment Fund	12,89,677	0.14
Trusts	1,23,738	0.01
Investor Education and Protection Fund	14,84,260	0.16
Foreign Shareholding		
Non-Resident Indians	1,57,04,570	1.64
Foreign Portfolio Investors	19,11,70,350	20.02
Foreign Nationals	43	0.00
Total (B)	**41,54,70,545**	**43.51**
Total (A) + (B)	**95,48,03,803**	**100.00**

20. List of top ten public shareholders as on March 31, 2023

Sr. No.	Name of the shareholders	Number of equity shares	% to total paid–up equity share capital
1.	ICICI Prudential Value Discovery Fund	4,85,04,183	5.08
2.	Baron Emerging Markets Fund	4,34,64,202	4.55
3.	Valiant Mauritius Partners Offshore Limited	2,22,53,114	2.33
4.	TIMF Holdings	1,61,09,125	1.69
5.	Elevation Capital VI FII Holdings Limited	1,51,21,775	1.58
6.	Vikram Shankar Pandit	1,16,46,939	1.22
7.	Allspring Emerging Markets Equity Fund	1,15,71,429	1.21
8.	Nippon Life India Trustee Limited - A/C Nippon India Multi Cap Fund	1,07,35,604	1.12
9.	BNP Paribas Arbitrage – ODI	87,00,595	0.91
10.	Valiant Mauritius Partners Limited	80,78,376	0.85

21. Dividend history of past five years

The following table provides detail of dividends declared 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)	
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	84.00
2018-19 (Final Dividend)	July 19, 2019	July 22, 2019	83,99,31,463	0.50		42.00	
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	1.65	47.70	157.45
2021-22 (Final Dividend)	August 2, 2022	August 5, 2022	95,43,79,485	1.15		109.75	
2022-23 (Interim Dividend)	November 14, 2022	December 12, 2022	95,47,78,017	0.90	0.90	85.93	85.93

22. Tax deducted at source (TDS) on dividend

The dividend, if declared and paid, will be taxable in hands of the recipients. As per the applicable provisions of the 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.

23. 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 to Section 124(1) of the Companies Act, 2013 (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 2015-16 is due for transfer to the IEPF in September, 2023. Shareholders, who have not yet claimed their final dividend for the financial year 2015-16 and/or for any subsequent financial years, are requested to claim the same from the Company.

As a measure to reduce the amount of 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;

GENERAL SHAREHOLDERS' INFORMATION (Contd.)

- Personal verification of the shareholders by visiting to their residences in metro cities; and
- Direct credit of dividend to the accounts of shareholders, in case of revalidation requests.

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 each of the previous seven (7) financial years from 2015-16 to 2021-22, within the stipulated time as prescribed under the Act post the 37th AGM of the Company held on August 2, 2022, 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 dividend amounts are remaining to be claimed and corresponding due dates for transfer to IEPF.

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 ₹) (As on March 31, 2023)
1.	2015-16	Final	0.85	August 2, 2016	September 6, 2023	23,13,905.70
2.	2016-17	Interim	0.65	January 23, 2017	February 27, 2024	17,20,908.80
3.	2016-17	Final	0.85	July 24, 2017	August 27, 2024	22,01,277.30
4.	2017-18	Interim	0.70	January 19, 2018	February 22, 2025	10,90,058.20
5.	2017-18	Final	1.10	July 18, 2018	August 23, 2025	15,82,234.50
6.	2018-19	Interim	0.50	January 23, 2019	February 28, 2026	12,57,291.50
7.	2018-19	Final	0.50	July 19, 2019	August 23, 2026	12,50,549.00
8.	2019-20	Final	0.20	July 30, 2020	September 3, 2027	4,97,330.40
9.	2020-21	Final	0.50	July 28, 2021	September 1, 2028	6,48,492.00
10.	2021-22	Interim	0.50	February 7, 2022	March 14, 2029	6,57,352.00
11.	2021-22	Final	1.15	August 2, 2022	September 6, 2029	13,74,159.15
12.	2022-23	Interim	0.90	November 14, 2022	December 19, 2029	10,54,472.80

24. 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 2015-16, (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 September, 2023.

With regard to above and in accordance with the IEPF Rules, the Company had sent notices to all the shareholders whose shares were due for transfer to the IEPF Authority as they remained unclaimed for seven (7) consecutive years and also published a notice in this regard in the newspapers by way of an advertisement.

25. Transfer of dividend/shares to IEPF/IEPF Authority

The details of transfer of unclaimed dividend amount to IEPF by the Company pertaining to dividend for the financial year 2014-15 and 2015-16 are given below.

Date of transfer	Financial year to which it relates	Amount (in ₹)
September 28, 2022	2014-15 (Final Dividend)	17,64,202.40
March 29, 2023	2015-16 (Interim Dividend)	16,99,239.60

The details of shares transferred to IEPF Authority by the Company are given below.

Date of transfer	Financial year to which it relates	Number of shares transferred
September 27, 2022	2014-15	33,901
April 7, 2023	2015-16	37,369

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.

Nodal Officer

Ms. Dimple Mehta, the Company Secretary & Compliance Officer, has been appointed as the Nodal officer by the Board of Directors of the Company with effect from May 9, 2023. Prior to this, Mr. Prashant Choksi was the Nodal Officer of the Company.

Details of the Nodal Officer for the purpose of co-ordination with the IEPF Authority is available on the website of the Company at https://jmfl.com/investor-relation/contact-details.html.

26. 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, 2023.

27. Commodity price risk and hedging activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk and commodity hedging activities as on March 31, 2023.

28. Credit rating

Rating	Instruments	Agency
CRISIL A1+	Commercial Paper	CRISIL Ratings Limited
ICRA A1+	Commercial Paper	ICRA Limited
CRISIL AA/ Stable	Bank Loan Facilities	CRISIL Ratings Limited
ICRA AA/ Stable	Bank Loan Facilities	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.

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L67120MH1986PLC038784
2.	Name of the Listed Entity	JM Financial Limited (the "**Company**"/ "**JMFL**")
3.	Year of incorporation	1986
4.	Registered office address	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025
5.	Corporate address	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025
6.	E-mail	ecommunication@jmfl.com
7.	Telephone	+91 22 6630 3030
8.	Website	www.jmfl.com
9.	Financial year for which reporting is being done	Financial Year 2022-23 (April 1, 2022 to March 31, 2023)
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (the **"BSE"**) and National Stock Exchange of India Limited (the **"NSE"**)
11.	Paid-up Capital	₹ 95.48 Crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Ms. Dimple Mehta Company Secretary & Compliance Officer Tel: +91 22 6630 3290 Email id: dimple.m@jmfl.com
13.	Reporting Boundary	Disclosures made in this report are on a standalone basis and relates only to the Company.

II. Products/Services

14. Details of business activities *(accounting for 90% of the turnover)*

Sr. No.	Description of Main Activity(ies)	Description of Business Activity(ies)	% Turnover of the Entity
1.	Financial and Insurance Service	Other financial activities, financial service activities (except insurance and pension funding)	100%

15. Products/Services sold by the entity *(accounting for 90% of the turnover)*

Sr. No.	Product(s)/Service(s)	NIC Code*	% of Total Turnover contributed
1.	**Investment Banking Business:** The Company's investment banking business offers wide range of services which includes Mergers & Acquisitions and Restructuring, Capital Markets Services, Private Equity Syndication etc., amongst others.	66190	37.46%
2.	**Management of other investment funds:** The Company is the investment manager to the Private Equity and other funds (the "**Fund**"). The Fund invests in growth capital, backing entrepreneurs and management teams who have the vision to build scalable and sustainable businesses.	66309	6.03%
3.	Activities of holding companies	64200	56.51%

**As per National Industrial Classification – Ministry of Statistics and Programme Implementation.*

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants*	Number of Offices	Total
National	Not applicable	3	3
International	Not applicable	0	0

** JMFL provides financial services and does not undertake any manufacturing activity.*

17. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	12
International (No. of Countries)	4

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of the total turnover of entity as on financial year ended 2022-23 is 2.47%.

c. A brief on types of customers

The Company caters to large businesses including Institutional, Corporates, Government and Ultra High Net Worth Individual clients. As one of the leading Investment Banking businesses in India, the Company provides advisory services across multiple sectors. The Private Equity Fund invests in growth stage businesses and is sector agnostic in focus.

IV. Employees

18. Details as at the end of financial year, March 31,

a. Employees and workers (including differently abled)*:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1.	Permanent (D)	153	102	67%	51	33%
2.	Other than Permanent (E)	7	4	57%	3	43%
3.	**Total employees (D+E)**	**160**	**106**	**66%**	**54**	**34%**

**The Company does not have any workers and differently abled employees. Hence, the information pertaining to them are not disclosed anywhere in this Report.*

19. Participation/Inclusion/Representation of women as on March 31, 2023

Sr. No.	Category	Total (A)	Number and percentage of females	
			No. (B)	% (B/A)
1.	Board of Directors	10	2	20%
2.	Key Management Personnel*	4	0	0%

Key Management Personnel (the "KMP**") includes Joint Managing Directors, Chief Financial Officer and Company Secretary as defined under Section 2(51) of the Companies Act, 2013 (the "**Act**").*

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

20. Turnover rate for permanent employees*

Category	FY 2022-2023			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15%	13%	15%	21%	8%	17%	6%	9%	7%

This does not include employees on probation.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding/subsidiary/associate companies as on March 31, 2023

Sr. No.	Name of the holding/subsidiary/associate companies (A)	Indicate whether it is a holding/ Subsidiary/ Associate	% of Equity Shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company? (Yes/No)
1.	JM Financial Institutional Securities Limited	Subsidiary	100	No
2.	JM Financial Services Limited	Subsidiary	100	No
3.	JM Financial Capital Limited	Subsidiary	100	No
4.	JM Financial Commtrade Limited	Subsidiary	100	No
5.	JM Financial Overseas Holdings Private Limited	Subsidiary	100	No
6.	JM Financial Singapore Pte. Ltd.	Subsidiary	100	No
7.	JM Financial Securities, Inc.	Subsidiary	100	No
8.	Infinite India Investment Management Limited	Subsidiary	100	No
9.	JM Financial Properties and Holdings Limited	Subsidiary	100	No
10.	CR Retail Malls (India) Limited	Subsidiary	100	No
11.	JM Financial Products Limited	Subsidiary	99.71	No
12.	JM Financial Credit Solutions Limited	Subsidiary	46.68	No
13.	JM Financial Home Loans Limited	Subsidiary	94.04	No
14.	JM Financial Asset Reconstruction Company Limited	Subsidiary	58.28	No
15.	JM Financial Asset Management Limited	Subsidiary	59.54	No
16.	JM Financial Trustee Company Private Limited	Associate	25	No

VI. CSR Details

22.

a.	**Whether CSR is applicable as per Section 135 of Companies Act, 2013**	Yes
b.	**Turnover**	₹ 488.56 Crore
c.	**Net worth**	₹ 3,816.74 Crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities[1]	Yes	Nil	-	-	Nil	-	-
Investors[2] (other than shareholders)	Yes	Nil	-	-	Nil	-	-
Shareholders[3]	Yes	15	Nil	-	3	Nil	-
Employees[4]	Yes	Nil	-	-	Nil	-	-
Customers[5]	Yes	150	Nil	-	354	Nil	-
Value Chain Partners[6]	Yes	Nil	-	-	Nil	-	-

[1] The mechanism undertaken for communities has been outlined in detail under Principle 8.

[2] Investors (domestic and foreign) in the Fund(s) includes High Net worth Individuals, Family Offices and Institutions. The Investor can file or send their complaints/grievances directly to the Company at the email id viz., peinvestorrelations@jmfl.com or can submit their grievances on the Company's website viz., www.jmfpe.com under the queries section or can approach SEBI for redressal of complaints on SEBI SCORES platform viz., https://scores.gov.in

[3] Shareholders can register their complaints/grievances at https://jmfl.com/investor-relations/grievances or email the same to shareholdergrievance@jmfl.com.

[4] As per the Company's Code of Conduct framed for employees and placed on the Company's Intranet Portal.

[5] The clients/customers can file or send their complaints/grievances to the Company at the email id viz., grievance.ibd@jmfl.com.

[6] The procedure as detailed in the whistle blower policy of the Company available on its website viz., https://jmfl.com/investor-relation/overview.html.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

24. Overview of the entity's material responsible business conduct issues

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Corporate Governance	Risk	Most of our businesses as well as the Company itself operate in regulated business segments. 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.	The business teams are supported by our Corporate Functions team to quickly calibrate our actions in event of change in regulatory environment. Internal audit is carried out by external professional firms to monitor compliance with best practices, approved policies and applicable regulations.	Negative
Client Satisfaction	Risk	Given that the Company provides financial products and services to a diverse client base across multiple geographies, any undesirable client experience could result in reputational loss and loss of clients.	The Company has a robust process in place to handle the grievances that may be raised by the stakeholders, especially by the clients and investors in both the businesses, viz., Investment Banking and Private Equity funds management. The Company consistently puts the interests of its clients above its own. It strives to benefit both its clients and the wider community by comprehending their needs, exploring new opportunities on their behalf, and delivering bespoke solutions that meets their expectations. The Company has a robust grievance handling process for stakeholders, particularly clients and investors and maintains regular communication with them.	Negative
Climate Change	Risk	Extreme weather events resulting from climate change present a tangible threat of operational disruption to the Company and jeopardize the safety and welfare of its employees. Additionally, transition risks stemming from climate change can lead to economic disruptions that have the potential to affect the Company's growth and profitability.	The Company has adopted an ESG Policy reflecting its commitment for creating sustainability in the long term. Furthermore, the Company adheres to relevant environmental regulations governing its office premises. The Company and its employees take measures to reduce energy consumption and optimise resource utilisation.	Negative
Sustainable Finance	Opportunity	The Company has the potential to tap this opportunity by introducing innovative sustainable financial products, create additional sources of revenue and help clients achieve their sustainable goals. Collaborating with impact investors and accessing affordable funding options are key avenues to achieve these outcomes.	The Company has put in place an ESG policy for the Fund(s) managed to integrate ESG risks into the due diligence process and enable the Investment Manager to rate the ESG status of a portfolio company at the time of investment and through the investment lifecycle.	Positive
Human Capital Management	Opportunity	An effective human capital has the potential to elevate the organisation and serve as a foundation for cultivating leadership.	The Company adopts a comprehensive approach to effectively manage its human capital by implementing numerous measures related to workforce diversity, hiring (Campus team), rewards and recognition (iCheer), employee engagement, employee wellbeing, and learning and development (LEAP Plus, Stepping Stones), Performance Management, etc.	Positive

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Risk Management	Opportunity	Ensuring the Company's long-term financial stability necessitates the effective implementation of risk management practices, encompassing climate-related risks.	The Company has established risk management committee and formulated comprehensive risk management and ESG policy and procedures to identify, evaluate, assess, manage, and mitigate potential risks. The Board regularly evaluates the effectiveness of the risk management framework. A robust risk management mechanism can minimise the occurrence of adverse events that could result in financial setbacks.	Positive
Cyber Security	Risk	Cyber threats, such as phishing attacks malware attacks, and ransomware attacks, can lead to data loss, loss of control over information systems, and negative impact on operations.	We have adopted measures to mitigate the cyber security risks included through appropriate firewalls, providing regular advisories, providing training to users, review of the information technology assets, etc.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates the following nine principles referred to as P1 to P9.

- **P1** Business should conduct and govern themselves with Ethics, Transparency and Accountability
- **P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- **P3** Businesses should promote the wellbeing of all employees
- **P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- **P5** Businesses should respect and promote human rights
- **P6** Business should respect, protect, and make efforts to restore the environment
- **P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- **P8** Businesses should support inclusive growth and equitable development
- **P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure 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
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	NA	Yes	Yes	Yes	Yes	No[1]	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	NA	Yes	Yes	Yes	Yes	No[1]	Yes	Yes
c. Web Link of the Policies, if available	Refer Table A below (as applicable)								
2. Whether the entity has translated the policy into procedures (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Code of Conduct and Whistle Blower Policy are extended to our value chain partners.								
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company's Cyber Security & Information Security Policies and Procedures are as per ISO 27001:2013.								

[1] *The Company is the members of various industry associations, through which it provides various suggestions with respect to healthy development of the financial market.*

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Disclosure 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

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

The Company has taken several short and medium-term initiatives, with a focus on sustainability, including:

- Minimising its environmental footprint and has initiated the process of monitoring its carbon emissions, water and waste management practices;
- Aligning its investments with its Fund ESG policy;
- Provide ESG training to all its employees; and
- Contribution to communities through investor education and CSR initiatives.

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

- **Managing environmental footprint:**
  - The Company has initiated monitoring emissions, energy consumption trends to identify energy-saving opportunities. The office spaces have sensors in the meeting rooms, to automatically switch off lights when the cabins are not in use;
  - Aerators based taps are being utilised in the restroom taps in Cnergy Office, to reduce water usage;
- **Digitisation**
  - Digitisation is being done for various processes and mechanism to ensure minimum usage of paper.
- **Responsible Investment**
  - The Company is in the process of integrating ESG considerations into its investment processes at the time of investment and through the investment lifecycle, as per the Fund ESG policy.
- **Human Capital Development**
  - The Company has implemented various health & safety and human rights training for employees in addition to upskilling courses. The Company will enhance this further to elaborate ESG aspects to raise awareness amongst employees.
- **Community development**
  - The CSR focuses on community development, through health care services and comprehensive rural development by conducting 24,223 door-step Outdoor Patient Departments (OPDs) in financial year 2022-23.

Apart from the above, the Company is in the process of setting detailed ESG targets and shall endeavor to report on the performance on the set targets in the subsequent reporting years.

Table A :- Principle-wise Policies

Principles	Applicable policies	Web links of policies available on the Company's website
P1	– The Company's Code of Conduct (includes various parameters like conflict of interest, anti-bribery, anti-corruption, fair practices, insider trading etc., to be adhered to by all employees of the Company)*; – The Code of Conduct for Directors and Senior Management Personnel; – Policy on Selection and Appointment of Board of Directors; – Whistle Blower Policy; – Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; – Policy on determining of materiality of events/information; – Code for prevention of Insider Trading; – Policy on dealing with related party transactions; – Other human resource policies (guide the ethics and behaviour of the Company and its employees)*.	https://jmfl.com/investor-relation/policies.html
P3	– Employee Code of Conduct*; – Protection of Women against Sexual Harassment at Workplace [POSH] Policy*.	
P4	– Corporate Social Responsibility Policy; – ESG Policy*.	
P5	– Whistleblower Policy; – Employee Code of Conduct*.	
P6	– ESG Policy*	
P8	– Corporate Social Responsibility Policy	
P9	– Cyber Security & Information Security Policy*	

**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.*

Governance, Leadership and Oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**

As a responsible financial institution, we believe that Environmental, Social, and Governance (ESG) factors are critical to our long-term sustainability and success. We are pleased to share that we have made significant progress in financial year 2022-23 towards integrating ESG considerations into our decision-making processes, policies and practices.

We recognise the need to address the environmental impact of our operations and investments. We are committed to reducing our carbon footprint and promoting environmentally responsible business practices. In this regard, we have implemented several measures to reduce our energy consumption, waste generation, and water usage. Additionally, we strive to create a positive social impact through our social responsibility interventions and responsible business practices. Our CSR initiatives focus on rural healthcare and community development. We also prioritise the well-being and safety of our employees and promote diversity and inclusion across all levels of our organisation.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

We recognise that our investment decisions have a significant impact on society and the environment, and we are committed to integrating ESG considerations into our investment processes. Further, climate change poses a significant risk to financial institutions and integrating an understanding of the potential impact of physical and transitional risks associated with climate change in our investment decisions is key. Towards this, we are in the process of instituting a policy for all Fund(s) managed by the Company. The policy aims to define the approach to integrate ESG risks into the due diligence process and enables the Investment Manager to rate the ESG status of a portfolio company at the time of investment and through the investment lifecycle, as per the Fund ESG policy.

As a leading player in India's financial services industry, we have been at the forefront on supporting environment and social positive companies. Our Investment Banking business has been involved in several IPOs, Private Equity fund raises and Merger & Acquisition transactions with such companies. In the last financial year, we have signed mandates with several companies across the sectors that have strong products for the last mile and cover rural, marginalised and economically poor sections of the society. In addition, we have led mandates for more than 9 companies that have environment-positive products and services including renewables, electrification of transport and other industrial enterprises that are moving towards building an environmentally positive business.

Our Private Equity business also invested in BigHaat Agro Private Limited, an Agri tech company focused on driving efficiencies of Agri Inputs manufacturers, enabling various stakeholders of Agri value chain to come together and build end to end ecosystem for the farming community and to drive sustainable agriculture. In Fund II, we have also invested in Emiza Supply Chain Services Private Limited which provides a variety of supply chain management solutions to improve the efficiency of logistics operations.

Moving forward, our goal is to continue to focus on engaging with companies that have leading ESG practices in their respective sectors.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

The Board of Directors is responsible for the Business Responsibility practices of the Company.

Mr. Atul Mehra, Joint Managing Director (DIN: 00095542) is responsible for implementation of the Business Responsibility policy.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes. To ensure progress on short and medium-term initiatives, there is constant monitoring and review of all activities by the functional heads to ensure that business is functioning smoothly and performance on parameters is on track. The Joint Managing Director is responsible for overseeing the development and implementation of ESG framework.

10. Details of review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ any other Committee					Frequency (Annually/Half yearly/Quarterly/ any other – please specify)			
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action.	Policies, as stated, have been approved by the Board, it's Committees or the Senior Management of the Company. Policies are reviewed annually considering various parameters like statutory requirements and the frequency as stated in the policy document.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances.	The Company complies with all the statutory requirements to the extent applicable.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No								
	All policies and processes are subject to audits and reviews done internally in the Company from time to time.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No).	-	Not applicable	-	-	-	-	Yes	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No).	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/ human and technical resources available for the task (Yes/No).	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No).	-	-	-	-	-	-	-	-	-
Any other reason (please specify).	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	7	The Board of Directors & KMPs are being made aware and given timely updates on various diverse topics such as regulatory changes, business initiatives/strategy, corporate governance, strategic presentations, performance and growth plans, progress, and monitoring of business and social responsibilities, amongst various other presentations made to them from time to time. These presentations also cover macro-economic factors and the economic environment around matters affecting the Company, global and domestic industry scenarios, and a brief about the statutes and legislations to enable them to take well informed decisions. Capacity building session on the BRSR principles and indicators and its relevance to the Company's operations was also conducted during the year.	100%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Employees other than BODs and KMPs	9	The Company periodically updates and familiarises the employees on various topics, through training programmes conducted throughout the year. These are conducted using a blend of physical and online virtual classroom trainings, accompanied with the dedicated employee learning platform called "i-Learn". Trainings focus on building employee awareness around the policies, procedures and high standards of governance to be upheld. These trainings cover, among others, awareness on the Whistle Blower Policy, Employee Trading Policy, Prevention of Money Laundering and Know Your Customer. Topics also include health and safety related trainings such as POSH and Information & Cyber Security Awareness. Multiple advanced workshops have been conducted for enhanced skills in advance Analytical thinking, Data Story Telling, Excel, PowerPoint and financial modelling. Other workshops conducted included Bloomberg training and We-Q - Support Team training.	100%

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format.**

   No fines/penalties/punishments have been levied in the financial year.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not applicable as there were no instances to be reported.

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes, sections relating to the anti-corruption and anti-bribery are covered in the Company's Code of Conduct for Directors and Senior Management Personnel, available on Company's website at https://jmfl.com/investor-relations/Code_of_Conduct_for_Directors_and_Senior_Management_Personnel.pdf and the Code of Conduct framed for other employees (Code available on Company's intranet). The Policy reflects the commitment of the Company in maintaining highest ethical standards while undertaking open and fair business practices and culture, and implementing and enforcing effective systems to detect, counter and prevent bribery and other corrupt business practices, within the Company.

   Besides this, there are specific clauses relating to the ethical behaviour at work, adherence to the anti-bribery statutes and anti-money laundering laws.

5. **Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

   No such instances have occurred or reported.

6. **Details of complaints with regard to conflict of interest of directors and KMPs in the current financial year or the previous financial year:**

   No complaints with regards to conflict of interest have been received.

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

   No corrective actions required since there were no cases of corruption or conflicts of interest raised.

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in value chain partners covered under the awareness programmes
The Company is in the process of establishing a system to engage value chain partners on the BRSR principles.		

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

   Yes, the Company's Code of Conduct for the Directors and Senior Management Personnel provides guidelines for refraining to enter any transaction or engaging in any practice, directly or indirectly, that would tend to influence the Directors and Senior Management Personnel to act in any manner other than in the best interests of the Company. The Code of Conduct requires the Directors and Senior Management Personnel to make full disclosure relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict of interest with the Company and seek the necessary approvals before pursuing any transactions.

   The Directors provide annual affirmation that they have complied with the Code of Conduct requirements during a financial year and that there are no instances of conflict of interest during the year. Additionally, under the applicable provisions of the Act, every director has to disclose the names of the Company(ies) in which they have interest/concern including intimation of any change thereunder, to the Company. The disclosures as received are placed before the Board at its meeting. The said disclosures helps the Company and the Board in evaluating the possibility of any present or potential conflict of interest. In case, if any Director has a potential conflict, that Director does not participate in discussions on those agenda items in which he/she is interested.

   Conflict of interest is also managed through adoption of a robust governance framework within the Company. The framework includes the composition of the Board of Directors comprising majority of independent directors and the constitution of various committees. Most of these Committees are being chaired by the independent directors. These Committees also comprise mainly independent directors, to oversee critical matters and take informed decisions.

   The Code of Conduct is available on the Company's website at: https://jmfl.com/investor-relations/Code_of_Conduct_for_Directors_and_Senior_Management_Personnel.pdf.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2022-23	FY 2021-22	Details of improvements in social and environmental aspects
Research & Development (R&D)	Being in the financial services sector and given the nature of the Company's business, CAPEX investments are largely in information technology. Accordingly, investments were made by way of addition to capital assets in the form of IT infrastructure like, equipment and software.		
CAPEX			

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   No. The consumption of resources is limited to running the operations and therefore the Company follows sustainable sourcing practices wherever feasible.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Refer response mentioned in above point.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Given that the Company is in the financial services sector, it does not manufacture any products hence this indicator is not applicable to its operations. The Company, however, engages in various activities as outlined below, to ensure sustainable management of waste to the extent generated from its operations.

Product	Process to safely reclaim the product
a. Plastics (including packaging)	• The Company has taken steps such as replacing plastic bottles in the office with reusable glass bottles to reduce plastic consumption; • The Company has also replaced plastic garbage bags with bio-degradable bags.
b. E-Waste	Any e-waste produced by the Company is appropriately handled.
c. Hazardous Waste	The Company is not involved in producing or disposing any hazardous waste of any kind. Hence this is not applicable to the Company.
d. Other Waste	Paper: The Company encourages its employees to go paperless and reduce printing unless absolutely required.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Given that the Company is in the financial services sector, this indicator is not applicable.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Given that the Company is in the financial services sector, this indicator is not applicable.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Nil.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Not applicable. Given that the Company is in the financial services sector, there are no products and packaging to be reclaimed at the end of life.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities*	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	102	102	100%	102	100%	NA	NA	102	100%	0	0%
Female	51	51	100%	51	100%	51	100%	NA	NA	0	0%
Total	**153**	**153**	**100%**	**153**	**100%**	**51**	**100%**	**102**	**100%**	**0**	**0%**
Other than Permanent Employees											
Male	4	4	100%	4	100%	NA	NA	4	100%	0	0%
Female	3	3	100%	3	100%	3	100%	NA	NA	0	0%
Total	**7**	**7**	**100%**	**7**	**100%**	**3**	**100%**	**4**	**100%**	**0**	**0%**

Note:

The Company believes in making efforts towards employees' wellbeing and has taken following initiatives for its employees:

i. **Work-Life Balance:** Employees are encouraged to lead a healthy and balanced work life. The Company has taken several initiatives outlined below (in question 12)

ii. **Leaves:** The Company's 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 financial year. The leave categories are as follows:

- 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 hospitalisation of employees) and considered as medical care leave.

iii. **Medical Insurance Coverage:** The Company insures its employees under a health insurance policy. These benefits are integral and provide employees and their families valuable protection, during their employment.

iv. **Annual Health Check-ups:** Depending on their age group, employees are eligible for an Annual Health Check-up at periodic intervals.

**As and when required, the Company arranges the day care facilities for its employees by tying up with third-party day care centres.*

2. **Details of retirement benefits:**

Sr. No.	Benefits	FY 2022-23		FY 2021-22	
		No. of employees covered as a % of total employee	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
1.	**PF**	100%	Yes	100%	Yes
2.	**Gratuity**	100%		100%	
3.	**ESI**	NA	NA	NA	NA

Note:

Provident Fund : The policy provides for the benefits under the Employees Provident Fund & Miscellaneous Provisions Act, 1952. It provides social security benefit to the eligible employees.

Gratuity : The organisation is covered under the Payment of Gratuity Act, 1972, to reward the employees, who have to their credit, a long and continuous service term with the organisation.

3. **Accessibility of workplaces: Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, while the Company currently does not have any differently abled employees, however it has taken proactive steps to equip the work place with necessary accessibility provisions for differently abled people such as having ramps, lifts, and washroom with accessibility features.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. The Employee Handbook which is available on the Company's intranet portal and accessible to all employees of the Company has a section on the Equal Opportunity Policy which emphasis on creating a work environment in which all individuals are treated with fairness, respect and dignity and prohibits discriminatory practices, including harassment of any kind.

5. **Return to work and Retention rates of permanent employees that took parental leave.**

Gender	Return to work rate	Retention Rate
Male	100%	0%
Female	100%	0%
Total	**100%**	**0%**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	Details of the mechanism in brief
Permanent Employees	Yes	The Company strives to create an environment that promotes open communication and allows free and informal discussion of any problems relating to work and resolve employee grievances between the parties involved and handle problems satisfactorily through a formal procedure. The Grievance Handling Policy, which forms a part of the employee handbook outlines the procedures that an employee can follow. The grievances related to the employment should initially be discussed in an open and honest manner by the employee with their manager. Where this is not the case, employee may refer the issue to department heads, who will involve the Human Resources as well. If the grievance is still unresolved, discretion ultimately rests with the relevant business or function head and the human resource head. Once the issue has been resolved, no further reference will be made to the grievance, and no employee will be discriminated against, for raising it. For complaints related to POSH, there is an Internal Committee ("**IC**") and an informal and formal redressal process outlined. Where any misconduct is determined after due enquiry by the IC, appropriate disciplinary action shall be taken against the person found guilty. Such action shall be in addition to any legal recourse sought by the complainant. Additionally, the Whistle-Blower Policy has been formulated for employees and directors, amongst others, to report the genuine concerns about improper/illegal practices or wrongful conduct, financial irregularities including fraud or suspected fraud or any unethical behavior, etc.
Other than Permanent Employees	Yes	Other than permanent employees are encouraged to reach out to their respective contractors to redress their grievances.

7. Membership of employees in association(s) or Unions recognised by the listed entity:

Nil.

8. Details of training given to employees:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		(B)	%(B/A)	(C)	%(C/A)		(E)	%(E/D)	(F)	%(F/D)
Male	102	61	60%	63	62%	Until FY 2021-22, the skills and trainings were monitored at the group level. However, the trainings are now monitored entity wise.				
Female	51	21	41%	38	75%					
Total	**153**	**82**	**54%**	**101**	**66%**					

The Company has adopted various policies, procedures, manuals and conducted online training programmes, throughout the year for the protection and welfare of employees. Employee training programmes and initiatives are integral part of the Human Resource vision and long-term strategic objectives of the Company. The Company encourages its employees to attend the training programmes as per the group monthly training calendar circulated to them.

9. Details of performance and career development reviews of employees*:

Category	FY 2022-23			FY 2021-22		
	Total (A)	(B)	%(B/A)	Total (C)	(D)	%(D/C)
Male	102	96	94%	93	89	96%
Female	51	47	92%	40	38	95%
Total	**153**	**143**	**93%**	**133**	**127**	**95%**

** All our employees are entitled to undergo performance and career development reviews. However, employees who joins the Company between the period December to March are not eligible for the purpose of career development reviews.*

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) If yes, the coverage of such system?

Yes.

The well-being of the employees, both physical and mental, are the top priority of the Company. Accordingly, the Company has implemented a health and safety management system across its locations and regularly organises various workshops and discussions with well-being experts and medical practitioners.

For the safety management system, the employee handbook contains the information on emergency and evacuation procedures for smooth emergency management. This enables the Company in preparing for mitigating, responding to and recovering from an emergency.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Given that the Company is in the financial services sector, this indicator is not directly applicable, however, the Administration and Human Resources team constantly work to identify risks and ensure the overall health and wellbeing of employees.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Given that the Company is in the financial services sector, this indicator is not applicable.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, there are two empaneled doctors who are available on designated days during the week for consultation.

