

May 24, 2022

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

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

Security Code: **523405**

Symbol: **JMFINANCIL**

Dear Sirs,

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held today, has accorded its approval to the Scheme of Arrangement, the details of which are provided in the Annexure I hereto.


The Scheme of Arrangement as above will be subject to the regulatory and other approvals, if any and to the extent required.

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

Yours truly,

For **JM Financial Limited**



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

**Brief details