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2022-23	FY 2021-2022
Lost Time Injury Frequency Rate (LTIFR) (per one mn-person hours worked)	Employees	Nil	
Total recordable work-related injuries			
No. of fatalities			
High consequence work-related injury or ill-health (excluding fatalities)			

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Safety Measures

To ensure fire safety in offices, mock drills are conducted as per safety fire norms. Additionally, employees are made aware of assembly points through floorplans which are displayed at crucial locations on the premises. Exit boards are also placed at suitable locations. In terms of equipment, fire alarm systems and smoke detectors are installed at all premises and fire balls are kept at appropriate places. Equipments are checked regularly to mitigate any accidents due to wear and tear. Maintenance of fire extinguishers are done on a quarterly basis and documentation of the same is ensured.

Health Measures

To ensure the health of employees, sanitisers have been placed in offices for employees to use regularly. Steps are also taken to ensure air quality is maintained indoors. Moreover, two dedicated doctors are available to all employees and emergency contact details are kept handy for quick response in emergencies. Additionally, the Company provides a health check-up to all its employees depending on the age group.

- This health check-up is as per below mentioned frequency:
  - ➢ Age 30 - 40 years: once in a period of 24 months, either from date of joining or last health check-up done.
  - ➢ 41 years & above: once in a period of 12 months, either from date of joining or last health check-up done.
- Employees are required to refer to the health check-up plan available with Human Resources Department.

Training

The overall wellbeing of the employees, both physical and mental wellbeing, is taken care by the Company as it considers employee wellbeing as integral to the Company's success and growth. To encourage employees to initiate and maintain a healthy and active lifestyle, thus ensuring their overall fitness and well-being, various fitness sessions such as diversity & inclusion, live de-stressing and virtual yoga were conducted. These were unique programmes provided by the Company to help employees remain physically and mentally active. The virtual yoga sessions were very much appreciated by the employees. Additionally, flyers for celebrating World Yoga Day were mailed to encourage employees.

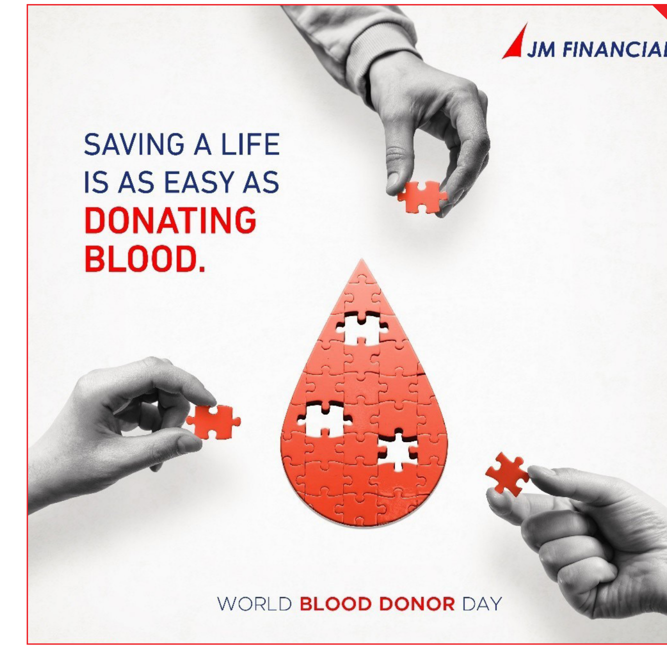
13. Number of Complaints on the following made by employees:

Topic	FY 2022-23			FY 2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil. However, the Company encourages the employees to highlight any issues noticed towards working conditions and health & safety concerns at all its locations.					
Health & Safety						

14. Assessments for the year:

Topic	% of offices that were assessed (by entity or statutory authorities or third parties)
Health & safety practices	100%*
Working Conditions	

**The Company continuously monitors and assess its health & safety practices and working conditions. Any concerns arising from such assessment are acted upon immediately. Further, no assessment has been done by statutory authorities or third parties.*



15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No corrective actions pertaining to this indicator was necessitated by the Company during the financial year.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees (Yes/ No).

Yes, the Company provides an insurance to all its employees in the event of untimely death while in service. Employees are covered up to 3 times their annual base salary to a maximum of the free cover limit specified by the insurer in the event of unforeseen death (while at work or otherwise). To ensure full coverage, employees may need to undergo a medical check-up as required by insurer.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has also made it a contractual obligation for its value chain partners to fully deliver on their statutory requirements. There is a clause in the contractor agreement to confirm that the contractor follows all applicable laws in India as applicable to it, including but not limited to, registrations under the Bombay Shops and Establishments Act, 1948, the Employees' Provident Funds and Miscellaneous Act, 1952, the Employees' State Insurance Act, 1948, the Contract Labour Act, 1970, the Minimum Wages Act, 1948, the Payment of Gratuity Act, 1972 and the Workmen's Compensation Act, 1923.

3. Provide the number of employees having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Nil.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

4. **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).**

   The Company believes in hiring well qualified talent on merit and continuously upskills the work force to align with the changing business environment. In light of this, the need for this transition assistance programmes is not envisaged currently.

5. **Details on assessment of value chain partners:**

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Value Chain partners were not assessed by the Company.
Working conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Nil.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity:**

   The Company places great emphasis on stakeholder's identification as they play a pivotal role in achieving the goals of the Company.

   The first stage of the Company's stakeholder relations involves mapping and prioritising key stakeholders based on their role, the material influence they have on the Company or on how they are materially influenced by the Company's decision. Once the stakeholders have been identified and prioritised, the engagement channels are established which is then circulated with the internal teams so as to engage with the stakeholders to understand their needs and concerns and develop strategies to manage and mitigate any potential risks or negative impacts. By understanding the needs and concerns of the stakeholders, the Company proactively addresses their expectations, mitigates potential risks in order to cultivate enduring relationships.

   The key internal stakeholders identified are employees, senior executives and the Board of Directors whereas the external stakeholders include customers, investors/shareholders, regulatory/industry bodies, value chain partners, industry analysts, equity analysts, other suppliers, partners and collaborators and society at large.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Clients/ Customers	No	• Relationship meetings and reviews • Executive meetings briefings • Client visits • Mailers • Conference calls	Frequent and need based	• To understand clients needs and ensure high levels of satisfaction • Identifying opportunities to improve Company's services • To build strong client relationship
Suppliers	No	• Meetings • Calls	Frequent and need based	• Stronger partnerships • Credit worthiness • Ethical Behavior • Fair Business Practices • Governance
Shareholders	No	• SMS, Email, newspaper advertisement • Results announcements (quarterly/annually) • Website • Annual report & Annual General Meetings (AGM) • Media releases, and investor meetings/ conferences, earnings calls, • Shareholders' satisfaction survey, etc.	Frequent and need based	• AGM facilitates direct interaction with the Board of Directors • Earnings calls leads direct interaction with the management of the Company to discuss on business strategy and performance • Understanding shareholders expectations from the feedback received through Shareholders' satisfaction survey • Long-term viability and sustainable growth

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Local Communities	Yes	• Focused Group Discussions • One on one interview • NGOs/other associations meetings • Field Visit • Information Sharing • Capacity Building sessions • Local community meeting viz., gaon sabhas (village gatherings) • Government Engagement • Employee voluntary activities	Frequent and need based	• Understanding & identifying the areas for sustainable development • Evaluating, consulting, executing, and monitoring CSR projects • Empower underprivileged sections of society/ vulnerable and marginalised groups through CSR activities.
Employees	No	• Surveys • Emailers & Newsletters • Project or operations reviews • Rewards & Recognitions • Training Programmes • Offsites • Exit Interviews • Intranet portal	Frequent and need based	• Feedback and Grievance Redressal • Employee engagement (motivation / happiness / passion / wellbeing) • Engagement for performance improvement and team productivity improvement • Creating an inclusive environment • Career support Programmes • Employee Assistance Programmes • Wellness sessions and training Programmes • Alignment to the organisational's vision & mission. • Team building activities
Industry Associations	No	• Conferences/ Convergence • Focused Group Discussions • Meetings	Need based	• Shaping the regulatory landscape • ESG Trends • Knowledge transfer to promote sustainability
Regulators	No	• Emails/letters • Informal guidance • Webinars/Seminars	Need based	• Understanding and adherence to local governance • Discussion with regard to various amendments, notifications, suggestions issued by the regulatory authorities time to time

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Through various channels, the Company interacts with its stakeholders on continuous basis.

   The different functional heads of the Company, proactively engages with their respective stakeholders and the feedback of the significant development made, if any, from such interactions are provided to the Board by the management.

   Additionally, the Company also has Stakeholders' Relationship Committee of the Board which is broadly responsible to review the service standards adopted by the Company in respect of various services being rendered thorough the Registrar & Transfer Agent and resolve the grievances of the shareholders of the Company.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes. The stakeholder consultations are one of the key inputs in determining the Company's material topics. The Company looks at the aspects each stakeholder has brought out during the engagement and prioritised them using a risk and responsibility matrix to arrive at material topics.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   The Company identifies the pressing issues of the communities including vulnerable and marginalised groups and accordingly works on various Programmes through Corporate Social Responsibility initiatives. Key steps taken by the Company to ensure a grievance redressal mechanism for these groups, are outlined in Principle 8 below.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees covered (B)	% (B / A)	Total (C)	No. of employees covered (D)	% (D / C)
Employees						
Permanent	153	150	98%	Until FY 2021-22, the training on human rights issues and policy(ies) were monitored at the group level. However, the trainings are now monitored entity wise.		
Other than permanent	7	7	100%			
Total Employees	**160**	**157**	**98%**			

Note:

a. The trainings on human rights and other policies are a part of the Code of Conduct and other various awareness programmes. The Company has deployed an e-learning module on the Company's iLearn platform for imparting various virtual trainings.

b. The Company also is committed to taking appropriate measures to provide its employees with a work environment that is free of threats, intimidation, and violence.

c. The Company has created awareness amongst all employees on the human rights by including the same in the Code of Conduct/employee handbook which are uploaded on the intranet portal of the Company. Employees are expected to read and understand the said code/handbook and uphold these standards mentioned thereunder in their day-to-day activities and comply with the same.

Furthermore, all employees are provided with induction and compliance training upon joining, and an annual confirmation is requested to ensure that they have read, understood, and are adhering to the aforementioned requirements.

2. **Details of minimum wages paid to employees:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent	**153**	**0**	**0%**	**153**	**100%**	**133**	**0**	**0%**	**133**	**100%**
Male	102	0	0%	102	100%	93	0	0%	93	100%
Female	51	0	0%	51	100%	40	0	0%	40	100%
Other than Permanent	**7**	**0**	**0%**	**7**	**100%**	**15**	**2**	**13%**	**13**	**87%**
Male	4	0	0%	4	100%	8	0	0%	8	100%
Female	3	0	0%	3	100%	7	2	29%	5	71%

3. **Details of remuneration/salary*:**

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category (in rupee symbol)	Number	Median remuneration/salary/ wages of respective category (in rupee symbol)
Board of Directors (BoD)	6	24,05,000	2	29,82,500
Key Managerial Personnel	4	4,35,66,877	-	-
Employees other than BoD and KMP	98	29,77,954	51	16,80,052

*Details of only permanent employees are provided.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the head of Human Resources is responsible for addressing human rights impacts or issues within the Company and caused or contributed to by the business, that may be raised by the employees.

The Company also has a robust whistle blower mechanism, wherein the whistleblower can send the complaint in form of Protected disclosure directly to the Chairman of the audit committee of the Company.

Additionally, for sexual harassment related complaints, 4 (four) Internal Committee (IC) has been constituted region wise to consider and redress complaints of harassment. The composition of IC comprise majority of women employees and an external member.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Internal Mechanism for employees

The Company strives to provide safe and positive work environment to all its employees. In keeping this approach, the Company has formal grievance mechanism for the employees to report their concerns, if any, and such mechanism is accessible to all the affected employees in equitable and transparent manner.

Under the said mechanism, the employee may report the concern in writing or orally by communicating it to their reporting manager, compliance or firm management or the human resources.

Under Whistle Blower Mechanism:-

The whistle blower can send the protected disclosure in a sealed envelope to the chairman of the audit committee or can write directly to him on his email id viz., pkanakia3@gmail.com.

Further, the Chairman of the audit committee shall report the incidences to the audit committee, who upon the receipt of Protected Disclosure may either investigate the matter on its own or may appoint a senior executive or a Committee of managerial personnel or an external third party to investigate ('Investigators') into the matter and prescribe the scope and time limit thereof, unless the Protected Disclosure is found to be frivolous in nature or pertains to a complaint which falls under the exclusions list in the Whistle Blower policy of the Company. The audit committee may also outline a detailed procedure for an investigation, which is required to be followed by designated senior executive or a committee of managerial personnel, as the case may be, at the time of conducting the investigation in respect of protected disclosure being investigated.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

The Company shall endeavor to resolve the complaint within 45 days. The time frame may be exceeded depending on the nature and seriousness of the complaint. If an investigation leads the audit committee to conclude that an improper or unethical act has been committed, the audit committee shall take such disciplinary or corrective action as it deems fit.

Under POSH:-

A specific email id viz., icc@jmfl.com is created for the purpose of receiving written complaints. The Group Head of Human Resources and the Presiding Officer have access to this email id.

For complaints made to the IC, there is Informal Redressal Process that consists of directly speaking with the respondent and involving the Human Resources facilitator to arrive at a mediated resolution. In cases where an informal redressal process and the possible actions are not satisfactory, a formal redressal process shall be followed. Some steps include proceeding with as inquiry within 7 working days of receiving the complaint. Additionally, the complainant and the respondent shall be informed of the outcome of the investigation. The inquiry shall be completed within 90 days and corrective actions recommended by IC to Firm Management. The Firm Management will act upon the recommendations within 60 days of receipt of recommendations from the IC. Where any misconduct is determined after due enquiry by the IC, appropriate disciplinary action shall be taken against the person found guilty. Such action shall be in addition to any legal recourse sought by the complainant.

6. **Number of Complaints on the following made by employees:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	No such instances reported during the aforesaid periods.					
Discrimination at Workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other human rights related issues						

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company believes in providing adequate support to protect and promote human rights of its employees so that fair and ethical business and employment practices are followed. In view of the same, regardless of the outcome of the complaint made in good faith, the IC committee while dealing with complaints of sexual harassment ensures that the Complainant or the witness are not victimised or discriminated against by the respondent and similar safeguards measure is also ensured against victimisation of any kind of the whistle blower by the audit committee or the investigator, as may be applicable.

Additionally, the Company periodically sensitises the employees on the aspects of discrimination and harassment cases and the redressal mechanism.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

No. The Company is in the process of integrating ESG related aspects including human rights in business agreements and contracts.

9. **Assessments for the year:**

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% All the compliances pertaining to these issues are being monitored from time to time. There have been no instances reported during the year.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No significant risks/ concerns were observed.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

There have been no significant human rights grievances/complaints warranting modification/introduction of business processes.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

Not Applicable.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the office is accessible to the differently abled. The Company is continuously working towards improving infrastructure for eliminating barriers to accessibility. The offices of the Company have ramps and lifts for easy movement of differently abled people. Additionally, washroom have accessibility feature for differently abled visitors.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	The Company expects its value chain partners to uphold and adhere the same values, beliefs, principles, and ethics as followed by it in all its dealings. The Company's supplier agreements will formally include such expectations from vendors from FY 2023-24.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

No corrective actions were taken as value chain partners were not assessed.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) (Gigajoules)	520.04	405.19
Total fuel consumption (B) (Gigajoules)	96.92	58.11
Energy consumption through other sources (C) (Gigajoules)	0.00	0.00
Total energy consumption (A+B+C) (Gigajoules)	**616.96**	**463.29**
Energy intensity per crore rupee of turnover *(Total energy consumption/turnover in rupees) (GJ/Crore ₹)*	1.26	0.75

For initiatives related to reduction in electricity consumption, please refer to Question 7 below.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable, as the Company does not fall under the energy-intensive industry as specified in the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	585	252
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**585**	**252**
Total volume of water consumption (in kilolitres)	**585**	**252**
Water intensity per crore of turnover *(Water consumed / turnover) (kl per Crore ₹ of turnover)*	1.20	0.41

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Usage of water is restricted to only human consumption. Various ways are adopted to use water sparingly like installation of Aerators in office restrooms to reduce the water consumption. Additionally, sewage from the Cnergy office in Mumbai is treated onsite by the building authorities in a common sewage treatment plant, before it being discharged in the main lines.

5. **Please provide details of air emissions (other than GHG emissions) by the entity:**

Given that the Company is in the financial services sector, this indicator is not applicable.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:**

The Company being the service sector, does not have significant GHG emissions.

Parameter	*Unit*	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*tCO2e*	7.27	4.36
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*tCO2e*	117.67	91.68
Total Scope 1 and Scope 2 emissions per crore rupee of turnover	tCO2e/ *₹ Crore*	**0.26**	**0.15**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

The Company has installed motion sensors in office cabins and other areas to reduce the consumption of electricity when these areas are not in use, therefore reducing the overall electricity consumption. Additionally, conventional lights have been replaced with LED lights and smart UPS has been deployed, therefore also reducing energy consumption.

8. **Provide details related to waste management by the entity:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	0	0
E-waste ***(B)***	0	0
Bio-medical waste ***(C)***	The Company does not produce or dispose any kind of biomedical, construction debris or radioactive waste. Hence not applicable.	
Construction and demolition waste ***(D)***		
Battery waste ***(E)***		
Radioactive waste ***(F)***		
Other Hazardous waste. Please specify, if any ***(G)***		
Other Non-hazardous waste generated* ***(H).*** *Please specify, if any.* (Break-up by composition i.e., by materials relevant to the sector)	3.08	1.19
Total (A+B + C + D + E + F + G+ H)	**3.08**	**1.19**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	**Non-Hazardous**	**Non-Hazardous**
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Parameter	FY 2022-23	FY 2021-22
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	**Non-Hazardous**	**Non-Hazardous**
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations*	3.08	1.19
Total	**3.08**	**1.19**

**Non-hazardous waste consists of paper waste that is shredded by the Company.*

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

   Given that the Company is in the financial services sector there is no hazardous waste generated and hence this indicator is not applicable. However, the Company's waste management Programmes are based on the principles of 3R's- Reduce, Recycle, Reuse. The waste is categorised according to the source and disposal method. The details of waste management practices, adopted by the entity are as mentioned below:

   - E-waste – Conventional lights have been replaced with LED lights, thereby reducing the harmful effects of mercury, and reducing health and environmental concerns. Projectors have also been replaced with LEDs, thus contributing significantly to power consumption reduction and simultaneously reducing waste.
   - Paper – Various digital initiatives are adopted to go paper free. Shredded paper is also recycled.
   - Plastic – In line with the Central & State Government (India) Directives in the year 2018, the Company has made all its offices in India free from 'Single use plastics'. Also, the Company has stopped using plastic bottles and have opted for glass bottles.
   - Printer cartridge – The Company in the process of signing a contract with the vendor for reclaiming the cartridges.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

    The Company does not have any offices in ecologically sensitive areas, hence this indicator is not applicable.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

    Not applicable.

12. **Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes/No). If not, provide details of all such non-compliances, in the following format:**

    Yes, the Company has compiled with applicable environmental law/regulations/guidelines applicable in India. No fine/ penalty/action was initiated against the entity under any of the applicable environmental laws/regulation/guidelines.

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:**

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A) (Gigajoules)	0	0
Total fuel consumption (B) (Gigajoules)	0	0
Energy consumption through other sources (C) (Gigajoules)	0	0
Total energy consumed from renewable sources (A+B+C)	**0**	**0**
From non-renewable sources		
Total electricity consumption (D) (Gigajoules)	520.04	405.19
Total fuel consumption (E) (Gigajoules)	96.92	58.11
Energy consumption through other sources (F) (Gigajoules)	0	0
Total energy consumed from non-renewable sources (D+E+F) (Gigajoules)	**616.96**	**463.29**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

2. **Details related to water discharged:**

   Currently, the Company does not measure water discharge.

3. **Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):**

   Not applicable.

4. **Please provide details of total Scope 3 emissions & its intensity**

   -

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   No operations in ecologically sensitive areas and therefore no impacts to report or remediation required.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

   Not applicable.

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes, the Company has a Business Continuity Plan (BCP). The primary objective of the BCP is to protect the organisation and its stakeholders by successful management of crisis through effective planning and response. The Company has developed ways to assess potential risks to ensure readiness in the face of any future challenges. The key aspects of the BCP comprises of Email, File Servers, Networking Infrastructure, Trading Infrastructure, Loan Management, Intranet, CRM and Accounting Systems, and Client Communication and Interaction. The Risk Management Committee periodically review and modify the BCP.

   Additionally, to ensure the physical safety of employees and to be prepared for and respond to emergencies, the employee handbook has information on emergency and evacuation procedures for smooth emergency management.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   Not applicable.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   -

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a) **Number of affiliations with trade and industry chambers/associations.**

   We are affiliated with nine (9) trade and industry chambers/associations.

   b) **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
1.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2.	Association of Investment Bankers of India (AIBI)	National
3.	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National
4.	The Council of EU Chambers of Commerce in India	National
5.	Indian Private Equity and Venture Capital Association (IVCA)	National
6.	India Diversity Forum	National
7.	Confederation of Indian Industry (CII)	National
8.	Bombay Chapter of Commerce and Industry (BCCI)	State
9.	IMC Chamber of Commerce and Industry	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of Authority	Brief of the case	Corrective action taken
Not applicable as no issues or adverse orders, related to anti-competitive conduct by the entity, were raised by regulatory authorities.		

Leadership Indicators

1. **Details of public policy positions advocated by the entity.**

Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/Half Yearly/Quarterly/Others – please specify)	Web Link, if available
The Company does not engage in direct public advocacy but do leverage its expertise to provide suggestions on standards and regulatory developments in the financial services sector through the trade bodies or associations which it is a part of. The Company participates in various discussions undertaken by the government, regulators and associations towards the development and advancement of the financial services industry. This is done through the Company's membership at various industry associations such as Indian Private Equity and Venture Capital Association (IVCA) and the Private Equity CFO Association in addition to ones listed above. The employees and senior management of the Company are members of committees constituted by regulators and industry bodies.				

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Resulted communicated in public domain	Relevant Web Link
Not applicable. There were no SIA required to be taken by the Company under the applicable laws.[2]					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Sr. No.	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount Paid to PAFs in the FY (in ₹)
Not applicable. No such projects where Rehabilitation and Resettlement is being undertaken.						

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Company's Grievance Redressal Mechanism (GRM) for communities incorporates an accessible approach. JM Financial Foundation, the implementing agency, executes and oversees the projects in remote terrains of Khaira and in Sikandra block, Jamui district of Bihar. The Foundation's grassroot team resides at the block and district respectively. Further, the contact numbers of the field team members are available to the beneficiaries, especially to key representatives and/or village influencers as appropriate. Additionally, scheduled/ periodic *gaon sabhas* (village gathering) are conducted, basis a pre-determined agenda, thereby an open redressal takes place with deliberation and possibly providing resolution with relation to implemented projects. These meetings are recorded in writing, with grievances as appropriate to the project.

4. **Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

   Not applicable, as the Company is not engaged in manufacturing activities. Hence, the sourcing is limited to materials required to run the operations of the Company.

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sr. No.	State	Aspirational District	Amount Spent in ₹ in FY 2022-23
1.	Bihar	Jamui	99,00,000

[2] As per the BRSR, this section relates to Social Impact Assessment in compliance with laws such as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

No. Given the nature of business, procurement of resources is limited to running the operations.

(b) From which marginalised /vulnerable groups do you procure?

Not applicable.

(c) What percentage of total procurement (by value) does it constitute?

Not applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

The Company owns various Intellectual Property based on traditional knowledge. However, no benefit is derived or shared with any party.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

No corrective actions pertaining to this indicator was necessitated by the Company during the financial year.

6. Details of beneficiaries of CSR Projects.

Sr. No.	CSR Project	Number of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised group
1.	Vardhman Nidan Seva	24,223*	100

** It is the number of OPD consultations conducted during the financial year 2022-23.*

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have robust mechanisms to track and respond to customer complaints and feedback in the delivery of our services. The mechanism is as follows:

Investment Banking Division: With regards to all equity capital market transactions, the Company's investment banking division has appointed a dedicated officer, Ms. Prachee Dhuri, who regularly monitors and responds to investor complaints. The Company has also created a dedicated email id (grievance.ibd@jmfl.com) wherein the investors can file or send their complaints or grievances. The complaints are generally received either through SEBI SCORES, letters or electronic mails. For complaints received via SCORES, Action Taken Report (ATR) is filed along with the back-ups, if relevant, related to resolution of complaints.

The designated officer is briefed by the execution team within the division on key aspects of the offer document and offer structure to enable the designated offer to respond to general queries. Complaints that are technical in nature (e.g., relating to disclosure in the offer document) or require specific inputs are discussed with the relevant member from the execution team and are responded to by the designated officer with guidance from the execution team.

Post offer complaints are generally forwarded to the concerned Registrar to the Issue to take-up with the intermediary responsible for resolution. Some complaints, as relevant, may also be forwarded to the Issuer Company/relevant intermediary (e.g., Sponsor Bank, NPCI etc.). Continuous follow-ups are done to ensure that all investor complaints are expeditiously responded to.

The investment banking division maintains an electronic register of complaints received by it in respect of issues managed by it. The details of complaints and its related documents are maintained transaction-wise. The electronic register of complaints is regularly reviewed by the officer in charge of the respective assignment and Compliance.

Private Equity: Investment Managers are required to redress all investor complaints in timely manner. The channels for receiving complaints are outlined below:

- Investors can send their complaint to the Investment Managers at the email id viz., peinvestorrelations@jmfl.com or can submit their grievances on the investment manager's website viz., www.jmfpe.com or Fund directly
- Investors can also approach SEBI for redressal of their complaints, through the SEBI SCORES platform
- If an investor is not satisfied with the resolution, they can start the process of Arbitration as per the Fund document

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

Type	As a percentage to total turnover
Environmental and Social parameters relevant to product	Not applicable
Safe and responsible usage	
Recycling and/or safe disposal	

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

3. Number of consumer complaints

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	Nil	-	-	Nil	-	-
Advertising	Nil	-	-	Nil	-	-
Cyber-security	Nil	-	-	Nil	-	-
Delivery of essential services	Nil	-	-	Nil	-	-
Restrictive Trade Practices	Nil	-	-	Nil	-	-
Unfair Trade Practices	Nil	-	-	Nil	-	-
Others	150	0	-	354	2	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Not applicable	
Forced recalls		

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has Board approved Cyber Security & Information Security policy which is available on the Company's intranet portal, accessible to all employees. The Cyber Security & Information Security Policies and Procedures are as per ISO 27001:2013 guidelines. Given the rapid technological and digital advancement, cyber risks are inevitable. The Company has a strong risk management framework wherein cyber risk and its mitigation are monitored by the Risk Management committee of the Company.

The Company maintains a robust cyber security architecture and has in place a cyber resilience framework to protect the integrity of data and guard against breaches of privacy. Key areas covered under the aforesaid policy includes security check at various processes such as governance, environmental, project management etc. Furthermore, the employees are made aware about the precautions and preventive measures as a part of cyber security awareness.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No corrective actions taken as there were no issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on the services of the Company can be found on the Company's website- https://jmfl.com/who-we-are/about-us# Additional specific information regarding the Company's Private Equity Fund(s) is available here - https://jmfl.com/what-we-do/Investment-Bank/private-equity-fund.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not applicable as the Company does not cater any services which warrants any safety or usage issues.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Kindly refer to details on Business Continuity Plan which has been outlined in detailed under the Leadership indicators of Principle 6.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not applicable.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Nil.

b. Percentage of data breaches involving personally identifiable information of customers

Nil.

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 March 31, 2023, 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 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 March 31, 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter

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.

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**
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. Application of Ind AS 115 "Revenue from Contracts with Customers" (Ind AS 115) is complex and involves application of judgement in relation to identification of distinct performance obligations, determination of transaction price and appropriateness of the basis used to measure revenue over a period. Revenue is recognized when the services for the transaction are determined to be completed or when specific performance 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 to determine completion of the performance condition associated with the revenue. Due to the significance of the item to the financial statements and complexity, we have identified Revenue from operations from investment banking services as a Key Audit Matter in respect of standalone financial statements.	Our key audit procedures included: – Obtained an understanding of the revenue related business processes, and assessed the appropriateness of the revenue recognition policies adopted by the Company. – Tested the design and implementation and operating effectiveness of internal controls relating to the process of revenue recognition. – For selected samples, evaluated fulfilment of the performance obligations as per the terms of engagement with customers by checking the underlying documents. – Performed audit procedures to test completeness of revenue recorded. – Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements for the revenue recorded during the year.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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 financial statements and 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 the 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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 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.

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, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. 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.

   c. 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.

   d. In our opinion, the aforesaid standalone 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 as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 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:

   a. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements - Refer Note 30.1 to the standalone financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, 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 person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

   The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

   As stated in Note 45 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

   f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

   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
ICAI UDIN:23118189BGUREQ5789

Place: Mumbai
Date: 9 May 2023

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of JM Financial Limited for the year ended March 31, 2023

(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.

(i) (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 accordance with this programme, all property, plant and equipment were verified during the 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 the 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 a service company, primarily rendering services in the nature of advisory in equity and debt capital market, management of capital market transactions, mergers and acquisitions advisory, private equity syndication, corporate finance advisory business, holding company activities 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 not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. 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. 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 other parties 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 firms or limited liability partnership 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 (₹ in crore)
Aggregate amount during the year				
– Subsidiaries*	Nil	Nil	Nil	6,083.75
– 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	740
– Joint ventures*	Nil	Nil	Nil	Nil
– Associates*	Nil	Nil	Nil	Nil
– Others*	Nil	Nil	Nil	Nil

*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 advances in the nature of loans are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided any loans, guarantee or security, to companies, firms, limited liability partnership or any other parties during the year.

(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 advances in the 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. Further, the Company has not given any loans to any party during the year.

(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 advances in the nature of loans given. Further, the Company has not given any loans to any party during the year.

(e) 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 loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) 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 granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(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 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 the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) 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 GST.

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 Goods and Service Tax, Provident Fund, 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 Goods and Service Tax, Provident Fund, Income-Tax and Cess were in arrears as at March 31, 2023 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, statutory dues relating to Goods and Service Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

ANNEXURE A (Contd.)

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	Income Tax	14.59 crore	A.Y. 2012-13 to A.Y. 2020-21	Commissioner of Income Tax (Appeal)	
Finance Act, 1994	Service Tax	8.66 crore	FY 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) 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 no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(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 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 other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:23118189BGUREQ5789

Place: Mumbai
Date: 9 May 2023

Annexure B

to the Independent Auditor's Report on the standalone financial statements of JM Financial Limited for the year ended March 31, 2023

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 Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to financial statements of JM Financial Limited ("the Company") as of March 31, 2023 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 March 31, 2023, 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 and Board of Directors' Responsibilities 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 Act.

Auditor's 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone 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 standalone 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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
Membership No.: 118189
ICAI UDIN:23118189BGUREQ5789

Place: Mumbai
Date: 9 May 2023

Standalone Balance Sheet

as at March 31, 2023

₹ in Crore

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	4	7.55	80.10
Bank balances other than cash and cash equivalents	5	5.96	5.89
Trade receivables	6	30.28	28.38
Loans	7	737.04	438.56
Investments	8	3,070.74	3,250.97
Other financial assets	9	14.28	11.94
Total Financial Assets		**3,865.85**	**3,815.84**
Non-Financial Assets			
Current tax assets (Net)	10	159.60	156.21
Property, plant and equipment	11	53.10	60.28
Other intangible assets	11	0.35	0.32
Other non-financial assets	12	4.06	3.98
Total Non-Financial Assets		**217.11**	**220.79**
Total Assets		**4,082.96**	**4,036.63**
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Trade Payables	13		
i. Total outstanding dues of micro enterprises and small enterprises		0.03	0.07
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		7.49	8.98
Lease liabilities	14	60.71	65.98
Other financial liabilities	15	46.07	65.79
Total Financial Liabilities		**114.30**	**140.82**
Non-Financial Liabilities			
Provisions	16	10.27	9.66
Deferred tax liabilities (net)	17	130.76	129.52
Other non-financial liabilities	18	10.89	20.12
Total Non-Financial Liabilities		**151.92**	**159.30**
Equity			
Equity share capital	19	95.48	95.41
Other equity	20	3,721.26	3,641.10
Total Equity		**3,816.74**	**3,736.51**
Total Liabilities and Equity		**4,082.96**	**4,036.63**
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
B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Kapil Goenka
Partner
Membership No. 118189

Nimesh Kampani
Chairman
DIN – 00009071

Vishal Kampani
Vice Chairman
DIN – 00009079

Manish Sheth
Chief Financial Officer

Place: Mumbai
Date: May 9, 2023

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Crore

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations			
Interest income	21	66.57	64.46
Fees and commission income	22	193.99	349.01
Net gain on fair value changes	23	75.48	117.06
Profit on sale of investment in subsidiary		-	30.02
Total revenue from operations		**336.04**	**560.55**
Other income	24	152.52	59.08
Total Income		**488.56**	**619.63**
Expenses			
Finance costs	25	6.13	6.76
Fees, sub brokerage and other direct expenses		30.19	47.22
Impairment on financial instruments	26	1.82	-
Employee benefits expense	27	102.90	116.16
Depreciation and amortisation expense	11	10.03	10.69
Other expenses	28	24.20	22.90
Total expenses		**175.27**	**203.73**
Profit before tax		**313.29**	**415.90**
Tax expense	29		
Current tax		40.15	77.50
Deferred tax		1.29	10.62
Tax adjustment of earlier years (net)		(1.22)	-
Total tax expense		**40.22**	**88.12**
Profit for the year		**273.07**	**327.78**
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(0.18)	0.11
(ii) Income tax on above		0.05	(0.03)
Total Other Comprehensive Income (net of tax)		**(0.13)**	**0.08**
Total Comprehensive Income		**272.94**	**327.86**
Earnings per equity share (EPS)	33		
(face value of ₹ 1/- each)			
Basic EPS (in ₹)		2.86	3.44
Diluted EPS (in ₹)		2.86	3.43
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
B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Kapil Goenka
Partner
Membership No. 118189

Nimesh Kampani
Chairman
DIN – 00009071

Vishal Kampani
Vice Chairman
DIN – 00009079

Manish Sheth
Chief Financial Officer

Place: Mumbai
Date: May 9, 2023

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

Cash Flow Statement

for the year ended March 31, 2023

₹ in Crore

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	**313.29**	**415.90**
	Adjustment for :		
	Depreciation and amortisation expense	10.03	10.69
	Impairment on financial instruments	(3.18)	(3.60)
	Assets written off	5.00	2.38
	Amortisation of deferred employee compensation (ESOP)	0.77	1.93
	Finance cost on lease liabilities	6.04	6.67
	Gain on modification of lease	(0.24)	-
	Net gain on fair value changes	(75.48)	(117.06)
	Profit on sale of investment in subsidiary	-	(30.02)
	Profit on sale of assets	-	#
	Interest income accrued	(66.19)	(52.16)
	Interest income on investments	(1.87)	(12.30)
	Dividend income	(143.58)	(48.23)
	Operating profit before working capital changes / interest received	**44.59**	**174.20**
	Adjustment for :		
	(Increase) / Decrease in Loans and Advances	(300.30)	12.30
	(Increase) / Decrease in Trade Receivables	(1.90)	21.51
	(Increase) / Decrease in Other Financial Assets	(0.85)	8.78
	(Increase) / Decrease in Other Non-Financial Assets	(0.08)	0.78
	(Decrease) / Increase in Trade Payables	(1.53)	4.02
	Increase / (Decrease) in Provisions	0.43	(2.33)
	(Decrease) / Increase in Other Financial Liabilities	(19.72)	18.97
	(Decrease) in Other Non-Financial Liabilities	(9.23)	(12.90)
	Interest received	66.19	52.16
	Cash (used in) / generated from operations	**(222.40)**	**277.49**
	Direct taxes (paid) (net)	(42.32)	(74.50)
	Net cash (used in) / generated from operating activities	**(264.72)**	**202.99**
B	**Cash flow from investing activities**		
	Purchase of investments in subsidiaries and associates	(125.04)	(3.73)
	Purchase of investments in other than subsidiaries and associates	(7,787.48)	(9,148.82)
	Proceeds from sale of investments in subsidiaries and associate	-	178.44
	Proceeds from sale of investments other than subsidiaries and associate	8,168.23	8,891.57
	Purchase of Property, Plant and Equipment (PPE)	(0.60)	(2.08)
	Interest received	1.87	12.30
	Movement in bank balances other than cash and cash equivalents	(0.07)	(0.92)
	Dividend received from subsidiaries	140.22	46.14
	Dividend received from others	3.36	2.09
	Net cash generated / (Used in) from investing activities	**400.49**	**(25.01)**

₹ in Crore

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	0.07	0.14
	(Repayment of) lease liabilities (including interest)	(12.71)	(12.85)
	Dividend paid	(195.68)	(95.34)
	Net cash (used in) financing activities	**(208.32)**	**(108.05)**
	Net (decrease) / increase in cash and cash equivalents	**(72.55)**	**69.93**
	Cash & cash equivalents at the beginning of the year	80.10	10.17
	Cash & cash equivalents at the end of the year (Refer Note 4)	7.55	80.10

# 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
B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189

Place: Mumbai
Date: May 9, 2023

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman
DIN – 00009071

Vishal Kampani
Vice Chairman
DIN – 00009079

Manish Sheth
Chief Financial Officer

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity share capital

₹ in Crore

Particulars	Balance as at March 31, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
Equity Share Capital	95.27	0.14	95.41	0.07	95.48

B. Other Equity

₹ in Crore

Particulars	Share application money pending allotment	Reserves and Surplus							Total
		Statutory reserve	Capital reserve	Securities premium reserve	General reserve	Capital redemption reserve	Stock option outstanding	Retained earnings	
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**
Addition/Reduction during the year									
Profit for the year	-	-	-	-	-	-	-	273.07	**273.07**
Other comprehensive income	-	-	-	-	-	-	-	(0.13)	**(0.13)**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**272.94**	**272.94**
Employee Stock Options (Net)	-	-	-	6.22	-	-	(3.32)	-	**2.90**
Dividends	-	-	-	-	-	-	-	(195.68)	**(195.68)**
Balance as at March 31, 2023	**-**	**59.44**	**4.16**	**2,035.48**	**201.83**	**12.89**	**13.39**	**1,394.07**	**3,721.26**

# 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
B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

For and on behalf of the Board of Directors

Kapil Goenka
Partner
Membership No. 118189

Nimesh Kampani
Chairman
DIN – 00009071

Vishal Kampani
Vice Chairman
DIN – 00009079

Manish Sheth
Chief Financial Officer

Place: Mumbai
Date: May 9, 2023

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

Significant Accounting Policies

and Notes to the Standalone 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.

The Company is a public limited company incorporated under Companies Act, 2013 and its non-convertible debentures and commercial paper, if any are listed on the BSE Limited and the National Stock Exchange of India Limited.

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.

Accounting policies are consistently applied except where a newly-issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy.

Basis of Measurement

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.

Historical Cost Convention

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.

Measurement of fair values

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, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement

Significant Accounting Policies

and Notes to the Standalone Financial Statements (Contd.)

of Cash Flows". The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in Equity are together referred as the financial statement of the Company.

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.

Functional and presentation currency

These financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. All amounts have been rounded to the nearest Crores, unless otherwise indicated.

Previous year figures have been re-grouped or reclassified, to confirm with current year's grouping / classifications.

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

A Property, plant and equipment

a. **Recognition and measurement**

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".

PPE held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses

b. **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

c. **Depreciation**

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

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.

d. **Derecognition**

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 or loss.

B Intangible assets

a. **Recognition and measurement**

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.

b. **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

c. **Amortisation**

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

d. **Derecognition**

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.

C 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 recognised 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

Significant Accounting Policies

and Notes to the Standalone Financial Statements (Contd.)

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 except for trade receivables which are initially measured at transaction price. 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.

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 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

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.

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

Significant Accounting Policies

and Notes to the Standalone Financial Statements (Contd.)

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 recognised 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 issued, financial guarantee contracts and other assets in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment loss 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.

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 given the uncertainty over 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 receipients.

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 recognised 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 previously written off are credited to the statement of profit and loss.

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 recognised 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 recognised 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.

Significant Accounting Policies

and Notes to the Standalone Financial Statements (Contd.)

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 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-recognises 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 recognised in statement of 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 to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

a. Interest Income

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. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

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 of the financial instrument. 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. For financial assets at Fair Value through Profit and Loss ('FVTPL'), transaction costs are recognised in statement of profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

b. Fees and Commission Income

Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The Company 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 goods or services to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer,

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company 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.

c. Dividend Income

Dividend income from investments is recognised when the Company's right to receive dividend has been established.

d. Other income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.7 Leases

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

Significant Accounting Policies

and Notes to the Standalone Financial Statements (Contd.)

The cost of the right-of-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-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses and adjusted for certain re-measurements of the lease liability, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-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 lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not be exercised. The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

The Company recognises 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 recognises any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 14 “Lease Liabilities” and ROU asset that do not meet the definition of Investment Property has been presented in Note 11 “Property, Plant and Equipment” and lease payments have been classified as financing cash flows.

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 Company’s policy on borrowing costs.

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.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant 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 capitalised 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.

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial liability. Calculation of the EIR includes all fees paid that are incremental and directly attributable to the issue of a financial liability.

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 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 recognised 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 as per Black and Scholes model. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 31.

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 recognises any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in other equity.

2.12 Taxation

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred

Significant Accounting Policies

and Notes to the Standalone Financial Statements (Contd.)

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.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

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.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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. Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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

Provisions are recognised only when:

- Company 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.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks 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

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent Assets:

Contingent assets are asset is not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.15 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;
iv. Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details;
v. Commitments under Loan agreement to disburse Loans, if any

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:

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 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

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.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per share, the net profit or loss (before Other Comprehensive

Significant Accounting Policies

and Notes to the Standalone Financial Statements (Contd.)

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 recognised 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 recognised 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.

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 recognised 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 Standalone Financial Statements

4. Cash and cash equivalents

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Cash in hand	-	-
Balances with banks:		
In current accounts	7.55	1.85
In deposit accounts (refer notes 4.1)	-	78.25
Total	**7.55**	**80.10**

4.1 Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period upto 3 months

5. Bank balances other than cash and cash equivalents

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
Under lien against which facilities are not availed	1.10	1.10
In earmarked accounts (refer notes 5.1 and 5.2)	4.86	4.79
Total	**5.96**	**5.89**

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 ₹ 1.56 Crore (Previous year ₹ 1.65 Crore) and bank fixed deposits ₹ 3.30 Crore (Previous year ₹ 3.14 Crore).

6. Trade receivables

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Unsecured:		
Considered good	30.28	28.38
Total	**30.28**	**28.38**

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

to the Standalone Financial Statements (Contd.)

6.2 Trade receivables are generally on credit terms of 30 to 90 days and generally no interest is charged on overdue balances.

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2023 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	30.28	-	-	-	-	30.28
(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	**30.28**	**-**	**-**	**-**	**-**	**30.28**

Particulars	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**

6.3 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.

6.4 There is no unbilled revenue receivable for the year ended March 31, 2023 and March 31, 2022.

7. Loans

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
At amortised cost		
-To Related parties / Promoters / Directors / KMPs		
Term Loans	-	-
Demand Loans	-	-
Inter Corporate Deposits (refer note 7.1 and 37)	740.00	439.70
Accrued Interest	-	-
-To Others		
Term Loans	-	-
Demand Loans	-	-
Inter Corporate Deposits	-	5.00
	740.00	**444.70**
Less: Impairment loss allowance (Refer note 39)	(2.96)	(6.14)
Total	**737.04**	**438.56**

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, 2023		As at March 31, 2022	
	Loan Outstanding	% of total loans	Loan Outstanding	% of total loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	269.70	60.65%

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.

Notes
to the Standalone Financial Statements (Contd.)

8. Investments

₹ in Crore

		As at March 31, 2023			
		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	54,29,44,350	560.36		560.36
	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	21,35,65,599	407.68		407.68
	CR Retail Malls (India) Limited	2,00,00,000	43.74		43.74
	JM Financial Overseas Holdings Private Limited, Mauritius of US$ 1 each	1,95,75,000	142.15		142.15
	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	9,50,50,000	95.05		95.05
	(10% Optionally Convertible Preference Shares)				
	JM Financial Institutional Securities Limited	70,00,000	7.00		7.00
	(0.01% Optionally Convertible Preference Shares)				
	JM Financial Services Limited	75,00,000	50.25		50.25
	(6% Compulsorily Convertible Preference Shares)				
	JM Financial Services Limited	20,00,000	42.00		42.00
	(9% Redeemable Cumulative Preference Shares)				
			2,124.61		**2,124.61**
II	**OTHER INVESTMENTS**				
a)	**Investment in equity shares** (fully paid up)				
	Quoted				
	Satchmo Holdings Limited (formerly knowns as NEL Holdings South Limited) of ₹ 10/- each	12,30,442		0.20	0.20
				0.20	**0.20**
	Unquoted				
	National Stock Exchange of India Limited of ₹ 1/- each	7,60,500		127.38	127.38
	Bran Engineering Private Limited of ₹ 10/- each	1,80,000		#	#
	Teracom Limited of ₹ 10/- each	2,60,000		#	#
				127.38	**127.38**
b)	**Investments in preference shares**				
	Unquoted				
	VCK Forex Services Private Limited of ₹ 100/- each	5,00,000		#	#
	(6% Redeemable Non-Cumulative Preference Shares)				

₹ in Crore

		As at March 31, 2023			
		Quantity (Nos.)	At cost	FVTPL	Total
c)	**Investment in venture capital fund/alternative investment fund units**				
	Unquoted:				
	Paragon Partners Growth Fund I of face value of ₹ 100/-each	3,84,750		6.40	6.40
	JM Financial India Fund - Scheme A - Class D units of ₹ 100/- each	44,131		0.35	0.35
	JM Financial India Fund III - Scheme C - Class D units of ₹ 100/- each	36		0.13	0.13
	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 ₹ 2,183.90)	75,000		4.86	4.86
	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
	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	8,086		109.96	109.96
	JM Financial India Growth Fund III - Class D units of ₹ 1,00,000/- each (Partly paid up ₹ 33,000)	5,000		16.50	16.50
				138.36	**138.36**
d)	**Investments in Mutual Funds**				
	Unquoted:				
	JM Large Cap Fund - Dividend Option##	16,072		0.01	0.01
	JM Overnight Fund - Direct Growth Plan	55,67,488		634.23	634.23
	UTI Liquid Cash Plan - Direct Growth Plan	18,769		6.93	6.93
	HDFC Liquid Fund - Direct Growth Plan	5,475		2.42	2.42
	ICICI Prudential Liquid Fund - Direct Growth Plan	1,52,883		5.09	5.09
	Kotak Mahindra Liquid Fund - Direct Growth Plan	7,327		3.33	3.33
	Aditya Birla Sun Life Liquid Fund - Direct Growth Plan	1,59,754		5.80	5.80
	Axis Liquid Fund - Direct Growth Plan	79,424		19.87	19.87
	Nippon India Liquid Fund - Direct Growth Plan	529		0.01	0.01
	Franklin Templeton India Liquid Fund - Direct Growth Plan	3,544		1.20	1.20
	Mirae Asset Cash Management Fund - Direct Growth Plan	5,486		1.30	1.30
				680.19	**680.19**
	TOTAL		**2,124.61**	**946.13**	**3,070.74**
	(i) Investments outside India		142.15	-	142.15
	(ii) Investments in India		1,982.46	946.13	2,928.59
	TOTAL		**2,124.61**	**946.13**	**3,070.74**

Notes

to the Standalone Financial Statements (Contd.)

8. Investments

₹ in Crore

		As at March 31, 2022			
		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	54,26,15,050	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	9,50,50,000	95.05		95.05
	(10% Optionally Convertible Preference Shares)				
	JM Financial Institutional Securities Limited	70,00,000	7.00		7.00
	(0.01% Optionally Convertible Preference Shares)				
	JM Financial Services Limited	75,00,000	50.25		50.25
	(6% Compulsorily Convertible Preference Shares)				
c)	**Investment in Debentures**				
	In subsidiaries:				
	JM Financial Asset Reconstruction Company Limited	9,36,832	34.94		34.94
	(12% Compulsorily Convertible Debentures of face value of ₹ 373/- each)				
			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 Limited 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**

₹ in Crore

		As at March 31, 2022			
		Quantity (Nos.)	At cost	FVTPL	Total
b)	**Investments in preference shares**				
	Unquoted				
	VCK Forex Services Private Limited of ₹ 100/- each	5,00,000		#	#
	(6% Redeemable Non-Cumulative Preference Shares)				
c)	**Investment in venture capital fund/alternative investment fund units**				
	Unquoted:				
	Urban Infrastructure Opportunity Fund of face value of ₹ 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
	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**

# Denotes amount below ₹ 50,000/-

Represents initial contribution as a 'Sponsor' towards setting up of JM Financial Mutual Fund.

Notes

to the Standalone Financial Statements (Contd.)

9. Other financial assets

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Security deposits	7.60	6.20
Receivable in respect of stock option plan	2.24	0.44
Employees advances	0.02	0.03
Interest accrued	0.05	2.14
Other receivables (refer note 9.1)	4.37	3.13
Total	**14.28**	**11.94**

9.1 Include advance, expenses recoverable, etc.

10. Current tax assets (Net)

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Advance Tax (Net of provisions)	159.60	156.21
Total	**159.60**	**156.21**

11. Property, plant and equipment and intangible assets

₹ in Crore

Particulars	Gross Carrying Amount				Accumulated Depreciation / Amortisation				Net Carrying Amount
	As at March 31, 2022	Additions	Deductions	As at March 31, 2023	As at March 31, 2022	Additions	Deductions	As at March 31, 2023	As at March 31, 2023
A) PROPERTY, PLANT AND EQUIPMENT									
Owned assets:									
Office Premises	2.51	-	-	2.51	0.10	0.05	-	0.15	2.36
Furniture and fixtures	0.03	-	-	0.03	0.01	#	-	0.01	0.02
Office equipment	0.19	0.01	-	0.20	0.13	0.03	-	0.16	0.04
Computers	2.69	0.44	-	3.13	2.22	0.36	-	2.58	0.55
Leasehold improvements	0.55	-	-	0.55	0.18	0.06	-	0.24	0.31
Motor vehicles	2.48	-	-	2.48	2.40	0.08	-	2.48	-
Leased assets:									
Office premises (Right to use asset) - (refer note 35)	81.04	2.14	1.33	81.85	24.79	8.88	0.62	33.05	48.80
Motor vehicles (refer note 11.1)	1.71	0.85	0.15	2.41	1.09	0.45	0.15	1.39	1.02
TOTAL (A)	**91.20**	**3.44**	**1.48**	**93.16**	**30.92**	**9.91**	**0.77**	**40.06**	**53.10**
B) INTANGIBLE ASSETS (refer note 11.2)									
Software	1.20	0.15	-	1.35	0.88	0.12	-	1.00	0.35
TOTAL (B)	**1.20**	**0.15**	**-**	**1.35**	**0.88**	**0.12**	**-**	**1.00**	**0.35**
TOTAL (A+B)	**92.40**	**3.59**	**1.48**	**94.51**	**31.80**	**10.03**	**0.77**	**41.06**	**53.45**

# Denotes amount below ₹ 50,000/-

11.1 Vendor has a lien over the assets taken on lease.

11.2 The intangibles assets are other than internally generated.

11. Property, plant and equipment and intangible assets

₹ in Crore

Particulars	Gross Carrying Amount				Accumulated Depreciation / Amortisation				Net Carrying Amount
	As at March 31, 2021	Additions	Deductions	As at March 31, 2022	As at March 31,2021	Additions	Deductions	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**

# Denotes amount below ₹ 50,000/-

11.1 Vendor has a lien over the assets taken on lease.

11.2 The intangible assets are other than internally generated.

12. Other non financial assets

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Capital advances	-	0.12
Balances with Government authorities	3.38	3.07
Prepaid expenses	0.68	0.79
Total	**4.06**	**3.98**

13. Payables

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (refer note 13.1)	0.03	0.07
Total outstanding dues of creditors other than micro and small enterprises	7.49	8.98
Total	**7.52**	**9.05**

Notes

to the Standalone 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, 2023	As at March 31, 2022
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.03	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		**0.03**	**0.07**

13.2 Trade payable ageing schedule:

₹ in Crore

Particulars	Unbilled dues	Trade Payables which are not due	Outstanding for following periods from due date of payment				As at March 31, 2023 Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	0.03	-	-	-	0.03
(ii) Others	0.62	-	6.86	-	-	0.01	7.49
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**0.62**	**-**	**6.89**	**-**	**-**	**0.01**	**7.52**

Particulars	Unbilled dues	Trade Payables which are not due	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	0.87	-	8.10	#	-	0.01	8.98
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**0.87**	**-**	**8.17**	**#**	**-**	**0.01**	**9.05**

# Denotes amount below ₹ 50,000/-

14. Lease liabilities

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
At Amortised cost		
Lease liability for office premises (refer note 35)	59.59	65.29
Lease liability for motor vehicles (refer note 14.1 and 35)	1.12	0.69
Total	**60.71**	**65.98**

14.1 Secured by way of hypothecation of vehicles.

15. Other financial liabilities

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	39.43	61.70
Provision for Corporate Social Responsibility (CSR) Expenditure	2.55	-
Directors' commission payable	1.51	1.54
Unclaimed dividend	1.56	1.65
Security Deposits	1.02	0.90
Total	**46.07**	**65.79**

16. Provisions

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
For Employee benefits:		
- Gratuity (refer note 36)	5.85	5.44
- Compensated absence	2.68	2.48
For Clawback obligation	1.74	1.74
Total	**10.27**	**9.66**

17. Deferred tax liabilities (Net)

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Investments	115.43	115.43
Net fair value gain on financial assets measured at FVTPL	23.80	21.99
Fiscal allowance on Property, Plant & Equipments	(0.77)	(0.83)
Fiscal allowance on expenditure, etc.	(3.66)	(3.17)
Impairment loss allowance on financial assets measured at cost	(0.74)	(0.29)
Disallowances under section 43B of the Income Tax Act, 1961	(2.14)	(1.99)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	(1.09)	(1.62)
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	(0.07)	-
Total	**130.76**	**129.52**

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, 2023

₹ in Crore

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Investments	115.43	-	-	115.43
Net fair value gain on financial assets measured at FVTPL	21.99	1.81	-	23.80
Fiscal allowance on Property, Plant & Equipments	(0.83)	0.06	-	(0.77)
Fiscal allowance on expenditure, etc.	(3.17)	(0.49)	-	(3.66)
Impairment loss allowance on financial assets measured at cost	(0.29)	(0.45)	-	(0.74)
Disallowances under section 43B of the Income Tax Act, 1961	(1.99)	(0.10)	(0.05)	(2.14)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	(1.62)	0.53	-	(1.09)
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	-	(0.07)	-	(0.07)
Total	**129.52**	**1.29**	**(0.05)**	**130.76**

Notes

to the Standalone Financial Statements (Contd.)

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	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)
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**

18. Other non financial liabilities

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Statutory dues	9.61	19.13
Others	1.28	0.99
Total	**10.89**	**20.12**

19. Equity share capital

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
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:		
95,48,03,803 (Previous year 95,40,55,533) equity shares of ₹ 1/- each fully paid-up.	95.48	95.41
TOTAL	**95.48**	**95.41**

19.1 Reconciliation of the number of equity shares outstanding:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount (₹ in Crore)	Number	Amount (₹ in Crore)
Shares outstanding at the beginning of the year	95,40,55,533	95.41	95,27,22,711	95.27
Shares allotted upon exercise of stock options	7,48,270	0.07	13,32,822	0.14
Shares outstanding at the end of the year	**95,48,03,803**	**95.48**	**95,40,55,533**	**95.41**

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 % shares:

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of total Holding	No. of Shares held	% of total Holding
J. M. Financial & Investment Consultancy Services Private Limited	22,81,09,100	23.89%	22,27,34,100	23.35%
Nimesh Kampani*	12,57,50,000	13.17%	12,57,50,000	13.18%
J. M. Assets Management Private Limited	10,68,92,908	11.20%	10,35,42,908	10.85%
ICICI Prudential (various schemes)	4,85,04,183	5.08%	5,91,95,020	6.20%

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

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, 2023	Percentage of total shares as at March 31, 2023	No of shares as at March 31, 2022	Percentage of total shares as at March 31, 2022	Percentage of change during the year
1	J. M. Financial & Investment Consultancy Services Private Limited	22,81,09,100	23.89%	22,27,34,100	23.35%	0.54%
2	Nimesh Kampani*	12,57,50,000	13.17%	12,57,50,000	13.18%	(0.01%)
3	Aruna Kampani	3,15,51,250	3.30%	3,25,51,250	3.41%	(0.11%)
4	Vishal Kampani	1,30,00,000	1.36%	1,26,22,236	1.32%	0.04%
5	Amishi Akash Gambhir	80,00,000	0.84%	80,00,000	0.84%	-
6	Shiv Vishal Kampani	12,00,000	0.13%	-	-	0.13%
7	J. M. Assets Management Private Limited	10,68,92,908	11.20%	10,35,42,908	10.85%	0.35%
8	JSB Securities Limited	65,05,000	0.68%	65,05,000	0.68%	-
9	SNK Investments Private Limited	1,21,60,000	1.27%	1,21,60,000	1.27%	-
10	Persepolis Investment Company Private Limited	23,50,000	0.25%	23,50,000	0.25%	-
11	Kampani Consultants Limited	21,85,000	0.23%	8,85,000	0.09%	0.14%
12	JM Financial Trustee Company Private Limited	16,30,000	0.17%	16,30,000	0.17%	-

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

Notes
to the Standalone Financial Statements (Contd.)

20. Other Equity

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Share application money pending allotment	-	-
Capital reserve	4.16	4.16
Securities premium reserve	2,035.48	2,029.26
General reserve	201.83	201.83
Statutory reserve	59.44	59.44
Capital redemption reserve	12.89	12.89
Stock option outstanding	13.79	17.53
Deferred employee compensation	(0.40)	(0.82)
Stock option outstanding	**13.39**	**16.71**
Retained earnings	1,394.07	1,316.81
Total	**3,721.26**	**3,641.10**

Movement in Other Equity	As at March 31, 2023	As at March 31, 2022
Share application money pending allotment	-	-
Capital reserve	**4.16**	**4.16**
Securities premium reserve		
Opening balance	2,029.26	2,016.28
Add: On shares allotted upon exercise of stock options by the Employees	6.22	12.98
Closing balance	**2,035.48**	**2,029.26**
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	17.53	31.63
Add: Additions on account of fresh grants during the year	3.32	-
Less: Transferred to securities premium upon exercise of stock options	(6.22)	(12.98)
Less: Reduction on account of options lapsed during the year	(0.84)	(1.12)
	13.79	17.53
Less: Deferred employee compensation	(0.40)	(0.82)
Closing balance	**13.39**	**16.71**
Retained earnings:		
Opening balance	**1,316.81**	**1,084.29**
Add: Profit for the year	273.07	327.78
Add/(less): Other Comprehensive Income	(0.13)	0.08
Less: Dividends paid including tax on dividend		
Final dividend	(109.75)	(47.64)
Interim dividend	(85.93)	(47.70)
Closing balance	**1,394.07**	**1,316.81**
TOTAL	**3,721.26**	**3,641.10**

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.

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, 2023	For the year ended March 31, 2022
At Amortised Cost		
Interest on loans	64.45	52.16
Interest on investments	2.12	12.30
Total	**66.57**	**64.46**

22. Fees and commission income

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Management and other fees	193.99	349.01
Total	**193.99**	**349.01**

23. Net gain on fair value changes

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on financial instruments designated at FVTPL	75.48	117.06
Total	**75.48**	**117.06**

23.1 Net gain on fair value changes:

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
-Realised	49.69	57.89
-Unrealised	25.79	59.17
Total	**75.48**	**117.06**

Notes
to the Standalone Financial Statements (Contd.)

24. Other income

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend from investments in subsidiaries	140.22	46.14
Dividend from other investments	3.36	2.09
Interest income –others (refer note 24.1)	1.49	#
Finance income on rent deposit	0.54	0.50
Group Support Service Fees	4.48	4.68
Lease rent	0.38	0.27
Reversal of impairment of financial instrument	-	3.60
Miscellaneous income	2.05	1.80
Total	**152.52**	**59.08**

24.1 Interest income is earned on financial assets carried at amortised cost.

25. Finance costs

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial liabilities (at Amortised Cost):		
- Lease liabilities (refer note 35)	6.04	6.67
- Others	0.09	0.09
Total	**6.13**	**6.76**

26. Impairment on financial instruments

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
On Financial instruments (at Amortised Cost):		
- Loans	(3.18)	-
- Loans written off	5.00	-
Total	**1.82**	**-**

27. Employee benefits expense

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, bonus and allowances (refer note 31)	97.60	112.29
Contribution to provident and other funds	3.44	2.96
Gratuity (refer note 36)	0.80	0.72
Staff welfare expenses	1.06	0.19
Total	**102.90**	**116.16**

28. Other expenses

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Corporate Social Responsibility (CSR) expenditure (refer note 42)	3.54	2.01
Legal and professional fees	2.57	2.15
Support service fees	2.50	2.50
Rates and taxes	2.31	2.08
Travelling and conveyance expenses	1.56	0.41
Directors' commission	1.51	1.54
Subscription and membership	1.30	1.35
Donation	1.10	1.10
Insurance expenses	0.99	0.80
Motor car expenses	0.80	0.51
Directors' sitting fees	0.73	0.65
Repairs and maintenance	0.72	0.66
Advertisement and other related expenses	0.68	0.47
Auditors' remuneration (refer note 34)	0.59	0.41
Electricity expenses	0.48	0.45
Printing and stationery expenses	0.27	0.22
Information technology expenses	0.25	0.22
Communication expenses	0.20	0.35
Bad debts written off	-	2.38
Fund expenses	-	0.65
Miscellaneous expenses	2.10	1.99
Total	**24.20**	**22.90**

29. Tax expense

₹ in Crore

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	40.15	77.50
Deferred tax	1.29	10.62
Tax adjustment of earlier years (net)	(1.22)	-
Total income tax expenses recognised in Statement of Profit and Loss	**40.22**	**88.12**
Income Tax expense recognised in OCI	(0.05)	0.03

Notes
to the Standalone Financial Statements (Contd.)

Reconciliation of total tax charge

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	313.29	415.90
Income tax rate	25.168%	25.168%
Income tax expense	78.85	104.67
Tax Effect of:		
Effect of income that is exempt from tax	(36.14)	(12.14)
Items that are allowable or disallowable in determining taxable profits (net)	1.10	1.37
Loss/ (Income) taxable at differential rate (net)	(2.46)	(5.73)
Adjustment in respect of earlier years (net)	(1.22)	-
Others	0.09	(0.05)
Total	**(38.63)**	**(16.55)**
Income tax expense recognised in Statement of Profit and Loss	**40.22**	**88.12**

30. Contingent Liabilities and Commitments:

30.1 Contingent liabilities* :

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
(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.	38.67	34.11
(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 materialise.

30.2 Commitments:

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	0.03
b) Uncalled liability on account of commitment to subscribe to investment and other partly paid investments	44.51	55.04

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.

During the FY 2022-23, the Nomination and Remuneration Committee has granted 11,90,779 options (previous year - Nil) to the Employees, that will vest in a graded manner and which can be exercised within a specified period. Details of options granted are as follows:

Series	No. of options granted	Exercise price per option (₹)
Series 14	38,166	78.60
Series 15	51,849	1.00
Series 16	11,00,764	83.00

The details of options are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Outstanding at the beginning of the year	20,23,075	34,98,444
Add: Granted during the year	11,90,779	-
Less: Exercised and shares allotted during the year	7,48,270	13,32,822
Less: Forfeited/cancelled during the year	-	-
Less: Lapsed during the year	1,23,975	1,42,547
Outstanding at end of year	23,41,609	20,23,075
Exercisable at end of year	7,83,731	9,64,560

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 year based on the graded vesting and their fair value are as under:

For Series 14:

Tranches	% of Options to be vested	No. of options granted	Vesting date	Fair value per option (₹)
Tranche-1	33.33%	12,722	May 05, 2023	19.01
Tranche-2	33.33%	12,722	May 05, 2024	22.25
Tranche-3	33.33%	12,722	May 05, 2025	24.13
		38,166		

The following table summarises the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)	Risk-free interest rate	Volatility	Dividend Yield
Tranche-1	2.75	6.57%	0.4679	2.40%
Tranche-2	3.75	7.10%	0.4545	2.40%
Tranche-3	4.50	7.23%	0.4466	2.40%

For Series 15:

Tranches	% of Options to be vested	No. of options granted	Vesting date	Fair value per option (₹)
Tranche-1	33.33%	17,283	May 05, 2023	64.36
Tranche-2	33.33%	17,283	May 05, 2024	62.83
Tranche-3	33.33%	17,283	May 05, 2025	61.71
		51,849		

Notes
to the Standalone Financial Statements (Contd.)

The following table summarises the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)	Risk-free interest rate	Volatility	Dividend Yield
Tranche-1	2.75	6.57%	0.4679	2.40%
Tranche-2	3.75	7.10%	0.4545	2.40%
Tranche-3	4.50	7.23%	0.4466	2.40%

For Series 16:

Tranches	% of Options to be vested	No. of options granted	Vesting date	Fair value per option (₹)
Tranche-1	10%	1,10,076	November 14, 2023	20.74
Tranche-2	20%	2,20,153	November 14, 2024	23.86
Tranche-3	30%	3,30,229	November 14, 2025	26.96
Tranche-4	40%	4,40,306	November 14, 2026	28.84
		11,00,764		

The following table summarises the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)	Risk-free interest rate	Volatility	Dividend Yield
Tranche-1	2.75	7.55%	0.4462	2.24%
Tranche-2	3.75	7.28%	0.4363	2.24%
Tranche-3	4.75	7.33%	0.4376	2.24%
Tranche-4	5.50	7.42%	0.4355	2.24%

Details of options granted under various series are as under:

	Series 9	Series 10	Series 11	Series 12	Series 13	Series 14	Series 15	Series 16
Grant date	12/05/2016	20/04/2017	12/04/2018	18/04/2019	17/04/2020	05/05/2022	05/05/2022	14/11/2022
Options granted	12,55,515	23,19,636	18,48,018	6,62,130	18,56,913	38,166	51,849	11,00,764
Options exercised till March 31, 2023	11,58,418	18,25,585	12,74,165	4,06,611	7,21,787	N.A.	N.A.	N.A.
Options forfeited/ cancelled till March 31, 2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed till March 31, 2023	40,799	3,40,356	3,41,762	1,45,311	5,01,588	Nil	Nil	35,000
Outstanding at the end of the year	56,298	1,53,695	2,32,091	1,10,208	6,33,538	38,166	51,849	10,65,764
Exercisable at the end of the year	56,298	1,53,695	2,32,091	1,10,208	2,31,439	N.A.	N.A.	N.A.
Vesting of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	10%, 20%, 30% and 40% respectively on completion of first, second, third and fourth year from the date of grant of options

	Series 9	Series 10	Series 11	Series 12	Series 13	Series 14	Series 15	Series 16
Exercise period	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant
Exercise price (refer note[i] below)	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 78.60	₹ 1.00	₹ 83.00
Pricing formula	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	As was determined by the Nomination and Remuneration Committee at its meeting held on May 05, 2022	As was determined by the Nomination and Remuneration Committee at its meeting held on May 05, 2022	As was determined by the Nomination and Remuneration Committee at its meeting held on November 14, 2022

Notes: [i] Additionally during the year, an aggregate amount of ₹ 0.35 Crore (Previous year ₹ 1.13 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 8 as on March 31, 2023, the details of options granted has not been included above.

[iii] Esop cost recognised in Statement of Profit and Loss ₹ 0.77 Crore (Previous year ₹ 1.93 Crore)

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
JM Financial Institutional Securities Limited	0.17	0.39
JM Financial Services Limited*	(0.13)	0.42
JM Financial Products Limited	0.11	0.39
JM Financial Credit Solutions Limited*	0.02	(0.06)
JM Financial Asset Management Limited	0.18	-
JM Financial Asset Reconstruction Company Limited	-	#
JM Financial Capital Limited	#	0.01
JM Financial Home Loans Limited*	-	(0.02)
TOTAL	**0.35**	1.13

amount below ₹ 50,000

* on account of options lapsed

Notes
to the Standalone Financial Statements (Contd.)

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:

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year (₹ in Crore)	A	273.07	327.78
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	95,46,15,232	95,35,56,246
Basic earnings per share (in ₹)	A/B	2.86	3.44
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	95,46,15,232	95,35,56,246
Add: Weighted average number of potential equity shares on account of employee stock options	C	5,72,573	18,45,189
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	D=B+C	95,51,87,805	95,54,01,435
Diluted earnings per share (in ₹)	A/D	2.86	3.43

34. Payment to Auditors (Excluding Goods and Service tax)

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fees	0.35	0.32
Certification and other matters	0.20	0.08
Reimbursement of Expenses	0.04	0.01
TOTAL	**0.59**	0.41

35. Lease Transactions

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2023:

₹ in Crore

Category of leased assets	Gross Block				Accumulated depreciation				Net Block
	As at April 1, 2022	Addition	Deductions	As at March 31, 2023	As at April 1, 2022	Additions	Deductions	As at March 31, 2023	
Office premises	81.04	2.14	1.33	81.85	24.79	8.88	0.62	33.05	48.80
Motor vehicles	1.71	0.85	0.15	2.41	1.09	0.45	0.15	1.39	1.02
Total	**82.75**	**2.99**	**1.48**	**84.26**	**25.88**	**9.33**	**0.77**	**34.44**	**49.82**

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				Accumulated depreciation				Net Block
	As at April 1, 2021	Addition	Deductions	As at 31-03-2022	As at April 1, 2021	Additions	Deductions	As at 31-03-2022	
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**

The aggregate depreciation expenses on right to use assets is included under depreciation and amortisation expenses in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022:

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability for office premises		
Opening balance	**65.29**	**71.16**
Additions during the year	0.55	-
Finance cost accrued during the year	5.64	6.44
Payment of lease liabilities	(11.89)	(12.31)
Closing balance	**59.59**	**65.29**

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability for motor vehicles		
Opening balance	**0.69**	**0.60**
Additions during the year	0.85	0.38
Finance cost accrued during the year	0.40	0.23
Payment of lease liabilities	(0.82)	(0.52)
Closing balance	**1.12**	**0.69**

Table showing contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

₹ in Crore

Particulars	Office premises	
	As at March 31, 2023	As at March 31, 2022
Less than One year	11.95	11.99
One to Five years	52.88	50.59
More than Five years	-	27.71
Total	**64.83**	**90.29**

₹ in Crore

Particulars	Motor vehicles	
	Minimum lease Payments	
	As at March 31, 2023	As at March 31, 2022
Not later than one year	0.76	0.31
Later than one year and not later than five years	1.24	0.38
Total	**2.00**	**0.69**

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.

Notes

to the Standalone Financial Statements (Contd.)

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 ₹ 3.44 Crore (Previous year ₹ 2.96 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.

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.45%	7.20%
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

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	0.43	0.37
Net interest cost	0.37	0.35
Total amount recognised in the Statement of Profit and Loss	**0.80**	**0.72**
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.11)	(0.13)
- Actuarial (gain)/loss from change in experience adjustments	0.29	0.02
Total amount recognised in other comprehensive income	**0.18**	**(0.11)**

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:

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	5.44	5.41
Current service cost	0.43	0.37
Interest cost	0.37	0.35
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	-	-
Actuarial (gain)/loss from change in financial assumptions	(0.11)	(0.13)
Actuarial (gain)/loss from change in experience adjustments	0.29	0.02
Benefits paid	(0.64)	(0.64)
Laibilities assumed/(settled)	0.07	0.06
Closing defined benefit obligation	**5.85**	**5.44**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation (base)	5.85	5.44

₹ in Crore

Particulars	As at March 31, 2023		As at March 31, 2022	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	5.64	5.95	5.24	5.55
Impact of increase in 50 bps on DBO	(3.54%)	1.68%	(3.81%)	1.85%
Defined benefit obligation on decrease in 50 bps	6.07	5.75	5.67	5.34
Impact of decrease in 50 bps on DBO	3.80%	(1.67%)	4.11%	(1.84%)

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.

Notes
to the Standalone Financial Statements (Contd.)

e) **Projected benefits payable:**

₹ in Crore

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expected benefits for year 1	1.35	0.69
Expected benefits for year 2	0.27	0.86
Expected benefits for year 3	0.65	0.25
Expected benefits for year 4	0.70	0.62
Expected benefits for year 5	0.65	0.64
Expected benefits for year 6	0.72	0.60
Expected benefits for year 7	0.18	0.67
Expected benefits for year 8	0.19	0.16
Expected benefits for year 9	0.48	0.16
Expected benefits for year 10 and above	6.84	6.75

The weighted average duration of the defined benefit obligation is 7.33 years (previous year 7.91 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:

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 Limited (Singapore)

JM Financial Securities, Inc. (USA)

Astute Investments (Astute) [Partnership Firm]

ARB Maestro (ARB) [Association of Persons (AOP)] (w.e.f. May 30, 2022)

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 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) (up to July 02, 2022)

Mr. Darius E Udwadia (DEU) (up to October 20, 2021)

Mr. Paul Zuckerman (PSZ) (up to July 02, 2022)

Dr. Vijay Kelkar (VLK) (up to July 02, 2022)

Mr. Keki Dadiseth (KBD) (up to July 02, 2022)

Mr. P S Jayakumar (PSJ)

Mr. Navroz Udwadia (NDU) (w.e.f. December 09, 2021)

Mr. Pradip Kanakia (PMK) (w.e.f. February 07, 2022)

Mr. Sumit S Bose (SSB) (w.e.f. May 24, 2022)

Ms. Jagi Mangat Panda (JMP)

Ms. Roshini Bakshi (RHB) (w.e.f. December 09, 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. Avantika Kampani (AVK)

Mr. Shiv Kampani (SVK)

Ms. Suvidha Atul Mehra (SAM)

Ms. Sammiksha Atul Mehra (SMM)

Ms. Sasha Atul Mehra (SSM)

Ms. Zenobia Adi Patel (ZAP)

Mr. Kaizad Adi Patel (KAP)

Ms. Winifer Adi Patel (WAP)

Notes
to the Standalone Financial Statements (Contd.)

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)

Mr. Anil Kampani (AK)

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	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Investments made in														
Financial Services	42.00	-	-	-	-	-	-	-	-	-	-	-	42.00	-
Overseas	81.88	-	-	-	-	-	-	-	-	-	-	-	81.88	-
Investments Sold to														
Credit Solutions	-	178.44	-	-	-	-	-	-	-	-	-	-	-	178.44
Employee related liabilities transfers to														
Credit Solutions	0.02	0.09	-	-	-	-	-	-	-	-	-	-	0.02	0.09
Employee related liabilities transfers from														
IED	0.02	-	-	-	-	-	-	-	-	-	-	-	0.02	-
Credit Solutions	-	0.17	-	-	-	-	-	-	-	-	-	-	-	0.17
Financial Services	0.04	-	-	-	-	-	-	-	-	-	-	-	0.04	-
AMC	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-
ICDs placed														
ARC	647.00	370.00	-	-	-	-	-	-	-	-	-	-	647.00	370.00
Products	2,462.00	500.00	-	-	-	-	-	-	-	-	-	-	2,462.00	500.00
Properties	679.75	6,727.47	-	-	-	-	-	-	-	-	-	-	679.75	6,727.47
Financial Services	1,180.00	250.00	-	-	-	-	-	-	-	-	-	-	1,180.00	250.00
IED	120.00	-	-	-	-	-	-	-	-	-	-	-	120.00	-
Home Loans	20.00	50.00	-	-	-	-	-	-	-	-	-	-	20.00	50.00
Capital	550.00	250.00	-	-	-	-	-	-	-	-	-	-	550.00	250.00
ICDs repaid by														
ARC	821.70	282.30	-	-	-	-	-	-	-	-	-	-	821.70	282.30
Properties	679.75	6,727.47	-	-	-	-	-	-	-	-	-	-	679.75	6,727.47

Notes

to the Standalone 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	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Products	2,312.00	500.00	-	-	-	-	-	-	-	-	-	-	2,312.00	500.00
Financial Services	1,180.00	350.00	-	-	-	-	-	-	-	-	-	-	1,180.00	350.00
IED	120.00	-	-	-	-	-	-	-	-	-	-	-	120.00	-
Home Loans	20.00	50.00	-	-	-	-	-	-	-	-	-	-	20.00	50.00
Capital	550.00	250.00	-	-	-	-	-	-	-	-	-	-	550.00	250.00
Loan given														
Astute	-	100.00	-	-	-	-	-	-	-	-	-	-	-	100.00
ARB	425.00	-	-	-	-	-	-	-	-	-	-	-	425.00	-
Loan repaid														
Astute	-	100.00	-	-	-	-	-	-	-	-	-	-	-	100.00
ARB	100.00	-	-	-	-	-	-	-	-	-	-	-	100.00	-
Dividend received from														
Products	81.44	5.43	-	-	-	-	-	-	-	-	-	-	81.44	5.43
Infinite	8.00	-	-	-	-	-	-	-	-	-	-	-	8.00	-
Financial Services	50.45	40.45	-	-	-	-	-	-	-	-	-	-	50.45	40.45
Credit Solutions	0.33	0.26	-	-	-	-	-	-	-	-	-	-	0.33	0.26
IED	#	#	-	-	-	-	-	-	-	-	-	-	#	#
Fees Sharing, Sub brokerage Paid to														
Financial Services	22.28	21.80	-	-	-	-	-	-	-	-	-	-	22.28	21.80
IED	6.26	24.24	-	-	-	-	-	-	-	-	-	-	6.26	24.24
Placement fees paid to														
Financial Services	3.16	0.24	-	-	-	-	-	-	-	-	-	-	3.16	0.24
Dividend paid to														
JMFICS	-	-	-	-	-	-	-	-	-	-	46.06	21.83	46.06	21.83

	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	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
J.M.Assets	-	-	-	-	-	-	-	-	-	-	21.33	10.33	21.33	10.33
JSB	-	-	-	-	-	-	-	-	-	-	1.33	0.65	1.33	0.65
KCL	-	-	-	-	-	-	-	-	-	-	0.30	0.08	0.30	0.08
SNK	-	-	-	-	-	-	-	-	-	-	2.49	1.20	2.49	1.20
NNK	-	-	-	-	-	-	-	-	25.78	12.58	-	-	25.78	12.58
ARNK	-	-	-	-	-	-	-	-	6.58	3.44	-	-	6.58	3.44
VNK	-	-	-	-	-	-	2.61	1.22	-	-	-	-	2.61	1.22
AG	-	-	-	-	-	-	-	-	1.64	0.80	-	-	1.64	0.80
PICPL	-	-	-	-	-	-	-	-	-	-	0.48	0.23	0.48	0.23
Trustee	-	-	0.33	0.14	-	-	-	-	-	-	-	-	0.33	0.14
HK	-	-	-	-	-	-	-	-	#	-	-	-	#	-
AK	-	-	-	-	-	-	-	-	0.19	-	-	-	0.19	-
KBD	-	-	-	-	-	#	-	-	-	-	-	-	-	#
ARP	-	-	-	-	-	-	0.29	0.06	-	-	-	-	0.29	0.06
ASM	-	-	-	-	-	-	0.12	0.03	-	-	-	-	0.12	0.03
VLK	-	-	-	-	-	#	-	-	-	-	-	-	-	#
Group support fees received from														
Credit Solutions	1.98	1.98	-	-	-	-	-	-	-	-	-	-	1.98	1.98
ARC	2.50	2.50	-	-	-	-	-	-	-	-	-	-	2.50	2.50
JMFICS	-	-	-	-	-	-	-	-	-	-	-	0.20	-	0.20
Lead managers fees received from														
Products	-	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10
Rating support fees received from														
Credit Solutions	3.23	2.40	-	-	-	-	-	-	-	-	-	-	3.23	2.40

Notes
to the Standalone 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	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
ARC	4.89	1.70	-	-	-	-	-	-	-	-	-	-	4.89	1.70
Rent received from														
Financial Services	0.27	0.27	-	-	-	-	-	-	-	-	-	-	0.27	0.27
Interest received from														
ARC	39.04	54.63	-	-	-	-	-	-	-	-	-	-	39.04	54.63
Astute	-	0.75	-	-	-	-	-	-	-	-	-	-	-	0.75
ARB	16.14	-	-	-	-	-	-	-	-	-	-	-	16.14	-
Properties	1.71	6.66	-	-	-	-	-	-	-	-	-	-	1.71	6.66
Products	6.81	0.36	-	-	-	-	-	-	-	-	-	-	6.81	0.36
IED	0.05	-	-	-	-	-	-	-	-	-	-	-	0.05	-
Home Loans	#	0.02	-	-	-	-	-	-	-	-	-	-	#	0.02
Financial Services	2.36	1.64	-	-	-	-	-	-	-	-	-	-	2.36	1.64
Capital	0.20	0.20	-	-	-	-	-	-	-	-	-	-	0.20	0.20
Support Service Charges Paid to														
JMFICS	-	-	-	-	-	-	-	-	-	-	2.50	2.50	2.50	2.50
Rent paid to														
Properties	10.42	10.01	-	-	-	-	-	-	-	-	-	-	10.42	10.01
JMFICS	-	-	-	-	-	-	-	-	-	-	0.95	0.95	0.95	0.95
J.M.Assets	-	-	-	-	-	-	-	-	-	-	-	0.84	-	0.84
Subscription for online data paid to														
CMPL	-	-	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.03
Remuneration paid to (refer note iii)														
VNK	-	-	-	-	-	-	-	1.13	-	-	-	-	-	1.13

	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	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
ARP	-	-	-	-	-	-	5.34	5.06	-	-	-	-	5.34	5.06
ASM	-	-	-	-	-	-	4.55	4.98	-	-	-	-	4.55	4.98
Professional fees paid to														
KBD	-	-	-	-	0.01	0.04	-	-	-	-	-	-	0.01	0.04
Directors Sitting fees														
VNK	-	-	-	-	-	-	0.08	0.03	-	-	-	-	0.08	0.03
EAK	-	-	-	-	0.03	0.11	-	-	-	-	-	-	0.03	0.11
DEU	-	-	-	-	-	0.04	-	-	-	-	-	-	-	0.04
PSZ	-	-	-	-	0.03	0.10	-	-	-	-	-	-	0.03	0.10
VLK	-	-	-	-	0.03	0.10	-	-	-	-	-	-	0.03	0.10
KBD	-	-	-	-	0.03	0.09	-	-	-	-	-	-	0.03	0.09
JMP	-	-	-	-	0.09	0.07	-	-	-	-	-	-	0.09	0.07
PSJ	-	-	-	-	0.10	0.07	-	-	-	-	-	-	0.10	0.07
PMK	-	-	-	-	0.11	0.02	-	-	-	-	-	-	0.11	0.02
NDU	-	-	-	-	0.05	-	-	-	-	-	-	-	0.05	-
SSB	-	-	-	-	0.08	-	-	-	-	-	-	-	0.08	-
RHB	-	-	-	-	0.11	0.02	-	-	-	-	-	-	0.11	0.02
Directors Commission														
VNK	-	-	-	-	-	-	0.10	0.10	-	-	-	-	0.10	0.10
EAK	-	-	-	-	0.05	0.25	-	-	-	-	-	-	0.05	0.25
DEU	-	-	-	-	-	0.10	-	-	-	-	-	-	-	0.10
PSZ	-	-	-	-	0.05	0.20	-	-	-	-	-	-	0.05	0.20
VLK	-	-	-	-	0.05	0.23	-	-	-	-	-	-	0.05	0.23
KBD	-	-	-	-	0.05	0.20	-	-	-	-	-	-	0.05	0.20
JMP	-	-	-	-	0.20	0.20	-	-	-	-	-	-	0.20	0.20
PSJ	-	-	-	-	0.23	0.20	-	-	-	-	-	-	0.23	0.20

Notes

to the Standalone 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	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
PMK	-	-	-	-	0.23	0.03	-	-	-	-	-	-	0.23	0.03
NDU	-	-	-	-	0.15	-	-	-	-	-	-	-	0.15	-
SSB	-	-	-	-	0.20	-	-	-	-	-	-	-	0.20	-
RHB	-	-	-	-	0.20	0.03	-	-	-	-	-	-	0.20	0.03
Expenses reimbursed to														
Properties	1.59	1.48	-	-	-	-	-	-	-	-	-	-	1.59	1.48
JMFICS	-	-	-	-	-	-	-	-	-	-	0.09	0.08	-	0.08
IED	0.49	0.68	-	-	-	-	-	-	-	-	-	-	0.49	0.68
ARC	0.25	0.25	-	-	-	-	-	-	-	-	-	-	0.25	0.25
Expenses recovered from														
IED	0.20	0.45	-	-	-	-	-	-	-	-	-	-	0.20	0.45
Infinite	#	0.01	-	-	-	-	-	-	-	-	-	-	#	0.01
Credit Solutions	0.03	0.08	-	-	-	-	-	-	-	-	-	-	0.03	0.08
Home Loans	#	0.01	-	-	-	-	-	-	-	-	-	-	#	0.01
ARC	0.02	0.06	-	-	-	-	-	-	-	-	-	-	0.02	0.06
Properties	0.01	0.01	-	-	-	-	-	-	-	-	-	-	0.01	0.01
Products	0.03	0.12	-	-	-	-	-	-	-	-	-	-	0.03	0.12
CRRM	#	#	-	-	-	-	-	-	-	-	-	-	#	#
Financial Services	-	0.18	-	-	-	-	-	-	-	-	-	-	-	0.18
AMC	-	0.05	-	-	-	-	-	-	-	-	-	-	-	0.05
Capital	-	#	-	-	-	-	-	-	-	-	-	-	-	#
Commtrade	-	#	-	-	-	-	-	-	-	-	-	-	-	#
Trustee	-	-	-	#	-	-	-	-	-	-	-	-	-	#
JMFICS	-	-	-	-	-	-	-	-	-	-	#	0.01	#	0.01
Recovery of Employee Stock option expenses														
IED	0.17	0.39	-	-	-	-	-	-	-	-	-	-	0.17	0.39

	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	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Financial Services	(0.13)	0.42	-	-	-	-	-	-	-	-	-	-	(0.13)	0.42
Products	0.11	0.39	-	-	-	-	-	-	-	-	-	-	0.11	0.39
Credit Solutions	0.02	(0.06)	-	-	-	-	-	-	-	-	-	-	0.02	(0.06)
AMC	0.18	-	-	-	-	-	-	-	-	-	-	-	0.18	-
ARC	-	#	-	-	-	-	-	-	-	-	-	-	-	#
Capital	#	0.01	-	-	-	-	-	-	-	-	-	-	#	0.01
Home Loans	-	(0.02)	-	-	-	-	-	-	-	-	-	-	-	(0.02)
Property deposits refund received														
J.M.Assets	-	-	-	-	-	-	-	-	-	-	-	0.84	-	0.84
Property deposits Paid														
Properties	1.57	-	-	-	-	-	-	-	-	-	-	-	1.57	-
Outstanding Balances:														
Investments	2,124.58	1,999.54	0.03	0.03	-	-	-	-	-	-	-	-	2,124.61	1,999.57
Security deposits received from														
Financial Services	1.00	1.00	-	-	-	-	-	-	-	-	-	-	1.00	1.00
Security deposits paid to														
Properties	8.78	7.21	-	-	-	-	-	-	-	-	-	-	8.78	7.21
JMFICS	-	-	-	-	-	-	-	-	-	-	0.54	0.54	0.54	0.54
ICDs receivable														
Products	150.00	-	-	-	-	-	-	-	-	-	-	-	150.00	-
ARC	265.00	439.70	-	-	-	-	-	-	-	-	-	-	265.00	439.70
Loan receivable														
ARB	325.00	-	-	-	-	-	-	-	-	-	-	-	325.00	-

Notes

to the Standalone 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	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Interest receivable														
ARC	-	2.10	-	-	-	-	-	-	-	-	-	-	-	2.10
Receivable from														
Credit Solutions	1.22	0.64	-	-	-	-	-	-	-	-	-	-	1.22	0.64
ARC	1.88	0.42	-	-	-	-	-	-	-	-	-	-	1.88	0.42
Amount payable to														
IED	1.48	0.17	-	-	-	-	-	-	-	-	-	-	1.48	0.17
Financial Services	5.13	7.83	-	-	-	-	-	-	-	-	-	-	5.13	7.83
VNK	-	-	-	-	-	-	0.10	0.10	-	-	-	-	0.10	0.10
ARP	-	-	-	-	-	-	1.90	4.15	-	-	-	-	1.90	4.15
ASM	-	-	-	-	-	-	2.50	4.18	-	-	-	-	2.50	4.18
EAK	-	-	-	-	0.05	0.25	-	-	-	-	-	-	0.05	0.25
DEU	-	-	-	-	-	0.10	-	-	-	-	-	-	-	0.10
PSZ	-	-	-	-	0.05	0.21	-	-	-	-	-	-	0.05	0.21
VLK	-	-	-	-	0.05	0.23	-	-	-	-	-	-	0.05	0.23
KBD	-	-	-	-	0.05	0.20	-	-	-	-	-	-	0.05	0.20
JMP	-	-	-	-	0.20	0.20	-	-	-	-	-	-	0.20	0.20
PSJ	-	-	-	-	0.23	0.20	-	-	-	-	-	-	0.23	0.20
PMK	-	-	-	-	0.23	0.03	-	-	-	-	-	-	0.23	0.03
RHB	-	-	-	-	0.20	0.03	-	-	-	-	-	-	0.20	0.03
NDU	-	-	-	-	0.15	-	-	-	-	-	-	-	0.15	-
SSB	-	-	-	-	0.20	-	-	-	-	-	-	-	0.20	-

amount below ₹ 50,000

Notes:- (i) * Subsidiaries include a partnership firm namely Astute Investments and Association of Persons namely ARB Maestro.

(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

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
1 **Financial Assets**						
A Cash and cash equivalents	7.55	-	7.55	80.10	-	80.10
B Bank balances other than cash and cash equivalents	5.96	-	5.96	5.89	-	5.89
C Trade Receivables	30.28	-	30.28	28.38	-	28.38
D Loans	737.04	-	737.04	438.56	-	438.56
E Investments	680.19	2,390.55	3,070.74	1,014.03	2,236.94	3,250.97
F Other Financial assets	5.82	8.46	14.28	6.09	5.85	11.94
	1,466.84	**2,399.01**	**3,865.85**	**1,573.05**	**2,242.79**	**3,815.84**
2 **Non-financial Assets**						
A Current tax Assets (Net)	-	159.60	159.60	-	156.21	156.21
B Property, Plant and Equipment	-	53.10	53.10	-	60.28	60.28
C Other Intangible assets	-	0.35	0.35	-	0.32	0.32
D Other non-financial assets	4.03	0.03	4.06	3.80	0.18	3.98
	4.03	**213.08**	**217.11**	**3.80**	**216.99**	**220.79**
Total Assets	**1,470.87**	**2,612.09**	**4,082.96**	**1,576.85**	**2,459.78**	**4,036.63**

₹ in Crore

Particulars	As at March 31, 2023			As at March 31, 2022		
	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	0.03	-	0.03	0.07	-	0.07
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7.49	-	7.49	8.98	-	8.98
B Lease liabilities	7.66	53.05	60.71	6.42	59.56	65.98
C Other financial liabilities	46.05	0.02	46.07	65.79	-	65.79
	61.23	**53.07**	**114.30**	**81.26**	**59.56**	**140.82**
2 **Non-Financial Liabilities**						
A Provisions	4.05	6.22	10.27	3.17	6.49	9.66
B Deferred tax liabilities (net)	-	130.76	130.76	-	129.52	129.52
C Other non-financial liabilities	10.89	#	10.89	20.04	0.08	20.12
	14.94	**136.98**	**151.92**	**23.21**	**136.09**	**159.30**
Total Liabilities	**76.17**	**190.05**	**266.22**	**104.47**	**195.65**	**300.12**

Note:

Information on maturity pattern is based on the reasonable assumptions made by the management.

# denotes amount below ₹50,000/-

Notes

to the Standalone Financial Statements (Contd.)

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 maximise shareholders' value. As at March 31, 2023, 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, 2023	As at March 31, 2022
Gross debt (excluding finance lease obligations)	-	-
Total equity	3,816.74	3,736.51
Adjusted net debt to equity ratio	-	-

b) Categories of financial instruments

₹ in Crore

As at March 31, 2023	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	7.55	7.55
Bank balances other than cash and cash equivalents	-	-	5.96	5.96
Trade receivables	-	-	30.28	30.28
Loans	-	-	737.04	737.04
Investments in subsidiaries and associates	-	-	2,124.61	2,124.61
Investments other than those in subsidiaries and associates	946.13	-	-	946.13
Other Financial assets	-	-	14.28	14.28
Total	**946.13**	**-**	**2,919.72**	**3,865.85**
Financial liabilities				
Trade payables	-	-	7.52	7.52
Lease liabilities	-	-	60.71	60.71
Other Financial Liabilities	-	-	46.07	46.07
Total	**-**	**-**	**114.30**	**114.30**

₹ 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**

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, 2023	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	680.19	680.19	-	-	680.19
Investments in VCF	138.36	-	138.36	-	138.36
Investments in Equity Instruments	127.58	0.20	-	127.38	127.58
Total	**946.13**	**680.39**	**138.36**	**127.38**	**946.13**

₹ 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**

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.

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, 2023.

₹ in Crore

	Equity Shares
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**
Net (Loss)/Gain on fair value changes	13.46
Realisations	(12.24)
As at March 31, 2023	**127.38**

Sensitivity for instruments:

₹ in Crore

Nature of the instrument	Fair Value As at March 31, 2023	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2023	
				FV Increase	FV Decrease
Investment in Equity Shares	127.38	Impact estimated by the management considering current market conditions	5%	4.25	(4.25)

Notes
to the Standalone Financial Statements (Contd.)

₹ in Crore

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)

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 FY 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 FY 2020-21. However, level 3 classification is continued for such investment in equity instruments during the FY 2021-22. Further, necessary adjustments have been made to the timing of cash flows and values of collaterals to be realised 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 became 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 (Assets for which there is significant increase in credit risk)	Lifetime ECL
Stage 3	Assets overdue more than 90 days past due (Credit impaired)	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

	As at March 31, 2023	As at March 31, 2022
Stage 1	740.00	439.70
Stage 2	-	-
Stage 3	-	5.00
Total	**740.00**	**444.70**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans:

₹ in Crore

	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**439.70**	**-**	**5.00**	**444.70**
New assets originated or purchased	6,083.75	-	-	6,083.75
Assets derecognised or repaid (excluding write off)	(5,783.45)	-	-	(5,783.45)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amounts written off	-	-	(5.00)	(5.00)
Gross carrying amount closing balance	**740.00**	**-**	**-**	**740.00**

Notes
to the Standalone Financial Statements (Contd.)

₹ 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, 2023			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - Opening Balance	**1.14**	**-**	**5.00**	**6.14**
ECL remeasurement due to changes in EAD	7.68	-	-	7.68
Assets derecognised or repaid (excluding write off)	(5.86)	-	-	(5.86)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amounts written off	-	-	(5.00)	(5.00)
Gross carrying amount closing balance	**2.96**	**-**	**-**	**2.96**

₹ in Crore

	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - Opening Balance	**2.39**	**-**	**5.00**	**7.39**
ECL remeasurement due to changes in EAD	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**

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, 2023	As at March 31, 2022
Past due 0–180 days	30.28	28.38
More than 180 days	-	-
Total	**30.28**	**28.38**

Movement of Provision for Impairment:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Opening balance	-	**2.36**
Provisions made	-	-
Provisions written back	-	2.36
Closing Balance	**-**	**-**

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 capitalised, have good credit rating and appropriate credit lines available to address liquidity risks.

The Company attempts to minimise 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.

Exposure to liquidity risk

The table below summaries the maturity profile remaining contractual maturity period at the balance sheet date for its financial liabilities and financial assets.

₹ in Crore

March 31, 2023	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	7.52	7.52	-	-	-
Leased Liabilities	60.71	7.66	17.52	22.32	13.21
Other financial liabilities	46.07	46.05	0.02	-	-
Total	**114.30**	**61.23**	**17.54**	**22.32**	**13.21**
Financial Assets					
Cash and Cash Equivalents	7.55	7.55	-	-	-
Bank balances other than cash and cash equivalents	5.96	5.96	-	-	-
Trade Receivables	30.28	30.28	-	-	-
Loans	737.04	737.04	-	-	-
Financial Assets at Amortised Cost	14.28	5.82	1.28	-	7.18
Investments (other than investment in subsidiaries and associates)	946.13	680.19	-	-	265.94
Total	**1,741.24**	**1,466.84**	**1.28**	**-**	**273.12**

Notes

to the Standalone Financial Statements (Contd.)

₹ in Crore

March 31, 2022	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**

The table below summaries details of Company's remaining contractual maturities of financial liabilities based on undiscounted cash flows:

March 31, 2023	Carrying amount	Total (undiscounted cash flows)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade Payables	7.52	7.52	7.52	-	-	-
Leased Liabilities	60.71	66.83	12.71	26.79	27.33	-
Other financial liabilities	46.07	46.08	46.05	0.03	-	-
Total	**114.30**	**120.43**	**66.28**	**26.82**	**27.33**	**-**

March 31, 2022	Carrying amount	Total (undiscounted cash flows)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade Payables	9.05	9.05	9.05	-	-	-
Leased Liabilities	65.98	90.98	12.30	24.73	26.24	27.71
Other financial liabilities	65.79	65.88	64.88	1.00	-	-
Total	**140.82**	**165.91**	**86.23**	**25.73**	**26.24**	**27.71**

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 monitory assets and liabilities at the end of the reporting period are as follow:

Foreign currency exposures not hedged by a derivative instrument or otherwise are given below:

Particulars	Currency Type	As at March 31, 2023		As at March 31, 2022	
		Amount in Foreign Currency	₹ in Crore	Amount in Foreign Currency	₹ in Crore
Trade Receivable	USD	3,95,436	3.25	12,16,386	9.18

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.

₹ in Crore

Effect in INR	% Change	Profit or Loss	
		March 31, 2023	March 31, 2022
USD	5% Increase	0.16	0.46
	5% Decrease	(0.16)	(0.46)

# 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, 2023, and March 31, 2022 was ₹ 0.20 Crore and ₹ 0.41 Crore respectively. A 5% change in price of equity instruments held as at March 31, 2023 and March 31, 2022 would result in

₹ in Crore

% Change	Profit or Loss	
	March 31, 2023	March 31, 2022
5% Increase	0.01	0.02
5% Decrease	(0.01)	(0.02)

Notes
to the Standalone Financial Statements (Contd.)

40. Earnings in Foreign Currency

₹ in Crore

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from investment banking services	12.05	69.64
Total	**12.05**	**69.64**

41. Expenditure in Foreign Currency

₹ in Crore

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Directors commission and fees	0.20	0.20
Travelling expenses	0.09	0.04
Legal and professional fees	0.08	0.01
Others	0.42	0.22
Total	**0.79**	**0.47**

42. Details of expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereto.

₹ in Crore

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the Company during the year.	3.54	2.01
b) Amount spent during the year:	0.99	2.01
Amount provided for on-going projects	2.55	-
Total	**3.54**	**2.01**
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	3.54	2.01

Details of unspent obligations

In case of section 135(5) of the Companies Act, 2013 (ongoing project)

₹ in Crore

Opening balance as on April 1, 2022		Amount required to be spent during the year	Amount spent during the year		Closing balance as on March 31, 2023	
With Company	In separate CSR Unspent account		From Company's bank account	From separate CSR unspent account	With Company	In separate CSR Unspent account
-	-	3.54	0.99	-	2.55	-

₹ in Crore

Opening balance as on April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Closing balance as on March 31, 2022	
With Company	In separate CSR Unspent account		From Company's bank account	From separate CSR unspent account	With Company	In separate CSR Unspent account
-	-	2.01	2.01	-	-	-

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:

	FY 2022-23 (Interim Dividend)	FY 2022-23 (Final Dividend)	FY 2021-22 (Interim Dividend)	FY 2021-22 (Final Dividend)
a) Number of non-resident shareholders	1,288	1,423	1,309	1,103
b) Number of equity shares held by them	21,58,60,860	21,64,12,643	21,80,21,046	22,05,61,719
c) (i) Amount of dividend paid (Gross) (₹ in Crore)	19.43	24.89	10.90	11.03
(ii) Tax deducted at source (₹ in Crore)	4.09	5.32	2.33	2.33
(iii) year to which dividend relates	**FY 2022-23**	**FY 2021-22**	**FY 2021-22**	**FY 2020-21**

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	548.20 (484.70)	265.00 (439.70)
JM Financial Services Limited	Subsidiary	550.00 (170.00)	- (-)
JM Financial Capital Limited	Subsidiary	495.00 (250.00)	- (-)
JM Financial Properties and Holdings Limited	Subsidiary	241.00 (500.00)	- (-)
JM Financial Products Limited	Subsidiary	400.00 (250.00)	150.00 (-)
JM Financial Home Loans Limited	Subsidiary	20.00 (50.00)	- (-)
JM Financial Institutional Securities Limited	Subsidiary	100.00 (-)	- (-)
Astute Investments	Partnership Firm	- (100.00)	- (-)
ARB Maestro	Association of Persons (AOP)	325.00 (-)	325.00 (-)

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 ₹ 0.90 per equity share of the face value of ₹ 1/- each for the year ended March 31, 2023 (Previous Year: ₹ 1.15 per equity share). The said dividend will be paid, if approved by the shareholders at the Thirty Eighth Annual General Meeting.

Notes
to the Standalone Financial Statements (Contd.)

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. (refer note 47)

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:

Ratios	As at March 31, 2023	As at March 31, 2022
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. The Board of Directors of the Company had approved the Scheme of Arrangement for the demerger of the undertakings of JM Financial Services Limited ("JMFSL") to the Company, comprising of Private Wealth and Portfolio Management Services including its investment in JM Financial Institutional Securities Limited, (a wholly owned subsidiary of JMFSL). The said Scheme was later partly modified on August 02, 2022, to include the merger of JM Financial Capital Limited ("JMFCL"), a wholly owned subsidiary of JMFSL, into it. Consequent to the filing of the joint application with the National Company Law Tribunal (the "NCLT"), Mumbai Bench, the NCLT on December 05, 2022, pronounced the order thereby dispensing with the convening of the meetings of shareholders and creditors of the Company, JMFSL and JMFCL. Additionally, pursuant to the said Order, notices have been issued by the Company, JMFSL and JMFCL to their relevant regulatory authorities to submit their representations, if any. The Company along with JMFSL and JMFCL had also filed a joint petition with the NCLT on December 29, 2022, seeking approval for sanction of the Scheme. Further, the Petition was admitted vide order dated February 01, 2023 and final hearing was scheduled on March 24, 2023. The said order was pronounced on March 24, 2023, a copy of which is uploaded on NCLT portal on April 19, 2023. Certified True Copy of the final order was received on April 20, 2023. Appointed Date mentioned in the Scheme is April 1, 2023 and the Scheme shall come into effect upon filing of e-form INC-28 with Registrar of Companies.

48. The Financial Statements are approved by the Board of Directors at its meeting held on May 09, 2023.

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

For and on behalf of the Board of Directors

Kapil Goenka
Partner
Membership No. 118189

Nimesh Kampani
Chairman
DIN – 00009071

Vishal Kampani
Vice Chairman
DIN – 00009079

Manish Sheth
Chief Financial Officer

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

Place: Mumbai
Date: May 9, 2023

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, 2023

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	1,643.92	6,602.05	4,413.63	528.74	858.08	412.77	94.45	318.32	70.79	99.71%
JM Financial Services Limited	₹	50.00	443.20	3,754.68	3,261.48	-	573.27	9.44	(2.61)	12.05	16.20	100.00%
JM Financial Commtrade Limited	₹	5.00	23.05	28.53	0.48	26.28	1.80	1.43	0.37	1.06	-	100.00%
JM Financial Institutional Securities Limited	₹	6.30	127.03	212.25	78.92	-	131.94	18.04	4.92	13.12	#	100.00%
JM Financial Capital Limited	₹	225.00	74.09	303.06	3.97	83.64	35.31	34.99	9.07	25.92	-	100.00%
Infinite India Investment Management Limited	₹	1.60	26.34	39.41	11.47	8.66	22.37	20.39	5.13	15.26	-	100.00%
CR Retail Malls (India) Limited	₹	20.00	29.43	154.24	104.81	68.80	28.61	15.05	3.27	11.78	-	100.00%
JM Financial Credit Solutions Limited	₹	2.83	4,254.07	10,618.25	6,361.35	955.12	1,172.54	452.83	118.08	334.75	0.85	46.68%
JM Financial Home Loans Limited	₹	164.82	182.98	1,410.26	1,062.46	-	169.82	37.15	7.91	29.24	0.16	94.04% [e]
JM Financial Asset Reconstruction Company Limited [Refer Note (d)]	₹	398.33	1,382.62	5,058.07	3,277.12	1,263.37	218.89	(193.62)	(46.96)	(146.66)	-	58.28%
JM Financial Asset Management Limited	₹	53.33	120.18	188.25	14.74	142.35	18.75	(31.35)	0.01	(31.36)	-	59.54%
JM Financial Properties and Holdings Limited	₹	3.00	208.04	499.05	288.01	7.00	56.10	33.68	5.73	27.95	-	100.00%
JM Financial Overseas Holdings Private Limited	₹*	160.94	90.50	251.65	0.21	103.03	5.17	1.02	-	1.02	-	100.00%
	US$	1.96	1.10	3.06	#	1.25	0.06	0.01	-	0.01	-	
JM Financial Singapore Pte. Limited	₹*	54.58	(48.27)	8.38	2.07	-	4.21	(2.96)	0.21	(3.17)	-	100.00%
	SGD	0.88	(0.78)	0.14	0.03	-	0.07	(0.05)	#	(0.05)	-	
JM Financial Securities, INC	₹*	#	10.60	11.81	1.21	-	7.62	0.81	0.76	0.05	-	100.00%
	US$	#	0.13	0.14	0.01	-	0.09	0.01	0.01	#	-	

* Exchange rate as on March 31, 2023 (or last working day prior to March 31, 2023): 1 US$ = ₹ 82.22 and 1 SGD = ₹ 61.88
# 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 JM Financial Home Loans Limited are not taken into consideration.

Part "B": Associate

₹ in Crore

Particulars	JM Financial Trustee Company Private Limited
Latest audited Balance Sheet Date	March 31, 2023
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	12.26
Profit for the year	0.92
(i) Considered in Consolidation	0.23
(ii) Not Considered in Consolidation	0.69

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

Manish Sheth
Chief Financial Officer

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

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, 2023, 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 based on the consideration of reports of the 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, 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Matter

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.

A. Description of Key Audit Matter of Holding Company - JM Financial Limited ('JMFL')

Revenue from Operations

See Note 2.6 and 22 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
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. Application of Ind AS 115 "Revenue from Contracts with Customers" (Ind AS 115) is complex and involves application of judgement in relation to identification of distinct performance obligations, determination of transaction price and appropriateness of the basis used to measure revenue over a period. Revenue is recognized when the services for the transaction are determined to be completed or when specific performance 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 to determine completion of the performance condition associated with the revenue. Due to the significance of the item to the financial statements and complexities involved, we have identified Revenue from operations from investment banking services as a Key Audit Matter in respect of standalone financial statements.	Our key audit procedures included: – Obtained an understanding of the revenue related business processes, and assessed the appropriateness of the revenue recognition policies adopted by the Company. – Tested the design and implementation and operating effectiveness of internal controls relating to the process of revenue recognition. – For selected samples, evaluated fulfilment of the performance obligations as per the terms of engagement with customers by checking the underlying documents. – Performed procedures to test completeness of revenue recorded during the year. – Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements for the revenue recorded during the year.

B. Description of Key Audit Matters of Subsidiary Company- JM Financial Credit Solutions Limited ('JMFCSL') as provided by the auditor of JMFCSL

Impairment of loans and advances

The key audit matter	How the matter was addressed in our audit
Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss ("ECL") estimation model. 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: – 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.	During the course of their audit, the auditor of JMFCSL performed the following procedures: In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence for testing impairment loss allowance: – Performed 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 loss 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 loss 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
– 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. – 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. 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 economic scenarios will impact the Company's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment loss allowance on the financial statements, we have considered this as a key audit matter. Disclosures: 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.	standards and tested that the computations are performed in accordance with the approved methodology, including checking mathematical accuracy. – 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, 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. – We involved financial risk management specialists to evaluate appropriateness of the Company's Ind AS 109 impairment model, methodologies and reasonableness of assumptions used, including macro-economic factors.

IT Systems and controls

The key audit matter	How the matter was addressed in our audit
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. 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.	During the course of their audit, the auditor of JMFCSL performed the following procedures: We have involved IT Specialists in performing the following key procedures: – Performed control testing on user access management, change management and system application controls over key financial accounting and reporting systems. – 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. – 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. – 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. – 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. – Performed alternate procedures by testing compensating controls for areas where IT controls were not relied upon.

C. Description of Key Audit Matters of Subsidiary Company- JM Financial Services Limited ('JMFSL') as provided by the auditor of JMFSL

IT Systems and controls

The key audit matter	How the matter was addressed in our audit
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 result in financial accounting and reporting records being materially misstated. Therefore, the assessment of general IT controls and application control specific to the accounting and preparation of financial information is considered to be a key audit matter.	During the course of their audit, the auditor of JMFSL performed the following procedures: We have involved IT Specialists in performing following audit procedures to assess the IT systems and controls: – Performed control testing on user access management, change management and system application controls over key financial accounting and reporting systems. – 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. – 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
	– 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. – 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. – Performed alternate procedures by testing compensatory controls for areas where IT controls were not relied upon.

D. Description of Key Audit Matters of Subsidiary Company- JM Financial Home Loans Limited ('JMFHLL') as provided by the auditor of JMFHLL

Impairment of loans measured at amortised cost

The key audit matter	How the matter was addressed in our audit
During the course of their audit, the auditor of JMFHLL identified the key audit matter as below: As at the year end, the Company has financial assets in form of loans granted to customers aggregating to ₹ 1,350.37 crore net of provision for expected credit losses (ECL) of ₹ 31.45 crore. 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: – 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. – The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the management in determination of the ECL.	During the course of their audit, the auditor of JMFHLL performed the following procedures: – Test the design and effectiveness of internal controls implemented by the management for following: i. Identification of credit deterioration and consequently impaired loans. ii. Validation of the critical components viz. Exposure at Default (EAD), Probability of Default (PD) and Loss given default (LGD)) used for the impairment provision. iii. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision. iv. 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. – 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.

The key audit matter	How the matter was addressed in our audit
	– 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 to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.

E. Description of Key Audit Matter of Subsidiary Company- JM Financial Asset Reconstruction Company Limited ('JMFARC') as provided by the auditor of JMFARC

Fair Valuation of Group's financial instruments

The key audit matter	How the matter was addressed in our audit
The valuation of the financial instruments is based on a recovery range provided by the External Rating Agency and other unobservable inputs (i.e. projection of future cash flows and expenses etc.). These assets are classified as level 3 in the valuation hierarchy and the same are not actively traded. 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. The financial instruments carried at fair value of the Group are: – The group has Investments in security receipts in Trusts formed under distressed credit business aggregating to ₹ 1,237.03 crore as at March 31, 2023; – Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating ₹ 2,714.88 crore as at March 31, 2023. In view of the complexities and significant judgements involved we have considered the valuation of these financial instruments as a key audit matter.	During the course of their audit, the auditor of JMFARC performed the following procedures: – 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. – We have selected the sample and performed the following audit procedures: i. 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; ii. Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; iii. Compared the management's assumption of discount rate with the supporting internal/ external evidence;

INDEPENDENT AUDITOR'S REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
	iv. 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; and verified the accounting treatment applied. v. Read and assessed the disclosure made in the consolidated financial statements for assessing the compliance with respect to the disclosure requirements.

F. Description of Key Audit Matter of Subsidiary Company- JM Financial Products Limited ('JMFPL') as provided by the auditor of JMFPL

Expected Credit Loss (ECL) on Loans and Advances

The key audit matter	How the matter was addressed in our audit
Ind AS 109: Financial Instruments ("Ind AS 109") requires the Group to provide for impairment of its Loans and Advances ("Financial Instruments") using the Expected Credit Losses ("ECL") approach. ECL involves an estimation of probability-weighted loss on Financial Instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's loans and advances. As at March 31, 2023, the carrying value of loan assets measured at amortised cost, aggregated ₹ 4,594.34 crore (net of allowance of ECL ₹ 63.57 crore) constituting 69.59% of the Company's total assets. In the process, a significant degree of judgement has been applied by the management for: – Data inputs – The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to apply assumptions in the model. – 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") considering impact of infrequent past events on future probability of default and forward -looking macro – economic factors. 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. – Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default' particularly for corporate portfolio, wherein Company's credit risk function also segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal sources supplemented by external data. Impairment allowance for these exposures is reviewed and accounted on a case- by -case basis. – Qualitative and quantitative factors used in staging the loan and estimation of behavioural life for the loan assets measured at amortised cost. – Adjustments to model driven ECL results to address emerging trends.	During the course of their audit, the auditor of JMFPL performed the following procedures: – Evaluating the Group's policy, as approved by the Board of Directors, for impairment of carrying value of loans and advances and assessing appropriateness of the Group's impairment methodologies as required under Ind AS 109. – Obtained an understanding of the ECL model adopted by the Company including the key inputs and assumptions including management overlays. – Testing the design and effectiveness of internal controls over the following: i. key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. ii. 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. iii. management's controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model. – Also, for a sample of ECL allowance on loan assets tested: i. Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data, reasonableness of economic forecasts, weights, model assumptions applied, and make inquiries with management. ii. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. iii. we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD. iv. tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. v. we tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. – 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. – 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. – Evaluating the appropriateness of the Company's Ind AS 109 impairment methodologies and reasonableness of assumptions used. – We also made management enquiries with respect to the overlay quantum. – For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology. – Discussed with the management, the approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. – Read and assessed the disclosures included in the Standalone Ind AS 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.

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 financial statements and 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, 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Management's and Board of Directors'/Designated Partners' 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 and Designated Partners of the Partnership Firm / Association of Persons (AOP) included in the Group and the respective Management and Board of Directors 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 / partnership firm / AOP 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 the 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 and Designated Partners of the Partnership Firm / AOP included in the Group and the respective Management and Board of Directors of its associate are responsible for assessing the ability of each company / partnership firm / AOP 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/ Designated Partners 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 and Designated Partners of the Partnership Firm / AOP included in the Group and the respective Management and Board of Directors of its associate are responsible for overseeing the financial reporting process of each company / partnership firm / AOP.

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 associate 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.

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 14 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 15,189.93 as at March 31, 2023, total revenues (before consolidation adjustments) of ₹ 1,352.63 crore and total net profit after tax (before consolidation adjustments) of ₹ 256.20 crore and net cash flows (before consolidation adjustments) amounting to ₹ 270.41 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the the Group's share of net profit (and other comprehensive income) of ₹ 0.23 crore for the year ended March 31, 2023, 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.

b. Certain of these subsidiaries are located outside India whose financial statements and other financial information 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 matters with respect to our reliance on the work done and the reports of the other auditors.

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 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 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 companies and associate company 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 Auditors) 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 associate, as noted in the "Other Matters" paragraph:

   a. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2023 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, 2023.

   c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate company incorporated in India during the year ended March 31, 2023.

   d. (i) The management of the Holding Company and its subsidiary companies and associate company in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate company respectively that, to the best of their 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 any of such subsidiary companies and associate company to or in any other person(s) or entity(ies), 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 by or on behalf of Holding Company or any of such subsidiary companies and associate company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management of the Holding Company and its subsidiary companies and associate company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate company respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary companies and associate company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies and associate company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies and associate company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

   e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

   The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

   As stated in Note 51 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

   f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies and associate company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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 companies and associate company which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies and associate company 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
ICAI UDIN:23118189BGURER7735

Place: Mumbai
Date: May 9, 2023

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of JM Financial Limited for the year ended March 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) 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, qualification 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 Limited	L67120MH1986PLC038784	Holding Company	vii (b)
2	JM Financial Credit Solutions Limited	U74140MH1980PLC022644	Subsidiary	iii (c), iii (d), vii (b), xi (a)
3	JM Financial Products Limited	U74140MH1984PLC033397	Subsidiary	iii (c), iii (d), iii (f), vii (b)
4	Infinite India Investment Management Limited	U74140MH2006PLC163489	Subsidiary	vii (b)
5	JM Financial Asset Management Limited	U65991MH1994PLC078879	Subsidiary	vii (b), xvii
6	JM Financial Asset Reconstruction Company Limited	U67190MH2007PLC174287	Subsidiary	iii (c), iii (d),vii (b), xvii
7	JM Financial Capital Limited	U65190MH2015PLC270754	Subsidiary	iii (c), iii (f), vii (b)
8	JM Financial Home Loans Limited	U65999MH2016PLC288534	Subsidiary	iii (c), iii (d)
9	JM Financial Commtrade Limited	U51100MH2005PLC153110	Subsidiary	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
ICAI UDIN:23118189BGURER7735

Place: Mumbai
Date: May 9, 2023

Annexure B

to the Independent Auditor's Report on the consolidated financial statements of JM Financial Limited for the year ended March 31, 2023

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 Act

(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 JM Financial Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies and its associate company, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies and associate company, as were audited by the other auditors, 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 financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 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 consolidated 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 consolidated 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 consolidated 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 9 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Kapil Goenka
Partner
Membership No.: 118189
ICAI UDIN:23118189BGURER7735

Place: Mumbai
Date: May 9, 2023

Consolidated Balance Sheet

as at March 31, 2023

₹ in Crore

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	4	524.02	1,262.94
Bank balances other than cash and cash equivalents	5	1,867.64	1,296.93
Trade receivables	6	1,215.31	499.09
Loans	7	16,928.73	15,071.52
Investments	8	3,584.49	3,639.29
Other financial assets	9	3,790.74	3,016.18
Total Financial Assets		**27,910.93**	**24,785.95**
Non-financial Assets			
Inventories	10	102.10	-
Current tax assets	11	367.11	336.70
Deferred tax assets	21	245.22	240.94
Property, plant and equipment	12	439.92	352.92
Capital work-in-progress	12	7.01	3.05
Other Intangible assets	12	12.49	8.35
Goodwill on consolidation		52.44	52.44
Other non-financial assets	13	233.22	34.15
Total Non-Financial Assets		**1,459.51**	**1,028.55**
Total Assets		**29,370.44**	**25,814.50**
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Trade payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		1.15	1.64
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,322.09	844.31
Debt securities	15	10,010.15	9,651.16
Borrowings (other than debt securities)	16	5,864.48	3,806.60
Lease liabilities	17	64.83	40.28
Other financial liabilities	18	542.45	446.56
Total Financial Liabilities		**17,805.15**	**14,790.55**
Non-Financial Liabilities			
Current tax liabilities	19	3.01	3.59
Provisions	20	53.54	48.45
Deferred tax liabilities	21	157.85	153.10
Other non-financial liabilities	22	81.04	193.17
Total Non-Financial Liabilities		**295.44**	**398.31**

₹ in Crore

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Equity			
Equity share capital	23	95.48	95.41
Other equity	24	8,040.78	7,590.80
Equity attributable to owners of the Company		**8,136.26**	**7,686.21**
Non-controlling interests		2,888.41	2,819.57
Non-controlling interests of security receipts holders under Distressed Credit Business		245.18	119.86
Total Equity		**11,269.85**	**10,625.64**
Total Liabilities and Equity		**29,370.44**	**25,814.50**
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
B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189

Place: Mumbai
Date: May 9, 2023

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman
DIN – 00009071

Vishal Kampani
Vice Chairman
DIN – 00009079

Manish Sheth
Chief Financial Officer

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Crore

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from Operations			
Interest income	25	1,935.30	1,850.71
Fees and commission income	26	657.48	816.96
Brokerage income	27	314.03	330.54
Net gain on fair value changes	28	183.42	588.59
Net gain on derecognition of financial instruments carried at amortised cost	29	0.10	0.05
Other Operating income	30	174.75	120.31
Total Revenue from Operations		**3,265.08**	**3,707.16**
Other income	31	77.99	56.12
Total Income		**3,343.07**	**3,763.28**
Expenses			
Finance costs	32	1,178.51	1,081.73
Impairment on financial instruments	33	95.56	348.36
Employee benefits expense	34	622.34	547.81
Depreciation and amortisation expense	12	41.87	37.78
Other expenses	35	452.18	399.56
Total Expenses		**2,390.46**	**2,415.24**
Profit before tax		**952.61**	**1,348.04**
Tax expense:	36		
Current tax		243.54	415.46
Deferred tax		0.61	(60.24)
Tax adjustment of earlier years (net)		(0.30)	0.45
Total tax expense		**243.85**	**355.67**
Profit for the year		**708.76**	**992.37**
Add : Share in profit of associate		0.23	0.02
Profit after tax and share in profit of associate		**708.99**	**992.39**
Other Comprehensive Income (OCI)			
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		10.99	3.66
(ii) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		(0.55)	0.81
- Share in Other Comprehensive Income of Associate		#	#
- Income tax on above		0.14	(0.20)
Total Other Comprehensive Income (Net of tax)		**10.58**	**4.27**
Total Comprehensive Income for the year		**719.57**	**996.66**

₹ in Crore

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit Attributable to:			
Owners of the Company		597.29	773.16
Non-controlling interests		111.70	219.23
Other Comprehensive Income Attributable to:			
Owners of the Company		10.62	4.34
Non-controlling interests		(0.04)	(0.07)
Total Comprehensive Income Attributable to:			
Owners of the Company		607.91	777.50
Non-Controlling interests		111.66	219.16
Earnings per equity share (EPS)	38		
(face value of ₹ 1/- each)			
Basic EPS (in ₹)		6.26	8.11
Diluted EPS (in ₹)		6.25	8.09
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
B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189

Place: Mumbai
Date: May 9, 2023

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman
DIN – 00009071

Vishal Kampani
Vice Chairman
DIN – 00009079

Manish Sheth
Chief Financial Officer

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2023

₹ in Crore

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	**952.61**	**1,348.04**
	Adjustment for:		
	Depreciation and amortisation expense	41.87	37.78
	Amortisation of deferred employee compensation (ESOP)	6.12	4.36
	Impairment on financial instruments	95.56	348.36
	Other assets written-off	0.06	4.28
	(Gain) \ loss on sale of property, plant and equipment (PPE)	(0.42)	0.15
	Net gain on fair value changes	(183.42)	(588.59)
	Dividend income	(4.79)	(3.83)
	Interest income	(1,935.30)	(1,850.71)
	Interest income - others	(177.18)	(112.66)
	Finance costs	1,178.51	1,081.73
	Operating (loss) \ profit before working capital changes	**(26.38)**	**268.91**
	Adjustment for:		
	(Increase) in trade receivables	(735.50)	(3.42)
	Decrease in derivative financial instruments (net)	-	0.24
	(Increase) in loans (net)	(1,863.19)	(4,138.57)
	(Increase)/Decrease in other financial assets	(470.22)	139.29
	(Increase) in Inventories	(102.10)	-
	(Increase)/Decrease in other non-financial assets	(168.56)	4.68
	Increase in trade payables	477.29	82.02
	Increase in other financial liabilities	95.98	49.16
	Increase/(Decrease) in provisions	4.54	(1.42)
	(Decrease)/Increase in other non-financial liabilities	(112.79)	116.58
	Interest received	1,865.04	1,811.16
	Interest paid	(1,138.61)	(1,334.22)
	Cash (used in) operations	**(2,174.50)**	**(3,005.59)**
	Direct taxes paid (net)	(274.23)	(452.49)
	Net cash (used in) operating activities	**(2,448.73)**	**(3,458.08)**
B	**Cash flow from investing activities**		
	Purchase of investments	(991.89)	(239.08)
	Proceeds from sale of investments	1,062.27	2,803.55
	Purchase of PPE	(124.53)	(17.03)
	Proceeds from sale of PPE	0.46	0.23
	(Increase) in other bank balances	(570.71)	(48.36)
	Interest – others received	168.77	110.78
	Dividend received	4.79	3.83
	Net cash (used in)/generated from investing activities	**(450.84)**	**2,613.92**

₹ in Crore

	Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
C	**Cash flow from financing activities**			
	Proceeds from issue of shares on exercise of options		0.07	0.14
	Proceeds from issue of securities / security receipts (SRs) to non-controlling interest (NCI) shareholders		0.23	49.44
	(Repayment) on redemption of SRs to Non-controlling SR holders		(7.35)	-
	(Repayment of) debt component of Compulsorily Convertible Debentures to NCI shareholders		(1.85)	(1.62)
	Proceeds from Debt Securities (net)		349.22	1,452.24
	Proceeds from / (Repayment of) other borrowings (net)		2,033.11	(103.76)
	(Repayment of) lease liabilities (including interest)		(23.79)	(19.75)
	Dividend paid on equity shares		(196.38)	(95.97)
	Net cash generated from financing activities		**2,153.26**	**1,280.72**
	Net (decrease) \ increase in cash and cash equivalents before consolidation effect		**(746.31)**	**436.56**
	Add: Cash and cash equivalent of a subsidiary trust on gain of control during the year		7.39	-
	Net (decrease) \ increase in cash and cash equivalents after consolidation effect		**(738.92)**	**436.56**
	Cash and cash equivalents at the beginning of the year		1,262.94	826.38
	Cash and cash equivalents at the end of the year (Refer note 4)		**524.02**	**1,262.94**
	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
B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189

Place: Mumbai
Date: May 9, 2023

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman
DIN – 00009071

Vishal Kampani
Vice Chairman
DIN – 00009079

Manish Sheth
Chief Financial Officer

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity share capital

₹ in Crore

Particulars	Balance as at March 31, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
Equity Share Capital	**95.27**	0.14	**95.41**	0.07	**95.48**

B. Other Equity

₹ in Crore

Particulars	Share application money pending allotment	Reserves and Surplus												Other Comprehensive Income		Other equity attributable to the owners of the Company	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			
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)	-	-	-	-	-
On acquisition of equity shares of subsidiary company from NCI shareholders	-	-	-	-	0.18	-	-	-	-	-	-	-	-	-	-	**0.18**	(3.91)	**(3.73)**
On account of infusion in subsidiary company /trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49.44	**49.44**
On repayment of debt component of Compulsorily convertible debentures (CCD) to NCI shareholders in subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.62)	**(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**

₹ in Crore

Particulars	Share application money pending allotment	Reserves and Surplus												Other Comprehensive Income		Other equity attributable to the owners of the Company	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			
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**
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	597.29	-	-	**597.29**	111.70	**708.99**
OCI	-	-	-	-	-	-	-	-	-	-	-	-	(0.37)	10.99	#	**10.62**	(0.04)	**10.58**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	**596.92**	**10.99**	**#**	**607.91**	**111.66**	**719.57**
Employee Stock Options (Net)	-	-	-	-	-	6.22	-	(1.10)	-	-	-	-	-	-	-	**5.12**	1.00	**6.12**
Transfer to Other Reserves	-	136.15	5.85	-	-	-	-	-	-	-	19.09	-	(161.09)	-	-	-	-	-
On acquisition of equity shares of subsidiary company from NCI shareholders	-	-	-	-	0.10	-	-	-	-	-	-	-	-	-	-	**0.10**	(1.25)	**(1.15)**
On account of infusion in subsidiary company /trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.23	**0.23**
On redemption of SRs to Non-controlling SR holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.35)	**(7.35)**
On conversion of CCD into Equity shares in subsidiary company	-	-	-	-	32.53	-	-	-	-	-	-	-	-	-	-	**32.53**	(32.53)	-
On acquisition of controlling stake by the subsidiary company in its subsidiary trusts	-	-	-	-	-	-	-	-	-	-	-	#	-	-	-	-	124.86	**124.86**
On repayment of debt component of CCD to NCI shareholders in subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.85)	**(1.85)**
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	(195.68)	-	-	**(195.68)**	(0.61)	**(196.29)**
Balance as at March 31, 2023	-	**1,079.41**	**8.84**	**21.85**	**174.55**	**2,034.83**	**27.77**	**16.61**	**174.64**	**205.25**	**127.19**	**#**	**4,138.02**	**31.82**	**#**	**8,040.78**	**3,133.59**	**11,174.37**

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
B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189

Place: Mumbai
Date: May 9, 2023

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman
DIN – 00009071

Vishal Kampani
Vice Chairman
DIN – 00009079

Manish Sheth
Chief Financial Officer

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

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.

Basis of Measurement

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.

Measurement of Fair values

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, the Statement of Profit and Loss and the Statement of Changes in Equity 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. Indian Rupees (₹) is also the functional currency of the Group.

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 losses 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.

Significant Accounting Policies

and Notes to the Consolidated Financial Statements

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 recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise 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 recognised 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 arid 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 of 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 Investment Property

Investment properties are properties held to earn rentals and/or capital appreciation and are measured and reported at cost, less accumulated depreciation and accumulated impairment losses.

An Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-

Significant Accounting Policies

and Notes to the Consolidated Financial Statements

recognition of property is recognised in the Statement of Profit and Loss in the same period.

Investment property under construction / Capital work in progress includes assets not ready for the intended use and is carried at cost, comprising direct cost and related incidental expenses.

2.7 Property, plant and equipment and Intangible assets

Recognition and Measurement

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".

PPE held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	Useful Life
Property, Plant & Equipment	
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

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.

Derecognition

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

Recognition and Measurement

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".

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Amortisation

Amortisation is recognised on a straight-line basis over the estimated useful lives as under:

Assets	Useful Life
Intangible Assets	
Computer Software	5 years

Derecognition

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.

2.8 Inventories

Inventories are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the Financial Statements for the period in which such changes are determined.

2.9 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, except for trade receivables which are initially measured at transaction price. 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.

Significant Accounting Policies

and Notes to the Consolidated Financial Statements

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.

Securities held for trading instruments are classified as at FVTPL. The gains/losses on sale of securities held for trading are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of securities held for trading is determined after consideration of cost on FIFO basis.

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.

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 issued, financial guarantee contracts and other assets, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment loss 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 life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the

Significant Accounting Policies

and Notes to the Consolidated Financial Statements

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 previously written off are credited to the statement of profit and loss.

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

Significant Accounting Policies

and Notes to the Consolidated Financial Statements

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.

2.10 Revenue recognition

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.

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.

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.11 Leases

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

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–

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 Group 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 and adjusted for certain re-measurements of the lease liability, 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 lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not be exercised. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

The Group recognises 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 recognises any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, the Group recognises 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

Significant Accounting Policies

and Notes to the Consolidated Financial Statements

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 that do not meet the definition of Investment Property 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.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

2.12 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.

2.13 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalised 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.

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial liability. Calculation of the EIR includes all fees paid that are incremental and directly attributable to the issue of a financial liability.

2.14 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 recognised 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.

2.15 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 recognised 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.

2.16 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.

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.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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

Significant Accounting Policies
and Notes to the Consolidated Financial Statements

the Group intends to settle its current tax assets and liabilities on a net basis.

2.17 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.

2.18 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.

2.19 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;

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 a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.20 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; and

iii. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.21 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, 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.

2.22 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.

2.23 Earnings Per Equity Share

Basic 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.

Diluted Earnings Per Share

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.

2.24 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 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.

Significant Accounting Policies

and Notes to the Consolidated Financial Statements

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 recognised 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

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Cash	0.16	0.16
Cheque on hand	0.15	-
Balances with banks:		
- In current accounts	480.34	473.78
- In deposit accounts (refer note 4.1)	43.37	789.00
Total	**524.02**	**1,262.94**

Note:

4.1 Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period upto 3 months.

5. Bank Balances other than Cash and Cash Equivalents

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
In deposit accounts		
Under lien against which facilities are availed (refer note 5.1)	1,637.81	1,081.56
Under lien against which facilities are not availed (refer note 5.1)	210.96	200.57
Other bank balances (refer notes 5.2 and 5.3)	18.87	14.80
Total	**1,867.64**	**1,296.93**
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.	1,848.77	1,282.13
5.2 Includes earmarked bank balances against unclaimed dividend	1.56	1.65
5.3 Includes other earmarked bank balances	6.61	4.46

6. Trade Receivables

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Secured, considered good	795.11	160.46
Unsecured, considered good	466.81	366.83
Less: Impairment loss allowance	(46.61)	(28.20)
	1,215.31	**499.09**
Unsecured, considered doubtful	1.50	0.68
Less: Impairment loss allowance	(1.50)	(0.68)
	-	-
Total	**1,215.31**	**499.09**

Notes
to the Consolidated Financial Statements (Contd.)

6.1 Trade receivable ageing schedule:

₹ in Crore

As on March 31, 2023	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	1,005.68	33.00	67.76	65.83	89.65	**1,261.92**
(ii) Undisputed Trade Receivables- significant increase in credit risk	-	1.19	0.16	0.06	0.09	**1.50**
(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*	**1,005.68**	**34.19**	**67.92**	**65.89**	**89.74**	**1,263.42**

₹ in Crore

As on 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**

*excludes impairment loss allowance

6.2 There is no unbilled revenue receivable for the year ended March 31, 2023 and March 31, 2022.

7. Loans

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
(At amortised cost)		
- To Related parties / Promoters / Directors / KMPs		
Term Loans	-	-
Demand Loans	-	-
Inter Corporate Deposits	-	-
Accrued Interest	-	-
	-	**-**
- To Others		
Term Loans	15,671.88	14,117.82
Demand Loans	1,560.68	1,615.37
Inter Corporate Deposits	20.75	30.00
Accrued Interest	305.89	235.63
	17,559.20	**15,998.82**
Less: Impairment loss allowance	(630.47)	(927.30)
	16,928.73	**15,071.52**
Break up of loans into secured and unsecured		
Secured by tangible assets (including real estate mortgages, shares, bonds, mutual funds, etc.)	16,593.47	15,755.28
Unsecured	965.73	243.54
	17,559.20	**15,998.82**
Less: Impairment loss allowance	(630.47)	(927.30)
Total	**16,928.73**	**15,071.52**

Note:

7.1 The loans are given in India to parties other than public sectors.

Notes

to the Consolidated Financial Statements (Contd.)

8 Investments

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
(At amortised cost)		
Investment in Associate		
JM Financial Trustee Company Private Limited	0.03	0.03
Add : Share in post-acquisition profit	12.23	12.00
	12.26	**12.03**
Debt Instruments	**29.75**	-
Less: Impairment loss allowance	(0.12)	-
	29.63	-
	41.89	**12.03**
(At FVTPL)		
Equity Instruments	360.52	304.21
Preference Shares	89.30	24.98
Debt Instruments	178.17	59.84
Fixed Coupon Notes	31.70	-
Treasury Bills	146.04	48.93
Security Receipts	1,203.26	916.84
Convertible Warrants	6.74	6.82
Venture Capital Fund (VCF) Units	141.03	110.81
Alternative Investment Funds (AIF) Units	29.37	25.52
Real Estate Investment Trust (REIT) Units	30.57	4.40
Mutual Fund Units	1,325.89	2,124.90
Equity Oriented Mutual Fund Units	0.01	0.01
	3,542.60	**3,627.26**
Total	**3,584.49**	**3,639.29**
Break-up of Investments:		
Investments in India	3,481.58	3,587.91
Investments outside India	103.03	51.38
	3,584.61	**3,639.29**
Less: Impairment loss allowance	(0.12)	-
Total	**3,584.49**	**3,639.29**

9. Other Financial Assets

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
(At FVTPL)		
Financial Assets of Distressed Credit business	2,714.88	2,293.41
Securities held for trading	605.27	400.45
Assets held for Arbitrage activities	270.17	235.39
	3,590.32	**2,929.25**
(At Amortised Cost)		
Advances recoverable in cash	134.71	53.85
Security deposits	16.62	14.91
Accrued Interest on fixed deposits	18.43	10.02
Other deposits	30.34	7.82
Employees advances	0.32	0.33
	200.42	**86.93**
Total	**3,790.74**	**3,016.18**

10. Inventories

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Premises	102.10	-
Total	**102.10**	**-**

11. Current Tax Assets

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Advance tax	367.11	336.70
Total	**367.11**	**336.70**

Notes

to the Consolidated Financial Statements (Contd.)

12. Property, Plant and Equipment and Intangible Assets

₹ in Crore

	Gross carrying amount					Accumulated Depreciation / Amortisation					Net Carrying Amount
	As at April 01, 2022	Additions for the year	Deductions for the year	Currency Fluctuation	As at March 31, 2023	As at April 01, 2022	Additions for the year	Deductions for the year	Currency Fluctuation	As at March 31, 2023	As at March 31, 2023
A) PROPERTY, PLANT AND EQUIPMENT											
Owned assets:											
Land	0.44	-	-	-	**0.44**	-	-	-	-	**-**	**0.44**
Leasehold Building	54.90	-	-	-	**54.90**	5.20	1.04	-	-	**6.24**	**48.66**
Premises	263.60	64.08	-	-	**327.68**	23.32	5.74	-	-	**29.06**	**298.62**
Leasehold improvements	16.27	3.88	0.07	-	**20.08**	12.23	1.92	0.07	-	**14.08**	**6.00**
Computers	31.02	10.38	0.40	0.02	**41.02**	21.96	5.54	0.37	0.02	**27.15**	**13.87**
Office equipment	7.56	2.05	0.37	-	**9.24**	5.95	0.86	0.37	-	**6.44**	**2.80**
Furniture and fixtures	30.76	1.66	0.32	0.01	**32.11**	19.61	4.54	0.31	0.01	**23.85**	**8.26**
Motor Vehicles	4.26	0.09	-	-	**4.35**	3.86	0.17	-	-	**4.03**	**0.32**
Leased assets :											
Premises (Right to use asset)	68.13	43.31	9.58	0.14	**102.00**	33.69	17.17	7.36	0.14	**43.64**	**58.36**
Motor Vehicles (Refer note 12.1)	4.08	1.96	1.17	-	**4.87**	2.28	1.11	1.11	-	**2.28**	**2.59**
TOTAL – A	**481.02**	**127.41**	**11.91**	**0.17**	**596.69**	**128.10**	**38.09**	**9.59**	**0.17**	**156.77**	**439.92**
B) INTANGIBLE ASSETS (Refer note 12.2)											
Software	28.35	7.92	-	-	**36.27**	20.00	3.78	-	-	**23.78**	**12.49**
TOTAL – B	**28.35**	**7.92**	**-**	**-**	**36.27**	**20.00**	**3.78**	**-**	**-**	**23.78**	**12.49**
C) CAPITAL WORK-IN-PROGRESS											**7.01**
TOTAL (A + B + C)	**509.37**	**135.33**	**11.91**	**0.17**	**632.96**	**148.10**	**41.87**	**9.59**	**0.17**	**180.55**	**459.42**

# Denotes amount below ₹ 50,000/-

₹ in Crore

	Gross carrying amount					Accumulated Depreciation / Amortisation					Net Carrying Amount
	As at April 01, 2021	Additions for the year	Deductions for the year	Currency Fluctuation	As at March 31, 2022	As at April 01, 2021	Additions for the year	Deductions for the year	Currency Fluctuation	As at March 31, 2022	As at March 31, 2022
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**
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 :											
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/-

Notes: 12.1 Vendor has lien over the assets taken on lease.

12.2 The Intangible assets are other than internally generated.

13. Other Non Financial Assets

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Capital advances (Refer note 13.1)	196.48	3.97
Balances with government authorities	18.67	19.13
Prepaid expenses	16.80	10.05
Advances receivable in kind	1.27	1.00
Total	**233.22**	**34.15**

Note:

13.1 During the year, one of the subsidiary companies has entered into a settlement agreement for its loan exposures against the rights to receive properties valued at ₹ 162 Crore. Accordingly, the value of right to receive property have been adjusted against the dues, balance dues have been written off and the provisions made on such loans have been reversed.

14. Trade Payables

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (Refer note 14.1)	**1.15**	**1.64**
Total outstanding dues of creditors other than micro and small enterprises	1,382.94	905.66
Less: Receivable from National Spot Exchange Limited (NSEL) on account of clients [Refer note 14.2]	(60.85)	(61.35)
	1,322.09	**844.31**
Total	**1,323.24**	**845.95**

Notes:

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:

₹ in Crore

		As at March 31, 2023	As at March 31, 2022
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.15	1.64
(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		**1.15**	**1.64**

14.2 This amount is payable to the clients only if and to the extent the same is received from NSEL.

Notes

to the Consolidated Financial Statements (Contd.)

14.3 Trade payable ageing schedule:

₹ in Crore

As on March 31, 2023	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	1.15	-	-	-	1.15
(ii) Others	1,319.75	1.30	0.12	0.92	1,322.09
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**1,320.90**	**1.30**	**0.12**	**0.92**	**1,323.24**

₹ in Crore

As on 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	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**843.74**	**1.18**	**0.59**	**0.44**	**845.95**

14.4 Unbilled dues as on March 31, 2023 is ₹ 0.80 Crore (Previous year: ₹ 1.05 Crore).

15. Debt Securities

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
(At amortised cost)		
Secured		
Non-convertible debentures (Refer Notes 15.1, 15.3 & 15.5)	7,887.95	6,661.10
	7,887.95	**6,661.10**
Unsecured		
Commercial papers (Refer Note 15.4)	1,820.00	2,700.00
Less: Unamortised discount on commercial papers	(47.13)	(49.50)
	1,772.87	**2,650.50**
Interest Accrued	349.33	339.56
Total	**10,010.15**	**9,651.16**
Debt securities in India	10,010.15	9,651.16
Debt securities outside India	-	-
Total	**10,010.15**	**9,651.16**

15.1 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD):

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Secured:		
Public issue - Face value of ₹ 1,000 each		
10.20% NCD redeemable in year 2022-23	-	63.80
0% NCD redeemable in year 2022-23*	-	10.81
10.00% Tranche II -Option I redeemable in year 2022-23	-	98.69
0% Tranche II -Option II redeemable in year 2022-23*	-	31.73
9.70% NCD redeemable in year 2023-24	12.50	12.41
9.29% NCD redeemable in year 2023-24	11.36	11.34
0% NCD redeemable in year 2023-24*	4.54	4.44
9.50% Tranche I -Option III redeemable in year 2023-24	364.95	365.01
9.11% Tranche I -Option IV redeemable in year 2023-24	16.88	16.68
10.10% Tranche II -Option III redeemable in year 2023-24	48.66	48.75
9.67% Tranche II -Option IV redeemable in year 2023-24	42.49	42.29
9.85% NCD redeemable in year 2024-25	-	15.36
10.04% NCD redeemable in year 2024-25	-	66.92
10.30% NCD redeemable in year 2024-25	-	29.50
10.50% NCD redeemable in year 2024-25	-	100.10
9.48% NCD redeemable in year 2024-25	12.60	12.60
9.90% NCD redeemable in year 2024-25	10.23	10.27
0% NCD redeemable in year 2024-25*	4.02	4.08
9.32% NCD redeemable in year 2025-26	54.22	54.19
0% NCD redeemable in year 2026-27*	8.23	8.27
7.91% NCD redeemable in year 2026-27	61.72	61.79
8.20% NCD redeemable in year 2026-27	255.45	253.95
9.75% Tranche I -Option V redeemable in year 2028-29	214.81	214.75
9.34% Tranche I -Option VI redeemable in year 2028-29	11.88	11.94
10.25% Tranche II -Option V redeemable in year 2028-29	25.03	24.70
9.81% Tranche II -Option VI redeemable in year 2028-29	16.14	16.15
10.00% NCD redeemable in year 2029-30	2.37	2.37
9.57% NCD redeemable in year 2029-30	4.96	4.91
8.30% NCD redeemable in year 2030-31	6.78	6.80
	1,189.82	**1,604.60**
Private Placement - Face value of ₹ 10,00,000 each		
5.84% NCD redeemable in year 2022-23**	-	150.00
9.10% NCD redeemable in year 2022-23	-	33.34
10.48% Tranche XXIII redeemable in year 2022-23*	-	50.00
0% NCD redeemable in year 2022-23*	-	110.00
7.75% NCD redeemable in year 2022-23	-	300.00
9.00% NCD redeemable in year 2022-23	-	50.00
8.40% NCD redeemable in year 2022-23	-	150.00
11.50% NCD redeemable in year 2022-23	-	148.00
9.25% NCD redeemable in year 2022-23	-	5.10
8.25% NCD redeemable in year 2022-23	-	10.00

Notes

to the Consolidated Financial Statements (Contd.)

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
8% Tranche XXXII redeemable in year 2023-24**	75.00	75.00
8.5% Tranche XXXIII redeemable in year 2023-24**	48.40	27.00
8% Tranche XXXIV redeemable in year 2023-24**	55.00	55.00
7.75% NCD redeemable in year 2023-24	125.00	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	33.35	66.67
8.25% NCD redeemable in year 2023-24	40.00	40.00
8.00% NCD redeemable in year 2024-25	100.00	100.00
8.25% Tranche XXXV redeemable in year 2024-25**	70.00	70.00
8.35% NCD redeemable in year 2024-25	300.00	300.00
10.85% NCD redeemable in year 2024-25	597.00	597.00
10.10% NCD redeemable in year 2024-25	6.30	6.30
8.50% NCD redeemable in year 2024-25**	100.00	50.00
9.00% NCD redeemable in year 2024-25**	180.00	-
9.60% NCD redeemable in year 2024-25	125.00	-
9.25% NCD redeemable in year 2024-25**	125.00	-
8% NCD redeemable in year 2025-26	10.00	10.00
9.60% NCD redeemable in year 2025-26	125.00	-
8.50% NCD redeemable in year 2025-26	825.00	-
9.15% NCD redeemable in year 2026-27	50.00	-
8% NCD redeemable in year 2026-27	5.00	5.00
9.75% NCD redeemable in year 2026-27	100.00	100.00
7.90% NCD redeemable in year 2027-28	5.00	-
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 year 2028-29	25.00	25.00
8.99% NCD redeemable in year 2028-29	75.00	75.00
8.65% NCD redeemable in year 2029-30	50.00	50.00
8.99% NCD redeemable in year 2029-30	75.00	75.00
9.75% NCD redeemable in year 2029-30	100.00	100.00
8.99% NCD redeemable in year 2030-31	75.00	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	565.00
8.99% NCD redeemable in year 2031-32	75.00	75.00
8.15% NCD redeemable in year 2031-32	100.00	100.00
8.65% NCD redeemable in year 2032-33	373.00	-
8.60% NCD redeemable in year 2032-33	30.00	30.00
	5,801.38	**4,961.74**

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Private Placement - Face value of ₹ 1,00,000 each		
10.20% NCD redeemable in year 2024-25	400.00	-
8.50% NCD redeemable in year 2025-26	102.70	-
10.20% NCD redeemable in year 2025-26	350.00	-
9.38% NCD redeemable in year 2026-27	125.00	-
	977.70	**-**
Private Placement - Face value of ₹ 2,00,000 each		
NCD redeemable in year 2022-23**	-	75.00
8.5% Tranche XXXI redeemable in year 2022-23**	-	75.00
	-	**150.00**
Total	**7,968.90**	**6,716.34**

* 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 5.05% to 8.95% p.a (during FY 2021-22 – 3.50% to 7.88% p.a) and are repayable within a period upto 365 days from the date of disbursement.

15.5 Relevant subsidiary companies have utilised 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, 2023	As at March 31, 2022
(At amortised cost)		
Secured		
Term loans		
(i) from banks (Refer notes 16.1, 16.5 & 16.7)	3,245.24	1,936.89
(ii) from others (Refer notes 16.1, 16.5 & 16.8)	1,489.27	852.91
Cash credit / WCDL facilities (Refer note 16.2)	95.15	191.66
Overdraft accounts (Refer note 16.3)	61.26	-
Total	**4,890.92**	**2,981.46**
Unsecured		
Borrowings under Securities lending and borrowings (SLB)	273.34	247.05
Inter corporate deposits	622.86	525.50
Total	**896.20**	**772.55**
Interest Accrued	77.36	52.59
Total	**5,864.48**	**3,806.60**
Borrowings in India	5,864.48	3,806.60
Borrowings outside India	-	-
Total	**5,864.48**	**3,806.60**

Notes

to the Consolidated Financial Statements (Contd.)

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 Secured by way of hypothecation on certain identified loan fund balances and pledge of certain identified security receipts of the relevant subsidiary companies.

16.3 Secured by way of fixed deposits with banks of the relevant subsidiary company.

16.4 Term loan includes impact of Effective interest rate (EIR) adjustment.

16.5 The relevant subsidiary companies have utilised money obtained by way of term loans during the year for the purpose for which they were obtained.

16.6 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.

16.7 Maturity profile and rate of interest of term loans from banks:

₹ in Crore

Residual Maturities	As at March 31, 2023		
	Up to one year (April 2023 to March 2024)	1-3 years (April 2024 to March 2026)	3 years & above (April 2026 onwards)
8.01% to 9.00%	245.49	541.35	405.95
9.01% to 10.00%	433.91	817.90	319.77
10.01% to 11.00%	181.29	276.94	12.50
11.01% to 12.00%	15.00	15.00	-
Total	**875.69**	**1,651.19**	**738.22**

₹ in Crore

Residual Maturities	As at March 31, 2022		
	Up to one year (April 2022 to March 2023)	1-3 years (April 2023 to March 2025)	3 years & above (April 2025 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**

16.8 Maturity profile and rate of interest of term loans from others:

₹ in Crore

Residual Maturities	As at March 31, 2023		
	Up to one year (April 2023 to March 2024)	1-3 years (April 2024 to March 2026)	3 years & above (April 2026 onwards)
2.00 % to 3.00%	11.12	22.24	28.90
4.00 % to 6.00%	11.50	26.73	51.17
7.00 % to 8.00%	14.77	25.87	44.91
8.01 % to 9.00%	28.67	62.83	31.50
9.01 % to 10.00%	181.87	420.12	200.76
10.01% to 11.00%	148.22	24.07	158.72
Total	**396.15**	**581.86**	**515.96**

₹ in Crore

Residual Maturities	As at March 31, 2022		
	Up to one year (April 2022 to March 2023)	1-3 years (April 2023 to March 2025)	3 years & above (April 2025 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**

16.9 Maturity profiles above are disclosed at face value which excludes impact of EIR adjustment.

17. Lease Liabilities

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Lease liability for Premises (Refer note 39)	61.84	38.10
Lease liability for Motor Vehicles (Refer note 17.1 & 39)	2.99	2.18
Total	**64.83**	**40.28**

17.1 Secured by way of hypothecation of vehicles.

18. Other Financial Liabilities

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Employee benefit payable	192.26	217.58
Margin from clients / franchisees	276.29	150.28
Provision for Corporate Social Responsibility (CSR) Expenditure	30.59	28.07
Undistributed collections in trusts under Distressed Credit Business	11.46	2.60
Amount collected on behalf of trusts under Distressed Credit Business	4.89	20.47
Property deposit	3.26	3.13
Unclaimed dividend	1.56	1.65
Other liabilities	22.14	22.78
Total	**542.45**	**446.56**

Notes
to the Consolidated Financial Statements (Contd.)

19. Current Tax Liabilities

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Provision for tax	3.01	3.59
Total	**3.01**	**3.59**

20. Provisions

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
For employee benefits		
Gratuity	33.87	31.38
Compensated absences	17.57	14.97
Others		
Clawback obligation	2.10	2.10
Total	**53.54**	**48.45**

21. Deferred Tax (Assets) / Liabilities (Net)

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Deferred tax (assets)	(245.22)	(240.94)
Deferred tax liabilities	157.85	153.10
Total	**(87.37)**	**(87.84)**

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Fiscal allowance on property, plant and equipment (PPE)	12.75	12.59
Disallowances under section 43B of the Income Tax Act, 1961	(15.67)	(13.00)
Net fair value gain / (loss) measured at FVTPL	(41.30)	(8.55)
Measurement of Financial Instruments at amortised cost	(21.10)	(12.39)
Impairment loss allowance on financial assets	(128.45)	(179.49)
Investments	115.43	115.43
Share Issue Expenses (Section 35D of the Income Tax Act, 1961)	1.60	1.36
Amalgamation Expenses (Section 35DD of the Income Tax Act, 1961)	(0.07)	-
Carry forward business losses	(10.56)	(3.79)
Total	**(87.37)**	**(87.84)**

21.1 Table showing deferred tax recorded in the balance sheet and changes recorded in the tax expense:

For the year ended March 31, 2023

₹ in Crore

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing balance
Fiscal allowance on PPE	12.59	0.16	-	**12.75**
Disallowances under section 43B of the Income Tax Act, 1961	(13.00)	(2.53)	(0.14)	**(15.67)**
Net fair value gain / (loss) measured at FVTPL	(8.55)	(32.75)	-	**(41.30)**
Measurement of Financial Instruments at amortised cost	(12.39)	(8.71)	-	**(21.10)**
Impairment loss allowance on financial assets	(179.49)	51.04	-	**(128.45)**
Investments	115.43	-	-	**115.43**
Share Issue Expenses (Section 35D of the Income Tax Act, 1961)	1.36	0.24	-	**1.60**
Amalgamation Expenses (Section 35DD of the Income Tax Act, 1961)	-	(0.07)	-	**(0.07)**
Carry forward business losses	(3.79)	(6.77)	-	**(10.56)**
Total	**(87.84)**	**0.61**	**(0.14)**	**(87.37)**

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	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)**

22. Other Non-Financial Liabilities

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Statutory dues	72.45	85.96
Income received in advance	5.14	3.16
Others	3.45	104.05
Total	**81.04**	**193.17**

Notes
to the Consolidated Financial Statements (Contd.)

23. Equity Share Capital

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Authorised		
152,02,00,000 (as at March 31, 2022 - 152,02,00,000) equity shares of ₹ 1/- each	152.02	152.02
4,38,00,000 (as at March 31, 2022 - 4,38,00,000) preference shares of ₹ 10/- each	43.80	43.80
Total	**195.82**	**195.82**
Issued, Subscribed and Paid-up		
95,48,03,803 (as at March 31, 2022 - 95,40,55,533) equity shares of ₹ 1/- each fully paid-up	95.48	95.41
Total	**95.48**	**95.41**

23.1 Reconciliation of the number of equity shares outstanding:

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount (₹ in Crore)	Number	Amount (₹ in Crore)
Shares outstanding at the beginning of the year	95,40,55,533	95.41	95,27,22,711	95.27
Shares allotted upon exercise of stock options	7,48,270	0.07	13,32,822	0.14
Shares outstanding at the end of the year	**95,48,03,803**	**95.48**	**95,40,55,533**	**95.41**

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.

23.3 Details of shareholders holding more than 5 percent (%) shares:

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of total Holding	No. of Shares held	% of total Holding
J. M. Financial & Investment Consultancy Services Private Limited	22,81,09,100	23.89%	22,27,34,100	23.35%
Nimesh Kampani*	12,57,50,000	13.17%	12,57,50,000	13.18%
J. M. Assets Management Private Limited	10,68,92,908	11.20%	10,35,42,908	10.85%
ICICI Prudential (various schemes)	4,85,04,183	5.08%	5,91,95,020	6.20%

* 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 & promoters group	No of shares as at March 31, 2023	Percentage of total shares as at March 31, 2023	No of shares as at March 31, 2022	Percentage of total shares as at March 31, 2022	Percentage of change during the year
1	J. M. Financial & Investment Consultancy Services Private Limited	22,81,09,100	23.89%	22,27,34,100	23.35%	0.54%
2	Nimesh Kampani*	12,57,50,000	13.17%	12,57,50,000	13.18%	(0.01%)
3	Aruna Kampani	3,15,51,250	3.30%	3,25,51,250	3.41%	(0.11%)
4	Vishal Kampani	1,30,00,000	1.36%	1,26,22,236	1.32%	0.04%
5	Amishi Akash Gambhir	80,00,000	0.84%	80,00,000	0.84%	-
6	Shiv Kampani	12,00,000	0.13%	-	-	0.13%
7	J. M. Assets Management Private Limited	10,68,92,908	11.20%	10,35,42,908	10.85%	0.35%
8	JSB Securities Limited	65,05,000	0.68%	65,05,000	0.68%	-
9	SNK Investments Private Limited	1,21,60,000	1.27%	1,21,60,000	1.27%	-
10	Persepolis Investment Company Private Limited	23,50,000	0.25%	23,50,000	0.25%	-
11	Kampani Consultants Limited	21,85,000	0.23%	8,85,000	0.09%	0.14%
12	JM Financial Trustee Company Private Limited	16,30,000	0.17%	16,30,000	0.17%	-

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

24. Other Equity

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Share Application Money Pending Allotment	-	-
Statutory Reserve - I (under section 45-IC of the RBI Act, 1934)	1,079.41	943.26
Statutory Reserve – II (under section 29C of the NHB Act, 1987)	8.84	2.99
Capital Reserve	21.85	21.85
Reserve on acquisition / dilution in subsidiary companies	174.55	141.92
Securities Premium Reserve	2,034.83	2,028.61
Capital Redemption Reserve	27.77	27.77
Stock Option Outstanding	38.66	20.11
Less: Deferred Employee Compensation Expense	(22.05)	(2.40)
Stock Option Outstanding	**16.61**	**17.71**
Capital Reserve on Consolidation	174.64	174.64
General Reserve	205.25	205.25
Impairment Reserve	127.19	108.10
Initial Corpus	#	#
Retained Earnings	4,138.02	3,897.87
Foreign Currency Translation Reserve	31.82	20.83
Share in OCI of associate	#	#
Total	**8,040.78**	**7,590.80**

# Denotes amount below ₹ 50,000/-

Notes
to the Consolidated Financial Statements (Contd.)

Movement in Other Equity

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Share Application Money Pending Allotment	-	-
Statutory Reserve – I (under section 45-IC of the RBI Act, 1934)		
Opening balance	943.26	856.89
Add: Transferred from retained earnings	136.15	86.37
Closing balance	1,079.41	943.26
Statutory Reserve – II (under section 29C of the NHB Act, 1987)		
Opening balance	2.99	2.12
Add: Transferred from retained earnings	5.85	0.87
Closing balance	8.84	2.99
Capital Reserve	21.85	21.85
Reserve on acquisition / dilution in subsidiary companies		
Opening balance	141.92	141.74
Add: On acquisition of equity shares of subsidiary company from Non-controlling interest shareholders	0.10	0.18
Add: On conversion of Compulsorily Convertible Debentures (CCD) into Equity shares of subsidiary company	32.53	-
Closing balance	174.55	141.92
Securities Premium Reserve		
Opening balance	2,028.61	2,015.63
Add: On shares allotted upon exercise of stock options by the employees	6.22	12.98
Closing balance	2,034.83	2,028.61
Capital Redemption Reserve	27.77	27.77
Stock Option Outstanding		
Opening balance	20.11	33.64
Add: Additions on account of fresh grants during the year	25.95	1.19
Less: Transferred to securities premium upon exercise of stock options	(6.22)	(12.98)
Less: Reduction on account of options lapsed during the year	(1.18)	(1.74)
	38.66	20.11
Less : Deferred employee compensation	(22.05)	(2.40)
Closing balance	16.61	17.71
Capital Reserve on Consolidation	174.64	174.64
General Reserve	205.25	205.25
Impairment Reserve		
Opening balance	108.10	14.43
Add: Transferred from retained earnings (Refer note 24.1)	19.09	93.67
Closing balance	127.19	108.10
Initial Corpus		
Opening balance	#	#
Add: On account of change in controlling interest of Subsidiary company in its subsidiary trusts	#	-
Closing balance	#	#

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Retained Earnings		
Opening balance	3,897.87	3,400.28
Add: Profit for the year	597.29	773.16
Add / (Less): Other Comprehensive Income	(0.37)	0.68
Amount available for appropriations	4,494.79	4,174.12
Less: Appropriations		
Final dividend	109.75	47.64
Interim Dividend	85.93	47.70
Transferred to Statutory Reserve – I	136.15	86.37
Transferred to Statutory Reserve - II	5.85	0.87
Transferred to Impairment Reserve	19.09	93.67
Closing balance	4,138.02	3,897.87
Foreign Currency Translation Reserve		
Opening balance	20.83	17.17
Add: During the year	10.99	3.66
Closing balance	31.82	20.83
Share of OCI of Associate		
Opening balance	#	#
Add: During the year	#	#
Closing balance	#	#
Total	8,040.78	7,590.80

# 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.

Notes
to the Consolidated Financial Statements (Contd.)

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 utilised 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.

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 recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve.

Note 24.1:

During the year, in one of the subsidiary companies namely, JM Financial Asset Reconstruction Company Limited (JMFARC), transfer is made to Impairment Reserve 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. Total provision as required under the extant RBI guidelines for Non - Performing Advances is ₹ 127.19 Crore.

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, ₹ 107.64 Crore is made by transfer to the impairment reserve.

25. Interest Income

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
(At Amortised Cost)		
Interest on Loans	1,925.46	1,840.46
(At Fair value through Profit or Loss)		
Interest on Financial assets	9.84	10.25
Total	**1,935.30**	**1,850.71**

26. Fees and Commission Income

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Fees and Commission Income	657.48	816.96
Total	**657.48**	**816.96**

27. Brokerage Income

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Brokerage Income	314.03	330.54
Total	**314.03**	**330.54**

28. Net Gain on Fair Value Changes

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on financial instruments measured at fair value through profit or loss	183.42	588.59
Total	**183.42**	**588.59**
-Realised	265.86	601.69
-Unrealised	(82.44)	(13.10)
Total	**183.42**	**588.59**

29. Net Gain on Derecognition of Financial Instruments Carried at Amortised Cost

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit on sale of financial instruments carried at amortised cost (Realised)	0.10	0.05
Total	**0.10**	**0.05**

Notes

to the Consolidated Financial Statements (Contd.)

30. Other Operating Income

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income (Refer note 30.1)	150.15	95.43
Income from Arbitrage activities	18.26	20.09
Dividend Income	4.79	3.83
Rental Income	1.55	0.96
Total	**174.75**	**120.31**

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, 2023	For the year ended March 31, 2022
Interest Income	27.03	17.23
Profit on sale of property, plant and equipment (PPE)	0.42	-
Compensation towards occupation of premises	23.43	10.27
Miscellaneous income	27.11	28.62
Total	**77.99**	**56.12**

32. Finance Costs

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
(At Amortised Cost)		
Debt Securities	748.29	752.78
Borrowings (Other than Debt Securities)	387.50	296.48
Finance cost on lease obligations	5.34	4.44
Other Interest expense (Refer note 32.1)	37.38	28.03
Total	**1,178.51**	**1,081.73**

Note 32.1 Other interest expense mainly comprises interest on margin and interest on bank guarantee, etc.

33. Impairment on Financial Instruments

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
(At Amortised Cost)		
On Loans	(296.83)	328.61
On Trade receivables	19.23	9.76
On Investments	0.12	-
On Other Financial assets	5.21	9.99
Write-off of loans	367.83	-
Total	**95.56**	**348.36**

34. Employee Benefits Expense

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, bonus, other allowances and benefits (Refer Note 44)	588.62	521.95
Contribution to provident and other funds	22.60	17.99
Gratuity (Refer Note 40)	6.62	5.95
Staff welfare expenses	4.50	1.92
Total	**622.34**	**547.81**

35. Other Expenses

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sub-brokerage, fees and commission	214.60	219.38
Legal and professional fees	38.83	25.65
Corporate Social Responsibility (CSR) expenditure (Refer note 46)	27.94	27.00
Advertisement and other related expenses	27.33	8.28
Information technology expenses	23.77	14.98
Manpower expenses	18.43	14.64
Rates and taxes	14.13	20.09
Travelling, hotel and conveyance expenses	11.65	4.20
Repairs and maintenance	9.88	9.00
Membership and subscriptions	9.58	9.42
Insurance expenses	8.68	6.58
Electricity expenses	4.71	3.39
Donation	4.13	4.10
Communication expenses	3.35	3.15
Printing and stationery	2.87	1.97
Directors' commission	2.68	2.94
Support Service Fees	2.50	2.50
Auditors' remuneration (Refer note 35.1)	2.47	1.93
Fund expenses	2.06	1.68
Space and other related costs	1.64	1.29
Business conference and seminar expenses	0.48	0.01
Other assets written-off	0.06	4.28
Loss on sale of property, plant and equipment (PPE)	-	0.15
Miscellaneous expenses	20.41	12.95
Total	**452.18**	**399.56**

35.1 Payment to Auditors (excluding Goods and services tax)*

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fees	1.61	1.48
Certification and other matters	0.76	0.43
Reimbursement of Expenses	0.10	0.02
Total	**2.47**	**1.93**
Fees paid in connection with NCD Issue included for measurement of financial liabilities at amortised cost	-	0.10
Total	**2.47**	**2.03**

*includes payments to other auditors of the relevant subsidiary companies aggregating ₹ 1.03 Crore (Previous year ₹ 1.01 Crore)

Notes

to the Consolidated Financial Statements (Contd.)

36. Tax expense

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	243.54	415.46
Deferred tax	0.61	(60.24)
Tax adjustment in respect of earlier years	(0.30)	0.45
Total income tax expenses recognised in Statement of Profit and Loss	**243.85**	**355.67**
Income tax expense recognised in OCI	**(0.14)**	**0.20**

Reconciliation of total tax charge

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	952.61	1,348.04
Income tax rate	25.168%	25.168%
Income tax expense	**239.75**	**339.28**
Tax Effect of:		
Effect of income that is exempt from tax	(1.17)	(2.67)
Effect of items that are not deductible in determining taxable profits	2.26	11.34
Effect of income taxable at differential rate	(9.91)	(9.71)
Set off of temporary differences pertaining to earlier years on which no deferred tax was created	-	(0.09)
Tax effect on unrecognised deferred tax assets	8.92	4.03
Adjustment in respect of earlier years (net)	(0.30)	0.45
Tax effect of intra-group eliminations	4.64	12.28
Deduction under section 80JJAA of the Income tax Act, 1961	(0.33)	(0.10)
Others	(0.01)	0.86
Total	**4.10**	**16.39**
Income tax expense recognised in Statement of Profit and Loss	**243.85**	**355.67**

37. Contingent Liabilities and Capital Commitments

Contingent Liability*

Contingent liability in respect of income tax demands for various years disputed in appeal is ₹ 56.11 Crore (FY 2021-22 - ₹ 48.76 Crore).

Disputed demands in respect of GST and Service tax is ₹ 9.14 Crore (FY 2021-22 - ₹ 9.00 Crore).

Contingent liability arising out of an appeal before State commission is ₹ 0.03 Crore (FY 2021-22 - Nil).

* 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 ₹ 6.68 Crore (FY 2021-22 - ₹ 60.93 Crore).

Uncalled liability on account of commitment to subscribe to investments is ₹ 64.54 Crore (FY 2021-22 - ₹ 118.74 Crore). Commitment of purchase of security receipts is ₹ 28.53 Crore (FY 2021-22 – 66.29 Crore).

38. Earnings per Equity 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, 2023	For the year ended March 31, 2022
Profit attributable to equity shareholders (₹ in Crore)	**597.29**	**773.16**
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	95,46,15,232	95,35,56,246
Basic earnings per share (₹)	6.26	8.11
Dilutive potential equity shares (Nos.)	5,72,573	18,45,189
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	95,51,87,805	95,54,01,435
Diluted earnings per share (₹)	6.25	8.09
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, 2023:

₹ in Crore

Category of Leased assets	Gross Block					Accumulated Depreciation					Net Block
	As at April 1, 2022	Additions	Currency Fluctuation	Deletion	As at March 31, 2023	As at April 1, 2022	Depreciation	Currency Fluctuation	Deductions	As at March 31, 2023	As at March 31, 2023
Premises	68.13	43.31	0.14	9.58	102.00	33.69	17.17	0.14	7.36	43.64	**58.36**
Motor Vehicles	4.08	1.96	-	1.17	4.87	2.28	1.11	-	1.11	2.28	**2.59**
Total	**72.21**	**45.27**	**0.14**	**10.75**	**106.87**	**35.97**	**18.28**	**0.14**	**8.47**	**45.92**	**60.95**

Following are the changes in the carrying value of Leased assets for the year ended March 31, 2022:

₹ in Crore

Category of Leased assets	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
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**

Notes

to the Consolidated Financial Statements (Contd.)

The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022:

On Premises:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Opening balance	**38.10**	**36.68**
Additions during the year	41.74	15.93
Deletions during the year	(2.22)	(1.11)
Finance cost accrued during the year	4.32	3.47
Currency fluctuation	0.06	0.02
Payment of lease liabilities	(20.16)	(16.89)
Closing balance	**61.84**	**38.10**

On Motor Vehicles:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Opening balance	**2.18**	**2.30**
Additions during the year	1.96	1.29
Deletions during the year	(0.06)	(0.13)
Finance cost accrued during the year	1.02	0.97
Payment of lease liabilities	(2.11)	(2.25)
Closing balance	**2.99**	**2.18**

Table showing contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

On Premises:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Not later than one year	20.99	17.13
Later than one year and not later than five years	50.82	25.69
Later than five years	1.22	2.32
Total	**73.03**	**45.14**

On Motor Vehicles:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Not later than one year	1.75	1.30
Later than one year and not later than five years	2.83	1.51
Total	**4.58**	**2.81**

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 ₹ 1.64 Crore (FY 2021-22: ₹ 1.29 Crore); has been recognised in the Statement of Profit and Loss under the head Other Expenses.

40. Employee Benefits

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 ₹ 22.60 Crore (FY 2021-22: ₹ 17.99 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, 2023	As at March 31, 2022
Significant assumptions		
Discount rate	7.45%	7.20%
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, 2023	As at March 31, 2022
Present value of defined benefit obligation	33.87	31.38
Net liability	**33.87**	**31.38**

Notes
to the Consolidated Financial Statements (Contd.)

c) **Amount recognised in statement of profit and loss in respect of these defined benefit obligation:**

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Components of defined benefits costs recognised in statement of profit and loss		
Current service cost	4.47	3.86
Net interest expense	2.15	2.09
Total amount recognised in statement of profit and loss	**6.62**	**5.95**
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	(0.80)	(0.92)
- Actuarial (gain)/loss from change in experience adjustments	1.35	0.11
Total amount recognised in OCI	**0.55**	**(0.81)**
Total	**7.17**	**5.14**

d) **Movement in the present value of the defined benefit obligation are as follows:**

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	31.38	31.89
Current service cost	4.47	3.86
Net Interest cost	2.15	2.09
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in financial assumptions	(0.80)	(0.92)
Actuarial (gain)/loss from change in experience adjustments	1.35	0.11
Liabilities assumed / (settled)	0.12	(0.09)
Benefits paid	(4.80)	(5.56)
Closing defined benefit obligation	**33.87**	**31.38**

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:

₹ in Crore

	As at March 31, 2023		As at March 31, 2022	
	Discount rate	Salary Escalation Rate	Discount rate	Salary Escalation Rate
DBO on increase in 50bps	32.36	34.96	29.94	32.42
Impact of increase in 50bps on DBO (%)	(4.46%)	3.22%	(4.59%)	3.32%
DBO on decrease in 50bps	35.50	32.82	32.93	30.37
Impact of decrease in 50bps on DBO (%)	4.80%	(3.10%)	4.95%	(3.22%)

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, 2023	As at March 31, 2022
Expected benefits for year 1	3.72	3.01
Expected benefits for year 2	2.19	2.31
Expected benefits for year 3	2.64	2.09
Expected benefits for year 4	2.26	2.42
Expected benefits for year 5	2.88	2.24
Expected benefits for year 6	3.53	2.61
Expected benefits for year 7	2.81	2.92
Expected benefits for year 8	2.74	2.52
Expected benefits for year 9	3.20	2.68
Expected benefits for year 10 and above	54.29	50.34

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) (upto July 02, 2022)

Mr. Darius E Udwadia (DEU) (upto October 20, 2021)

Mr. Paul Zuckerman (PSZ) (upto July 02, 2022)

Dr. Vijay Kelkar (VLK) (upto July 02, 2022)

Mr. Keki Dadiseth (KBD) (upto July 02, 2022)

Ms. Jagi Mangat Panda (JMP)

Mr. P S Jayakumar (PSJ)

Ms. Roshini Bakshi (RHB) (w.e.f. December 09, 2021)

Mr. Navroz Udwadia (NDU) (w.e.f. December 09, 2021)

Mr. Pradip Kanakia (PMK) (w.e.f. February 07, 2022)

Mr. Sumit Bose (SB) (w.e.f. May 24, 2022)

Notes

to the Consolidated Financial Statements (Contd.)

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. Avantika Kampani (AVK)
Mr. Shiv Kampani (SVK)
Ms. Suvidha Atul Mehra (SAM)
Ms. Sammiksha Atul Mehra (SMM)
Ms. Sasha Atul Mehra (SSM)
Ms. Zenobia Adi Patel (ZAP)
Mr. Kaizad Adi Patel (KAP)
Ms. Winifer Adi Patel (WAP)

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)
Mr. Anil Kampani (AK)

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)

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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Employee related liability transferred to												
JMFICS	-	-	-	-	-	-	-	-	-	0.09	-	0.09
Professional fees paid to												
KBD	-	-	-	-	0.01	0.04	-	-	-	-	0.01	0.04
Fees and brokerage received from												
Trustee	-	0.04	-	-	-	-	-	-	-	-	-	0.04
JMFICS	-	-	-	-	-	-	-	-	0.17	0.27	0.17	0.27
KCL	-	-	-	-	-	-	-	-	0.03	0.06	0.03	0.06
PICPL	-	-	-	-	-	-	-	-	#	0.01	#	0.01
SNK	-	-	-	-	-	-	-	-	-	0.03	-	0.03
VNK	-	-	#	#	-	-	-	-	-	-	#	#
ASM	-	-	#	#	-	-	-	-	-	-	#	#
ARNK	-	-	-	-	-	-	0.01	-	-	-	0.01	-
AG	-	-	-	-	-	-	#	0.01	-	-	#	0.01
SVK	-	-	-	-	-	-	0.01	-	-	-	0.01	-
SAM	-	-	-	-	-	-	#	-	-	-	#	-
SMM	-	-	-	-	-	-	#	-	-	-	#	-
J.M. Assets	-	-	-	-	-	-	-	-	0.08	0.06	0.08	0.06
VLK	-	-	-	-	0.04	0.09	-	-	-	-	0.04	0.09
Others	-	-	-	-	-	-	-	-	-	#	-	#
Recovery of expenses from												
JMFICS	-	-	-	-	-	-	-	-	#	0.01	#	0.01

Notes

to the Consolidated Financial Statements (Contd.)

₹ 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Reimbursement of expenses to												
JMFICS	-	-	-	-	-	-	-	-	0.13	0.12	0.13	0.12
CMPL	-	-	-	-	-	-	-	-	0.04	0.04	0.04	0.04
Remuneration to												
VNK	-	-	17.96	18.02	-	-	-	-	-	-	17.96	18.02
ASM	-	-	4.55	4.98	-	-	-	-	-	-	4.55	4.98
ARP	-	-	5.34	5.06	-	-	-	-	-	-	5.34	5.06
Director's Sitting Fees												
VNK	-	-	0.09	0.03	-	-	-	-	-	-	0.09	0.03
EAK	-	-	-	-	0.04	0.16	-	-	-	-	0.04	0.16
DEU	-	-	-	-	-	0.04	-	-	-	-	-	0.04
PSZ	-	-	-	-	0.03	0.10	-	-	-	-	0.03	0.10
VLK	-	-	-	-	0.05	0.13	-	-	-	-	0.05	0.13
KBD	-	-	-	-	0.03	0.09	-	-	-	-	0.03	0.09
JMP	-	-	-	-	0.09	0.07	-	-	-	-	0.09	0.07
PSJ	-	-	-	-	0.10	0.07	-	-	-	-	0.10	0.07
RHB	-	-	-	-	0.14	0.05	-	-	-	-	0.14	0.05
NDU	-	-	-	-	0.05	-	-	-	-	-	0.05	-
PMK	-	-	-	-	0.11	0.02	-	-	-	-	0.11	0.02
SB	-	-	-	-	0.08	-	-	-	-	-	0.08	-
Director's Commission												
VNK	-	-	0.10	0.10	-	-	-	-	-	-	0.10	0.10
EAK	-	-	-	-	0.07	0.32	-	-	-	-	0.07	0.32
DEU	-	-	-	-	-	0.12	-	-	-	-	-	0.12
PSZ	-	-	-	-	0.05	0.20	-	-	-	-	0.05	0.20
VLK	-	-	-	-	0.05	0.31	-	-	-	-	0.05	0.31

₹ 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
KBD	-	-	-	-	0.05	0.20	-	-	-	-	0.05	0.20
JMP	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
PSJ	-	-	-	-	0.23	0.20	-	-	-	-	0.23	0.20
RHB	-	-	-	-	0.26	0.09	-	-	-	-	0.26	0.09
NDU	-	-	-	-	0.15	-	-	-	-	-	0.15	-
PMK	-	-	-	-	0.23	0.03	-	-	-	-	0.23	0.03
SB	-	-	-	-	0.20	-	-	-	-	-	0.20	-
Dividend paid to												
JMFICS	-	-	-	-	-	-	-	-	46.06	21.83	46.06	21.83
Trustee	0.33	0.14	-	-	-	-	-	-	-	-	0.33	0.14
J.M. Assets	-	-	-	-	-	-	-	-	21.33	10.33	21.33	10.33
JSB	-	-	-	-	-	-	-	-	1.33	0.65	1.33	0.65
PICPL	-	-	-	-	-	-	-	-	0.48	0.23	0.48	0.23
KCL	-	-	-	-	-	-	-	-	0.30	0.08	0.30	0.08
SNK	-	-	-	-	-	-	-	-	2.49	1.20	2.49	1.20
NNK	-	-	-	-	-	-	25.78	12.58	-	-	25.78	12.58
ARNK	-	-	-	-	-	-	6.58	3.44	-	-	6.58	3.44
VNK	-	-	2.61	1.22	-	-	-	-	-	-	2.61	1.22
ASM	-	-	0.12	0.03	-	-	-	-	-	-	0.12	0.03
ARP	-	-	0.29	0.06	-	-	-	-	-	-	0.29	0.06
AG	-	-	-	-	-	-	1.64	0.80	-	-	1.64	0.80
VLK	-	-	-	-	-	#	-	-	-	-	-	#
KBD	-	-	-	-	-	#	-	-	-	-	-	#
HK	-	-	-	-	-	-	#	-	-	-	#	-
AK	-	-	-	-	-	-	0.19	-	-	-	0.19	-
Rent paid to												
JMFICS	-	-	-	-	-	-	-	-	1.51	1.51	1.51	1.51
J.M. Assets	-	-	-	-	-	-	-	-	1.68	1.68	1.68	1.68

Notes

to the Consolidated Financial Statements (Contd.)

₹ 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
KCL	-	-	-	-	-	-	-	-	0.05	0.05	**0.05**	**0.05**
MVK	-	-	-	-	-	-	0.11	0.02	-	-	**0.11**	**0.02**
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**
Sale of Securities held for trade												
NNK	-	-	-	-	-	-	4.01	-	-	-	**4.01**	**-**
ARNK	-	-	-	-	-	-	3.16	-	-	-	**3.16**	**-**
Issuance of NCDs under Primary market												
VNK	-	-	-	5.00	-	-	-	-	-	-	**-**	**5.00**
NNK	-	-	-	-	-	-	-	10.00	-	-	**-**	**10.00**
ARNK	-	-	-	-	-	-	-	15.00	-	-	**-**	**15.00**

₹ 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Repayment of NCDs												
JMFICS	-	-		-	-	-	-	-	5.00	5.00	**5.00**	**5.00**
J.M. Assets	-	-		-	-	-	-	-	5.00	5.00	**5.00**	**5.00**
VNK	-	-	2.00	3.00	-	-	-	-	-	-	**2.00**	**3.00**
NNK	-	-		-	-	-	1.00	7.00	-	-	**1.00**	**7.00**
ARNK	-	-	-	-	-	-	3.00	3.00	-	-	**3.00**	**3.00**
SVK	-	-	-	-	-	-	2.50	-	-	-	**2.50**	**-**
SMM	-	-	-	-	-	-	0.50	-	-	-	**0.50**	**-**
SSM	-	-	-	-	-	-	0.84	-	-	-	**0.84**	**-**
Interest on NCDs												
VNK	-	-	0.43	0.95	-	-	-	-	-	-	**0.43**	**0.95**
NNK	-	-	-	-	-	-	0.92	1.04	-	-	**0.92**	**1.04**
ARNK	-	-	-	-	-	-	1.95	0.97	-	-	**1.95**	**0.97**
SVK	-	-	-	-	-	-	0.30	-	-	-	**0.30**	**-**
JMFICS	-	-	-	-	-	-	-	-	0.69	1.06	**0.69**	**1.06**
J.M. Assets	-	-	-	-	-	-	-	-	0.54	1.05	**0.54**	**1.05**
SAM	-	-	-	-	-	-	0.07	0.07	-	-	**0.07**	**0.07**
SMM	-	-	-	-	-	-	0.09	0.06	-	-	**0.09**	**0.06**
SSM	-	-	-	-	-	-	0.05	0.04	-	-	**0.05**	**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**

Notes

to the Consolidated Financial Statements (Contd.)

₹ 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Closing balance of NCDs by												
VNK	-	-	5.00	10.50	-	-		-	-	-	**5.00**	**10.50**
NNK	-	-	-	-	-	-	10.00	11.00	-	-	**10.00**	**11.00**
ARNK	-	-	-	-	-	-	20.00	18.00	-	-	**20.00**	**18.00**
JMFICS	-	-	-	-	-	-	-	-	1.68	6.68	**1.68**	**6.68**
J.M. Assets	-	-	-	-	-	-	-	-	-	5.00	**-**	**5.00**
SAM	-	-	-	-	-	-	1.75	1.75	-	-	**1.75**	**1.75**
SMM	-	-	-	-	-	-	0.69	1.19	-	-	**0.69**	**1.19**
SSM	-	-	-	-	-	-	-	0.44	-	-	**-**	**0.44**
VLK	-	-	-	-	-	1.00	-	-	-	-	**-**	**1.00**
Payables to												
VNK	-	-	11.60	13.40	-	-	-	-	-	-	**11.60**	**13.40**
ASM	-	-	2.50	4.18	-	-	-	-	-	-	**2.50**	**4.18**
ARP	-	-	1.90	4.15	-	-	-	-	-	-	**1.90**	**4.15**
EAK	-	-	-	-	0.07	0.32	-	-	-	-	**0.07**	**0.32**
DEU	-	-	-	-	-	0.12	-	-	-	-	**-**	**0.12**
PSZ	-	-	-	-	0.05	0.21	-	-	-	-	**0.05**	**0.21**
VLK	-	-	-	-	0.05	0.31	-	-	-	-	**0.05**	**0.31**
KBD	-	-	-	-	0.05	0.20	-	-	-	-	**0.05**	**0.20**
JMP	-	-	-	-	0.20	0.20	-	-	-	-	**0.20**	**0.20**
PSJ	-	-	-	-	0.23	0.20	-	-	-	-	**0.23**	**0.20**
RHB	-	-	-	-	0.26	0.09	-	-	-	-	**0.26**	**0.09**
NDU	-	-	-	-	0.15	-	-	-	-	-	**0.15**	**-**
PMK	-	-	-	-	0.23	0.03	-	-	-	-	**0.23**	**0.03**
SB	-	-	-	-	0.20	-	-	-	-	-	**0.20**	**-**

₹ 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
ARNK	-	-	-	-	-	-	#	-	-	-	**#**	**-**
SVK	-	-	-	-	-	-	#	-	-	-	**#**	**-**
SAM	-	-	-	-	-	-	#	-	-	-	**#**	**-**
SMM	-	-	-	-	-	-	#	-	-	-	**#**	**-**
SSM	-	-	-	-	-	-	#	-	-	-	**#**	**-**
JMFICS	-	-	-	-	-	-	-	-	-	#	**-**	**#**
JSB	-	-	-	-	-	-	-	-	#	-	**#**	**-**

Notes:- 1) There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.
2) The remuneration excludes provision for gratuity as the incremental liability has been accounted for the group as a whole.
3) The transactions disclosed above are exclusive of GST and service tax (as applicable).

Notes

to the Consolidated Financial Statements (Contd.)

42. Maturity Analysis of Assets and Liabilities

₹ in Crore

	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
1 Financial Assets						
A Cash and cash equivalents	524.02	-	524.02	1,262.94	-	1,262.94
B Bank balance other than (A) above	1,743.69	123.95	1,867.64	1,262.68	34.25	1,296.93
C Trade receivables	1,015.76	199.55	1,215.31	442.89	56.20	499.09
D Loans	6,921.99	10,006.74	16,928.73	7,733.59	7,337.93	15,071.52
E Investments	2,480.43	1,104.06	3,584.49	2,601.47	1,037.82	3,639.29
F Other financial assets	2,210.55	1,580.19	3,790.74	1,617.48	1,398.70	3,016.18
Total Financial Assets	**14,896.44**	**13,014.49**	**27,910.93**	**14,921.05**	**9,864.90**	**24,785.95**
2 Non-Financial Assets						
A Inventories	-	102.10	102.10	-	-	-
B Current tax assets	-	367.11	367.11	-	336.70	336.70
C Deferred tax assets	-	245.22	245.22	-	240.94	240.94
D Property, plant and equipment	-	439.92	439.92	-	352.92	352.92
E Capital work-in-progress	-	7.01	7.01	-	3.05	3.05
F Other Intangible assets	-	12.49	12.49	-	8.35	8.35
G Goodwill on consolidation	-	52.44	52.44	-	52.44	52.44
H Other non-financial assets	25.93	207.29	233.22	31.75	2.40	34.15
Total Non-Financial Assets	**25.93**	**1,433.58**	**1,459.51**	**31.75**	**996.80**	**1,028.55**
Total Assets	**14,922.37**	**14,448.07**	**29,370.44**	**14,952.80**	**10,861.70**	**25,814.50**

₹ in Crore

	As at March 31, 2023			As at March 31, 2022		
	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	1.15	-	1.15	1.64	-	1.64
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,322.09	-	1,322.09	844.31	-	844.31
B Debt securities	3,266.19	6,743.96	10,010.15	4,339.68	5,311.48	9,651.16
C Borrowings (Other than debt securities)	2,287.75	3,576.73	5,864.48	1,437.50	2,369.10	3,806.60
D Lease Liabilities	17.64	47.19	64.83	15.17	25.11	40.28
E Other financial liabilities	524.31	18.14	542.45	431.34	15.22	446.56
Total Financial Liabilities	**7,419.13**	**10,386.02**	**17,805.15**	**7,069.64**	**7,720.91**	**14,790.55**
2 Non-Financial Liabilities						
A Current tax liabilities	3.01	-	3.01	3.59	-	3.59
B Provisions	21.29	32.25	53.54	17.98	30.47	48.45
C Deferred tax liabilities	-	157.85	157.85	-	153.10	153.10
D Other non-financial liabilities	77.14	3.90	81.04	186.00	7.17	193.17
Total Non-Financial Liabilities	**101.44**	**194.00**	**295.44**	**207.57**	**190.74**	**398.31**
Total Liabilities	**7,520.57**	**10,580.02**	**18,100.59**	**7,277.21**	**7,911.65**	**15,188.86**

43. A) Entities Included In Consolidation

Name of the Entity	Country of incorporation	Proportion of interest as on March 31, 2023 (%)	Proportion of interest as on March 31, 2022 (%)
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	99.71	99.65
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	58.28	59.25
JM Financial Home Loans Limited [refer note (i) & (iii)]	India	94.04	93.98
Partnership Firm in India			
Astute Investments	India	100.00	100.00
Association of Persons (AOP) in India			
ARB Maestro [refer note (iv)]	India	100.00	-
Subsidiaries outside India (including step-down subsidiaries)			
JM Financial Overseas Holdings Private Limited	Mauritius	100.00	100.00
JM Financial Singapore Pte. Limited	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:

i. Aggregate shareholding in JM Financial Products Limited increased from 99.65% to 99.71% consequent upon the acquisition of 3,29,300 equity shares of JM Financial Products Limited. Consequently, the indirect shareholding in JM Financial Home Loans Limited also increased to 94.04%.

ii. Effective shareholding in JM Financial Asset Reconstruction Company Limited decreased from 59.25% to 58.28% consequent upon conversion of 49,16,104 Compulsorily Convertible Debentures (CCD) into 4,91,61,040 equity shares of the face value of ₹ 10/- each during the year.

iii. The proportion of interest disclosed above is based on the equity shares presently held in JM Financial Home Loans Limited and the CCDs held are not taken into consideration.

iv. ARB Maestro has been formed as an AOP having two members, viz., JM Financial Services Limited and JM Financial Properties and Holdings Limited. Both the members are the wholly owned subsidiaries of the Company.

Notes

to the Consolidated Financial Statements (Contd.)

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	1,748.30	15.59%	134.64	18.99%	(0.14)	(1.30%)	134.50	18.69%
Subsidiaries (including step-down subsidiaries) in India								
JM Financial Institutional Securities Limited	141.08	1.25%	13.90	1.96%	#	0.00%	13.90	1.93%
Infinite India Investment Management Limited	28.14	0.25%	15.31	2.16%	#	0.00%	15.31	2.13%
JM Financial Properties and Holdings Limited	210.95	1.88%	27.62	3.90%	(0.01)	(0.07%)	27.61	3.84%
JM Financial Services Limited	223.06	1.99%	(6.54)	(0.92%)	(0.26)	(2.47%)	(6.80)	(0.95%)
JM Financial Commtrade Limited	28.05	0.25%	1.06	0.15%	#	0.00%	1.06	0.15%
CR Retail Malls (India) Limited	49.14	0.44%	12.55	1.77%	#	(0.01%)	12.55	1.74%
JM Financial Products Limited	1,942.86	17.32%	313.36	44.20%	(0.18)	(1.67%)	313.18	43.52%
JM Financial Credit Solutions Limited	1,862.98	16.61%	138.50	19.53%	0.01	0.15%	138.51	19.25%
JM Financial Asset Reconstruction Company Limited**	898.39	8.01%	(88.69)	(12.51%)	(0.09)	(0.83%)	(88.78)	(12.34%)
JM Financial Asset Management Limited	104.49	0.93%	(17.69)	(2.50%)	(0.02)	(0.22%)	(17.71)	(2.46%)
JM Financial Capital Limited	299.29	2.67%	26.13	3.69%	0.06	0.59%	26.19	3.64%
JM Financial Home Loans Limited	314.03	2.80%	22.99	3.24%	0.24	2.28%	23.23	3.23%
Partnership Firm in India								
Astute Investments	1.24	0.01%	0.65	0.09%	-	-	0.65	0.09%
AOP in India								
ARB Maestro	2.09	0.02%	5.19	0.73%	-	-	5.19	0.73%
Subsidiaries(including step-down subsidiaries) outside India								
JM Financial Overseas Holdings Private Limited	200.56	1.78%	1.00	0.14%	14.86	140.44%	15.86	2.20%
JM Financial Singapore Pte. Limited	6.31	0.06%	(3.03)	(0.43%)	(3.55)	(33.61%)	(6.58)	(0.91%)
JM Financial Securities, Inc	10.60	0.09%	0.11	0.02%	(0.30)	(2.83%)	(0.19)	(0.03%)
Associate								
JM Financial Trustee Company Private Limited	12.26	0.11%	0.23	0.03%	#	(0.03%)	0.23	0.03%
	8,083.82	**72.06%**	**597.29**	**84.24%**	**10.62**	**100.42%**	**607.91**	**84.48%**
Non-controlling Interests in all subsidiaries	3,133.59	27.94%	111.70	15.76%	(0.04)	(0.42%)	111.66	15.52%
Total	**11,217.41**	**100.00%**	**708.99**	**100.00%**	**10.58**	**100.00%**	**719.57**	**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/-

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.

During the FY 2022-23, the Nomination and Remuneration Committee has granted 11,90,779 options (previous year - Nil) to the Employees, that will vest in a graded manner and which can be exercised within a specified period. Details of options granted are as follows:

Series	No. of options granted	Exercise price per option (₹)
Series 14	38,166	78.60
Series 15	51,849	1.00
Series 16	11,00,764	83.00

The details of options are as under:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Outstanding at the beginning of the year	20,23,075	34,98,444
Add: Granted during the year	11,90,779	Nil
Less: Exercised and shares allotted during the year	7,48,270	13,32,822
Less: Lapsed during the year	1,23,975	1,42,547
Outstanding at the end of the year	23,41,609	20,23,075
Exercisable at the end of the year	7,83,731	9,64,560

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 year based on the graded vesting and their fair value are as under:

For Series 14:

Tranches	% of Options to be vested	No. of options granted	Vesting date	Fair value per option (₹)
Tranche-1	33.33%	12,722	May 05, 2023	19.01
Tranche-2	33.33%	12,722	May 05, 2024	22.25
Tranche-3	33.33%	12,722	May 05, 2025	24.13
		38,166		

The following table summarises the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)	Risk-free interest rate	Volatility	Dividend Yield
Tranche-1	2.75	6.57%	0.4679	2.40%
Tranche-2	3.75	7.10%	0.4545	2.40%
Tranche-3	4.50	7.23%	0.4466	2.40%

For Series 15:

Tranches	% of Options to be vested	No. of options granted	Vesting date	Fair value per option (₹)
Tranche-1	33.33%	17,283	May 05, 2023	64.36
Tranche-2	33.33%	17,283	May 05, 2024	62.83
Tranche-3	33.33%	17,283	May 05, 2025	61.71
		51,849		

Notes
to the Consolidated Financial Statements (Contd.)

The following table summarises the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)	Risk-free interest rate	Volatility	Dividend Yield
Tranche-1	2.75	6.57%	0.4679	2.40%
Tranche-2	3.75	7.10%	0.4545	2.40%
Tranche-3	4.50	7.23%	0.4466	2.40%

For Series 16:

Tranches	% of Options to be vested	No. of options granted	Vesting date	Fair value per option (₹)
Tranche-1	10.00%	1,10,076	November 14, 2023	20.74
Tranche-2	20.00%	2,20,153	November 14, 2024	23.86
Tranche-3	30.00%	3,30,229	November 14, 2025	26.96
Tranche-4	40.00%	4,40,306	November 14, 2026	28.84
		11,00,764		

The following table summarises the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)	Risk-free interest rate	Volatility	Dividend Yield
Tranche-1	2.75	7.55%	0.4462	2.24%
Tranche-2	3.75	7.28%	0.4363	2.24%
Tranche-3	4.75	7.33%	0.4376	2.24%
Tranche-4	5.50	7.42%	0.4355	2.24%

Details of options granted under various series are as under:

	Series 9	Series 10	Series 11	Series 12	Series 13	Series 14	Series 15	Series 16
Grant date	12/05/2016	20/04/2017	12/04/2018	18/04/2019	17/04/2020	05/05/2022	05/05/2022	14/11/2022
Options granted	12,55,515	23,19,636	18,48,018	6,62,130	18,56,913	38,166	51,849	11,00,764
Options exercised till March 31, 2023	11,58,418	18,25,585	12,74,165	4,06,611	7,21,787	N.A.	N.A.	N.A.
Options forfeited/ cancelled till March 31, 2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed till March 31, 2023	40,799	3,40,356	3,41,762	1,45,311	5,01,588	Nil	Nil	35,000
Outstanding at the end of the year	56,298	1,53,695	2,32,091	1,10,208	6,33,538	38,166	51,849	10,65,764
Exercisable at the end of the year	56,298	1,53,695	2,32,091	1,10,208	2,31,439	N.A.	N.A.	N.A.
Vesting of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	10%, 20%, 30% and 40% respectively on completion of first, second, third and fourth year from the date of grant of options
Exercise period	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant
Exercise price(refer note[i])	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 78.60	₹ 1.00	₹ 83.00
Pricing formula	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	As was determined by the Nomination and Remuneration Committee at its meeting held on May 05, 2022	As was determined by the Nomination and Remuneration Committee at its meeting held on May 05, 2022	As was determined by the Nomination and Remuneration Committee at its meeting held on November 14, 2022

Notes: (i) Additionally during the year, an aggregate amount of ₹ 0.35 Crore (Previous year ₹ 1.13 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 8 as on March 31, 2023, the details of options granted has not been included above.

(iii) Esop cost recognised in Statement of Profit and Loss is ₹ 1.13 Crore (Previous year ₹ 3.06 Crore).

Of Subsidiary Companies

(B) JM Financial Asset Reconstruction Company Limited ('JMFARC'):

JMFARC 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 JMFARC.

During the FY 2022-23, the Nomination and Remuneration Committee of the Board of JMFARC has granted 19,60,749 options under its third series (previous year 9,09,549 options under second series) at an exercise price of ₹ 33.63/- per option (previous year - ₹ 29.69/- 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, 2023	For the year ended March 31, 2022
Outstanding at the beginning of the year	20,08,819	15,81,444
Add: Granted during the year	19,60,749	9,09,549
Less: Exercised and allotted during the year	Nil	Nil
Less: Lapsed during the year	4,69,771	4,82,174
Outstanding at the end of the year	34,99,797	20,08,819

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.

Notes
to the Consolidated Financial Statements (Contd.)

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%	6,53,583	3,03,183	April 19, 2024	April 19, 2023	22.14	20.33
Tranche-2	33.33%	6,53,583	3,03,183	April 19, 2025	April 19, 2024	24.33	21.96
Tranche-3	33.33%	6,53,583	3,03,183	April 19, 2026	April 19, 2025	26.23	23.77
		19,60,749	**9,09,549**				

The following table summarises 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	6.85%	5.79%	0.5004	0.5160	Nil	Nil
Tranche-2	4.50	4.50	7.12%	5.69%	0.4940	0.5052	Nil	Nil
Tranche-3	5.50	5.50	7.32%	6.41%	0.4897	0.4954	Nil	Nil

Note: (i) Esop cost recognised in Statement of Profit and Loss is ₹ 2.12 Crore. (Previous year: ₹ 1.30 Crore)

(C) JM Financial Home Loans Limited ('JMFHL'):

JMFHL 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 JMFHL.

During the FY 2022-23, the Nomination and Remuneration Committee of the Board of JMFHL has granted 1,41,30,000 options under its first series at an exercise price of ₹ 33/- 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, 2023
Outstanding at the beginning of the year	Nil
Add: Granted during the year	1,41,30,000
Less: Exercised and allotted during the year	Nil
Less: Lapsed during the year	2,90,000
Outstanding at end of the year	1,38,40,000

JMFHL 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 (₹)
Tranche-1	5%	7,06,500	September 27, 2023	8.73
Tranche-2	5%	7,06,500	September 27, 2024	9.67
Tranche-3	20%	28,26,000	September 27, 2025	10.43
Tranche-4	30%	42,39,000	September 27, 2026	11.07
Tranche-5	40%	56,52,000	September 27, 2027	11.58
		1,41,30,000		

The following table summarises the assumptions used in calculating the grant date fair value:

Series	Life of the Option (in years)	Risk-free interest rate	Volatility	Dividend Yield
Series 1	3.5 – 7.5	7.24%	0.25	3.0%

Note: (i) Esop cost recognised in Statement of Profit and Loss is ₹ 2.16 Crore. (Previous year: Nil)

(D) JM Financial Services Limited ('JMFSL'):

JMFSL 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 ESOP Committee of the Board of JMFSL.

During the FY 2022-23, the ESOP Committee of the Board of JMFSL has granted options under its first series at an exercise price of ₹ 104/- per option to an Employee, 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, 2023
Outstanding at the beginning of the year	Nil
Add: Granted during the year	4,80,766
Less: Exercised and allotted during the year	Nil
Less: Lapsed during the year	Nil
Outstanding at end of the year	4,80,766

JMFSL 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 (₹)
Tranche-1	10%	48,077	October 12, 2024	116.43
Tranche-2	20%	96,153	October 12, 2025	116.34
Tranche-3	30%	1,44,230	October 12, 2026	115.66
Tranche-4	40%	1,92,306	October 12, 2027	114.49
		4,80,766		

The following table summarises the assumptions used in calculating the grant date fair value:

Series	Life of the Option (in years)	Risk-free interest rate	Volatility	Dividend Yield
Series 1	2-5	7.41%	0.5	4%

Note: (i) Esop cost recognised in Statement of Profit and Loss is ₹ 0.71 Crore. (Previous year: Nil)

Notes
to the Consolidated Financial Statements (Contd.)

45. Segment Disclosures

A) Operating Segment Information

The Group has 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, 2023	For the year ended March 31, 2022
Segment revenue		
A Investment Bank	1,232.21	1,272.56
B Mortgage Lending	1,318.49	1,191.04
C Alternative & Distressed Credit	137.13	522.09
D Asset Management, Wealth Management & Securities Business (Platform AWS)	627.78	662.27
E Others	180.30	243.28
Total segment revenue	**3,495.91**	**3,891.24**
Less: Inter - segmental revenue	(152.84)	(127.96)
Total revenue	**3,343.07**	**3,763.28**
Segment results		
A Investment Bank	503.09	472.81
B Mortgage Lending	467.72	375.70
C Alternative & Distressed Credit	(172.02)	236.10
D Asset Management, Wealth Management & Securities Business (Platform AWS)	6.27	128.38
E Others	147.55	135.05
Profit before tax	**952.61**	**1,348.04**
Less: Tax expense	(243.85)	(355.67)
Profit for the year	**708.76**	**992.37**
Add : Share in profit of associate	0.23	0.02
Profit after tax and share in profit of associate	**708.99**	**992.39**
Other Comprehensive Income	10.58	4.27
Total Comprehensive Income	**719.57**	**996.66**

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Segment assets		
A Investment Bank	7,042.48	7,149.61
B Mortgage Lending	11,735.15	9,647.32
C Alternative & Distressed Credit	4,817.10	3,828.29
D Asset Management, Wealth Management & Securities Business (Platform AWS)	3,721.18	3,375.76
E Others	2,002.09	1,761.08
Total segment assets*	**29,318.00**	**25,762.06**
Segment liabilities		
A Investment Bank	4,355.77	4,650.89
B Mortgage Lending	7,386.49	5,677.72
C Alternative & Distressed Credit	3,004.67	1,973.34
D Asset Management, Wealth Management & Securities Business (Platform AWS)	2,992.75	2,608.68
E Others	360.91	278.23
Total segment liabilities	**18,100.59**	**15,188.86**

* Segment assets presented are net of goodwill on consolidation amounting to ₹ 52.44 Crore.

₹ in Crore

	For the year ended March 31, 2023	For the year ended March 31, 2022
Capital expenditure incurred during the year		
A Investment Bank	33.80	3.32
B Mortgage Lending	4.00	1.89
C Alternative & Distressed Credit	0.13	-
D Asset Management, Wealth Management & Securities Business (Platform AWS)	21.18	9.69
E Others	65.42	2.13
Total capital expenditure	**124.53**	**17.03**
Depreciation / amortisation for the year		
A Investment Bank	8.21	9.44
B Mortgage Lending	6.56	4.63
C Alternative & Distressed Credit	0.66	0.72
D Asset Management, Wealth Management & Securities Business (Platform AWS)	16.21	13.05
E Others	10.23	9.94
Total depreciation / amortisation	**41.87**	**37.78**
Significant Non-Cash Expenses other than depreciation / amortisation		
A Investment Bank	(45.38)	96.28
B Mortgage Lending	150.76	226.18
C Alternative & Distressed Credit	14.99	12.30
D Asset Management, Wealth Management & Securities Business (Platform AWS)	4.80	21.94
E Others	(10.91)	6.05
Total Significant Non-Cash Expenses	**114.26**	**362.75**

Notes

to the Consolidated Financial Statements (Contd.)

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, 2023	For the year ended March 31, 2022
Segment revenue		
A In India	3,335.48	3,751.84
B Outside India	7.59	11.44
Total segment revenue	**3,343.07**	**3,763.28**

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Segment non-current assets		
A In India	14,390.80	10,808.81
B Outside India	57.27	52.89
Total segment non-current assets	**14,448.07**	**10,861.70**

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, 2023			For the year ended March 31, 2022		
		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.	27.94	-	27.94	26.95	-	26.95
b)	Amount spent in cash	10.12	-	10.12	7.23	-	7.23
	Amount yet to be spent	17.82	-	17.82	19.77	-	19.77
	Total	**27.94**	**-**	**27.94**	**27.00**	**-**	**27.00**
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	**27.94**	**-**	**27.94**	**27.00**	**-**	**27.00**

Details of unspent obligations:

In case of section 135(5) of the Companies Act, 2013 (ongoing projects)

₹ in Crore

Opening balance as on April 01, 2022		Amount required to be spent	Amount spent during the year		Closing balance as on March 31, 2023	
With Group	In separate CSR Unspent account		From Group's bank account	From separate CSR unspent account	With Group	In separate CSR Unspent account
19.77	8.30	27.94	10.12	15.30	17.82	12.77

₹ in Crore

Opening balance as on April 01, 2021		Amount required to be spent	Amount spent during the year		Closing balance as on March 31, 2022	
With Group	In separate CSR Unspent account		From Group's bank account	From separate CSR unspent account	With Group	In separate CSR Unspent account
12.64	-	27.00	7.23	4.34	19.77	8.30

47. Financial information of subsidiaries that have material non-controlling interest

a) Subsidiaries that have material non-controlling interests is 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
JM Financial Credit Solutions Limited (JMFCSL)	India	46.68%	46.68%	53.32%	53.32%	Mortgage Lending
JM Financial Asset Reconstruction Company Limited (JMFARC)	India	58.28%	59.25%*	41.72%	40.75%	Distressed Credit

* The ownership interest disclosed above was based on the equity shares presently held by the Company. Compulsorily Convertible Debentures (CCD) held by the Company were 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, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Income	1,172.54	1,136.10	218.89	519.43
Profit / (loss) for the year	334.75	289.06	(146.66)	171.99
Other Comprehensive Income (OCI)	(19.30)	3.81	(0.15)	0.04
Profit / (loss) allocated to non-controlling interests	178.49	154.14	(64.61)	70.10
OCI allocated to non-controlling interests	0.02	(0.07)	(0.06)	0.02
Dividends paid to non-controlling interests	0.38	0.30	-	-

\# Denotes amount below ₹ 50,000/-

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Assets	10,455.41	8,949.16	4,909.00	4,181.08
Non-Financial Assets	162.84	164.03	149.07	102.36
	10,618.25	**9,113.19**	**5,058.07**	**4,283.44**
Financial Liabilities	6,354.11	5,166.46	3,250.22	2,444.82
Non-Financial Liabilities	7.24	4.57	26.90	30.50
	6,361.35	**5,171.03**	**3,277.12**	**2,475.32**
Net Assets (Equity)	**4,256.90**	**3,942.16**	**1,780.95**	**1,808.12**
Net assets attributable to non-controlling interests	2,156.36	2,073.37	640.73	643.71
Net assets attributable to security receipts holders under distressed credit business	-	-	245.18	119.86

Notes
to the Consolidated Financial Statements (Contd.)

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, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Cash flows from operating activities	(1,527.42)	(420.25)	(810.80)	133.06
Net Cash flows from investing activities	(1.08)	922.60	(10.03)	0.09
Net Cash flows from financing activities	1,170.57	(325.85)	814.83	(196.08)
Net increase / (decrease) in cash and cash equivalents before consolidation adjustment	**(357.93)**	**176.50**	**(6.00)**	**(62.93)**
Add: Effect of change in controlling interest	-	-	7.39	-
Net increase / (decrease) in cash and cash equivalents after consolidation adjustment	**(357.93)**	**176.50**	**1.39**	**(62.93)**

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, 2023	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	524.02	**524.02**
Bank balances other than cash and cash equivalents	-	1,867.64	**1,867.64**
Trade receivables	-	1,215.31	**1,215.31**
Loans	-	16,928.73	**16,928.73**
Investments	3,542.60	41.89	**3,584.49**
Other financial assets	3,590.32	200.42	**3,790.74**
Total	**7,132.92**	**20,778.01**	**27,910.93**
Financial liabilities			
Trade payables	-	1,323.24	**1,323.24**
Debt securities	-	10,010.15	**10,010.15**
Borrowings (other than debt securities)	-	5,864.48	**5,864.48**
Lease liabilities	-	64.83	**64.83**
Other financial liabilities	-	542.45	**542.45**
Total	**-**	**17,805.15**	**17,805.15**

₹ 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	-	446.56	**446.56**
Total	**-**	**14,790.55**	**14,790.55**

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, 2023	Level 1	Level 2	Level 3	Total
Financial assets (Measured at FVTPL)				
Investments				
- Equity shares	49.30	84.51	226.71	**360.52**
- Venture Capital Fund units	-	141.03	-	**141.03**
- Security Receipts	-	-	1,203.26	**1,203.26**
- Mutual funds units	1,325.89	-	-	**1,325.89**
- Others	182.15	203.93	125.82	**511.90**
	1,557.34	**429.47**	**1,555.79**	**3,542.60**
Other Financial assets				
- Financial assets under Distressed Credit Business	-	-	2,714.88	**2,714.88**
- Others	440.06	355.46	79.92	**875.44**
	440.06	**355.46**	**2,794.80**	**3,590.32**

Notes
to the Consolidated Financial Statements (Contd.)

₹ 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**
	299.92	**250.73**	**2,378.60**	**2,929.25**

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, 2023	As at March 31, 2022
Carrying value*	8,318.23	7,055.90
Fair value	7,996.03	6,925.37

*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 / Net Realizable Value
Treasury bills	Quoted price as on the reporting date / Price from the Clearing Corporation of India Limited
Equity Instruments	Quoted price as on the reporting date / latest available trade price / valuation report (Discounted cash flow, Market approach – comparable companies' approach)
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 and volatility have been considered on the observable and unobservable inputs used for the purpose of valuation. Further, necessary and appropriate adjustments have been made by considering credit risk, uncertainties associated with prevailing economic conditions, timing of the recoveries and the value at which the collaterals are expected to be recovered for determination of fair value of the financial assets.

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, 2023 and March 31, 2022:

₹ in Crore

	Equity shares	Security receipts	Financial Assets under Distressed Credit Business	Other Investments	Other financial assets
As at March 31, 2021	**130.77**	**1,053.61**	**2,222.82**	**21.33**	**89.68**
Acquisitions	23.69	7.57	216.01	50.02	-
Realisations	(56.34)	(275.50)	(266.85)	(14.23)	-
Net (Loss)/Gain on fair value changes	69.73	131.16	121.43	2.44	(4.49)
As at March 31, 2022	**167.85**	**916.84**	**2,293.41**	**59.56**	**85.19**
Acquisitions	64.40	471.17	529.94	63.76	-
Realisations	(13.90)	(123.57)	(67.40)	-	-
Net (Loss)/Gain on fair value changes	7.40	(61.18)	(41.07)	2.50	(5.27)
Foreign currency fluctuation	0.96	-	-	-	-
As at March 31, 2023	**226.71**	**1,203.26**	**2,714.88**	**125.82**	**79.92**

4) Sensitivity for instruments

₹ in Crore

Nature of the instrument	Fair Value As at March 31, 2023	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2023	
				FV Increase	FV Decrease
Investment in Equity shares	226.71	Impact estimated by the management considering current market conditions	5%	4.25	(4.25)
Investment in Security receipts	1,203.26	Estimated cash flow based on realisation of collaterals value, etc.	5%	78.82	(78.82)
Financial Assets under Distressed Credit Business	2,714.88	Same as above	5%	128.75	(128.75)
Other Investments	125.82	Same as above	5%	6.29	(6.29)
Other financial assets	79.92	Same as above	5%	4.00	(4.00)

₹ in Crore

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	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 Investments	59.56	Same as above	5%	2.98	(2.98)
Other financial assets	85.19	Same as above	5%	4.26	(4.26)

Notes

to the Consolidated Financial Statements (Contd.)

49. Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The primary objective of the Group's Capital Management is to maximise 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, 2023	As at March 31, 2022
Gross debt	**15,874.63**	**13,457.76**
Less: Cash and cash equivalents	524.02	1,262.94
Less: Deposits under lien against which facilities are not availed	210.96	200.57
Less: Investment in treasury bills	146.04	48.93
Less: Investments in mutual funds	1,325.89	2,124.90
Adjusted net debt	**13,667.72**	**9,820.42**
Total equity (refer note 49.1)	10,972.23	10,453.34
Adjusted net debt to equity ratio	**1.25**	**0.94**

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 Group 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.

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 standardised 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.

Notes

to the Consolidated Financial Statements (Contd.)

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 categorisation 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 losses
Stage 1	Performing assets	12-month ECL
Stage 2	Under Performing assets (Assets for which there is significant increase in credit risk)	Lifetime ECL
Stage 3	Credit impaired	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, 2023	March 31, 2022
Stage 1	14,806.16	12,950.60
Stage 2	1,232.32	1,423.88
Stage 3	1,520.72	1,624.34
Total	**17,559.20**	**15,998.82**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans:

₹ in Crore

	FY 2022-23			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**12,950.60**	**1,423.88**	**1,624.34**	**15,998.82**
New assets originated or purchased (including additions in existing assets and interest accruals)	10,097.74	132.78	8.70	**10,239.22**
Assets derecognised or repaid (excluding write offs)	(7,320.00)	(568.58)	(422.43)	**(8,311.01)**
Transfers to Stage 1	111.43	(109.67)	(1.76)	-
Transfers to Stage 2	(833.81)	968.01	(134.20)	-
Transfers to Stage 3	(199.76)	(603.85)	803.61	-
Amounts written off	(0.04)	(10.25)	(357.54)	**(367.83)**
Gross carrying amount closing balance	**14,806.16**	**1,232.32**	**1,520.72**	**17,559.20**

₹ in Crore

	FY 2021-22			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**10,149.14**	**864.46**	**807.80**	**11,821.40**
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

	FY 2022-23			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**208.27**	**357.38**	**361.65**	**927.30**
ECL remeasurements due to changes in EAD / assumptions (net)	88.29	14.51	0.14	**102.94**
Assets derecognised or repaid (excluding write offs)	(82.90)	(153.15)	(199.26)	**(435.31)**
Transfers to Stage 1	0.74	(6.77)	(0.67)	**(6.70)**
Transfers to Stage 2	(35.64)	62.02	(17.16)	**9.22**
Transfers to Stage 3	(20.93)	(132.28)	435.48	**282.27**
Amounts written off	-	-	(249.25)	**(249.25)**
ECL allowance - closing balance	**157.83**	**141.71**	**330.93**	**630.47**

₹ in Crore

	FY 2021-22			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**244.41**	**164.65**	**189.63**	**598.69**
ECL remeasurements due to changes in EAD / assumptions (net)	99.99	185.08	26.10	**311.17**
Assets derecognised or repaid (excluding write offs)	(75.97)	(6.67)	(26.06)	**(108.70)**
Transfers to Stage 1	21.89	(25.37)	0.61	**(2.87)**
Transfers to Stage 2	(72.31)	95.01	1.30	**24.00**
Transfers to Stage 3	(9.74)	(55.32)	170.07	**105.01**
ECL allowance - closing balance	**208.27**	**357.38**	**361.65**	**927.30**

Notes
to the Consolidated Financial Statements (Contd.)

The table below shows the credit quality and the exposure to credit risk of investments in debt instruments measured at amortised cost based on the year-end stage classification. The amounts presented are gross of impairment allowances.

₹ in Crore

	March 31, 2023	March 31, 2022
Stage 1	29.75	-
Stage 2	-	-
Stage 3	-	-
Total	**29.75**	**-**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to investments in debt instruments measured at amortised cost:

₹ in Crore

	FY 2022-23			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	-	-
New assets originated or purchased	29.75	-	-	**29.75**
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Gross carrying amount closing balance	**29.75**	**-**	**-**	**29.75**

₹ in Crore

	FY 2022-23			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	-	-
ECL remeasurements due to changes in EAD (net)	0.12	-	-	**0.12**
Assets derecognised or repaid (excluding write offs)	-	-	-	-
ECL allowance - closing balance	**0.12**	**-**	**-**	**0.12**

An analysis of ageing of the gross carrying amount and the changes in the ECL allowances in relation to trade receivables:

₹ in Crore

	March 31, 2023	March 31, 2022
Past due 0–180 days	1,005.68	336.54
More than 180 days	257.74	191.43
Total	**1,263.42**	**527.97**

Reconciliation of impairment allowance on Trade Receivables

₹ in Crore

Impairment allowance measured as per simplified approach	
Impairment allowance as on April 01, 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 on March 31, 2022	**28.88**
Add/ (less): asset originated / acquired or recovered	19.23
(Less): Amount written-back due to write-off	-
Impairment allowance as on March 31, 2023	**48.11**

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.

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 our 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 ₹ 558.79 Crore and ₹ 837.90 Crore as of March 31, 2023 and March 31, 2022 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, 2023	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade payables	**1,323.24**	1,323.24	-	-	-
Debt securities	**10,010.15**	3,266.19	3,517.38	811.55	2,415.03
Borrowings (other than debt securities)	**5,864.48**	2,287.75	2,317.60	1,081.55	177.58
Lease liabilities	**64.83**	17.64	26.21	19.86	1.12
Other financial liabilities	**542.45**	524.31	18.06	0.08	-
Total	**17,805.15**	**7,419.13**	**5,879.25**	**1,913.04**	**2,593.73**
Financial Assets					
Cash and cash equivalents	**524.02**	524.02	-	-	-
Bank balances other than cash and cash equivalents	**1,867.64**	1,743.69	123.45	0.50	-
Trade receivables	**1,215.31**	1,015.76	122.69	76.86	-
Loans	**16,928.73**	6,921.99	6,020.35	2,547.61	1,438.78
Investments	**3,584.49**	2,480.43	519.96	187.21	396.89
Other financial assets	**3,790.74**	2,210.55	1,273.64	283.26	23.29
Total	**27,910.93**	**14,896.44**	**8,060.09**	**3,095.44**	**1,858.96**

Notes

to the Consolidated Financial Statements (Contd.)

₹ 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	**446.56**	431.34	15.22	-	-
Total	**14,790.55**	**7,069.64**	**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**

The following are the details of Group's remaining contractual maturities of financial liabilities at the reporting date on an undiscounted basis:

₹ in Crore

March 31, 2023	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade payables	**1,323.24**	**1,323.24**	1,323.24	-	-	-
Debt securities	**10,010.15**	**10,138.23**	3,324.28	3,560.31	828.67	2,424.97
Borrowings (other than debt securities)	**5,864.48**	**5,889.05**	2,290.99	2,335.45	1,082.20	180.41
Lease liabilities	**64.83**	**77.61**	22.74	33.20	20.45	1.22
Other financial liabilities	**542.45**	**542.49**	524.31	18.07	0.11	-
Total	**17,805.15**	**17,970.62**	**7,485.56**	**5,947.03**	**1,931.43**	**2,606.60**

₹ in Crore

March 31, 2022	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade payables	**845.95**	**845.95**	845.95	-	-	-
Debt securities	**9,651.16**	**9,755.91**	4,399.07	2,713.99	441.22	2,201.63
Borrowings (other than debt securities)	**3,806.60**	**3,830.19**	1,439.44	1,426.16	721.59	243.00
Lease liabilities	**40.28**	**47.95**	18.43	19.79	7.41	2.32
Other financial liabilities	**446.56**	**446.56**	431.34	15.22	-	-
Total	**14,790.55**	**14,926.56**	**7,134.23**	**4,175.16**	**1,170.22**	**2,446.95**

iii) Market risk

The Group's activities exposes it primarily to currency risk, equity price risk and interest rates 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).

Foreign currency exposures not hedged by a derivative instrument or otherwise are given below:

	As at March 31, 2023		As at March 31, 2022	
	(₹ in Crore)	(Amount in Foreign Currency)	(₹ in Crore)	(Amount in Foreign Currency)
Trade Receivables	4.24	USD 5,16,551.63	9.19	USD 12,16,584.01
	-	-	0.03	GBP 2,560.00
Trade Payables	0.06	USD 15,244.19	0.56	USD 73,297.75

Sensitivity analysis

The Group is mainly exposed to USD and GBP. 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.

₹ in Crore

	Net unhedged exposure		% Change	Profit or Loss	
	March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022
USD	4.18	8.63	5% Increase	0.21	0.43
			5% Decrease	(0.21)	(0.43)
GBP	-	0.03	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, 2023 and March 31, 2022 were ₹ 133.81 Crore and ₹ 136.36 Crore respectively. A 5% change in price of equity instruments held as at March 31, 2023 and March 31, 2022 would result in the following:

₹ in Crore

	Profit or Loss	
	March 31, 2023	March 31, 2022
5% Increase	6.69	6.82
5% Decrease	(6.69)	(6.82)

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.

Notes

to the Consolidated Financial Statements (Contd.)

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, 2023	March 31, 2022
Loans:		
Fixed rate Instruments	9,816.41	12,791.77
Floating rate Instruments	7,436.90	2,971.42
Total	**17,253.31**	**15,763.19**
Borrowings:		
Fixed rate Instruments	9,275.92	9,007.07
Floating rate Instruments	6,172.02	4,058.54
Total	**15,447.94**	**13,065.61**

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:

₹ in Crore

	March 31, 2023		March 31, 2022	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	74.37	(74.37)	29.71	(29.71)
Floating rate borrowings	(61.72)	61.72	(40.59)	40.59

51. The Board of Directors of the Company has recommended a final dividend of ₹ 0.90 per equity share of the face value of ₹1/- each for the year ended March 31, 2023 (Previous Year: ₹ 1.15 per equity share). The said dividend will be paid, if approved by the shareholders at the Thirty Eighth Annual General Meeting.

52. The Board of Directors of the Company had approved the Scheme of Arrangement for the demerger of the undertakings of JM Financial Services Limited ("JMFSL") to the Company, comprising of Private Wealth and Portfolio Management Services including its investment in JM Financial Institutional Securities Limited, a wholly owned subsidiary of JMFSL. The said Scheme was later partly modified on August 2, 2022, to include the merger of JM Financial Capital Limited ("JMFCL"), a wholly owned subsidiary of JMFSL, into it. Consequent to the filing of the joint application with the National Company Law Tribunal (the "NCLT"), Mumbai Bench, the NCLT on December 05, 2022, pronounced the order thereby dispensing with the convening of the meetings of shareholders and creditors of the Company, JMFSL and JMFCL. Additionally, pursuant to the said Order, notices have been issued by the Company, JMFSL and JMFCL to their relevant regulatory authorities to submit their representations, if any. The Company along with JMFSL and JMFCL had also filed a joint petition with the NCLT on December 29, 2022, seeking approval for sanction of the Scheme. Further, the Petition was admitted vide order dated February 01, 2023 and final hearing was scheduled on March 24, 2023. The said order was pronounced on March 24, 2023, a copy of which is uploaded on NCLT portal on April 19, 2023. Certified True Copy of the final order was received on April 20, 2023. Appointed Date mentioned in the Scheme is April 01, 2023 and the Scheme shall come into effect upon filing of e-form INC-28 with Registrar of Companies.

53. Additional Disclosures:

Revaluation of PPE 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.

Willful Defaulter

The Companies in the Group have not been declared willful 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.

54. The Financial Statements are approved by the Board of Directors at its meeting held on May 9, 2023.

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

Place: Mumbai
Date: May 9, 2023

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman
DIN – 00009071

Vishal Kampani
Vice Chairman
DIN – 00009079

Manish Sheth
Chief Financial Officer

Atul Mehra
Joint Managing Director
DIN – 00095542

Adi Patel
Joint Managing Director
DIN – 02307863

Dimple Mehta
Company Secretary

List of Website Links:

For ease of reference by the members, the hyperlinks for various documents referred across this annual report are provided below:

Sr. No.	Particulars	Hyperlinks
1.	Annual Report of the Company for the financial year ended 2022-23	https://jmfl.com/annual-report
2.	Notice of the 38th 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.	Business Responsibility and Sustainability Report (BRSR)	https://jmfl.com/investor-relation/agm-egm.html
5.	Disclosure as required under the applicable SEBI Regulations pertaining to Employees' Stock Option Scheme	https://jmfl.com/annual-report
6.	Standalone and Consolidated financial statements for the year ended March 31, 2023	https://jmfl.com/investor-relation/financial-results.html
7.	Familiarisation Programme for Independent Directors	https://jmfl.com/investor-relations/Familiarisation_Programme_for_Independent_Directors.pdf
8.	Board Familiarisation Session organized during the financial year ended 2022-23	https://jmfl.com/investor-relations/Board_Familiarisation.pdf
9.	Policy for Dividend Distribution	https://jmfl.com/investor-relations/Policy_for_Dividend_Distribution.pdf
10.	Policy on Material Subsidiaries	https://jmfl.com/investor-relations/Policy_on_Material_Subsidiaries.pdf
11.	Policy on dealing with Related Party Transactions	https://jmfl.com/investor-relations/Policy_on_dealing_with_related_party_transactions.pdf
12.	Policy on Selection and Appointment of Directors	https://jmfl.com/investor-relations/Policy_on_Selection_and_Appointment_of_Directors.pdf
13.	Policy on Performance Evaluation and Remuneration of the Directors	https://jmfl.com/investor-relations/Policy_on_Performance_Evaluation_and_Remuneration_of_the_Directors.pdf
14.	Code of Conduct for Directors and Senior Management Personnel	https://jmfl.com/investor-relations/Code_of_Conduct_for_Directors_and_Senior_Management_Personnel.pdf
15.	Code for Prevention of Insider Trading	https://jmfl.com/investor-relations/Code_for_Prevention_of_Insider_Trading.pdf
16.	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
17.	Whistle Blower Policy	https://jmfl.com/investor-relations/Whistle_Blower_Policy.pdf
18.	Corporate Social Responsibility Policy	https://jmfl.com/investor-relations/CSR_Policy.pdf
19.	Composition of Corporate Social Responsibility Committee	https://jmfl.com/investor-relation/CSR-Committee.html
20.	Corporate Social Responsibility Projects	https://jmfl.com/giving-csr/projects
21.	MCA and SEBI Circulars issued on AGM through VC/OAVM	https://jmfl.com/investor-relation/agm-egm.html
22.	Investors' Service Requests Forms prescribed by SEBI such as ISR -1, ISR – 2, ISR – 3, ISR – 4 , ISR – 5, SH-13 and SH – 14	https://jmfl.com/investor-relation/investors_service_requests_forms.html
23.	Format of TDS exemption forms such as 10F, 15G, and 15H and Self- declaration for resident and non-residents as prescribed under the Income Tax Act, 1961	
24.	Unclaimed/ Unpaid dividends upto 2021-22	https://jmfl.com/investor-relation/unclaimed-dividend.html

Events at a Glance

Mr. Manish Sheth, MD & CEO, JM Financial Home Loans at the 75th branch opening in Erode, Tamil Nadu.

Ms. Sonia Dasgupta, MD & CEO, Investment Banking, JM Financial Limited at the listing of Fusion Microfinance Limited

Mr. Ajay Manglunia, MD and Head, Investment Grade Group participated as a panellist at the 5th National Summit and Awards - Corporate Bond Market

Mr. Vishal Kampani, Non-Executive Vice Chairman, JM Financial Limited addressed the audience at the CII Annual Summit

Mr. Atul Mehra, Joint MD, JM Financial Limited and Ms. Neha Agarwal, MD & Head, ECM, JM Financial at the Nexus Select Trust IPO listing

Employees at the Corporate Functions Group Offsite

Connect with us

JM FINANCIAL

7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India

Scan and view
www.jmfl.com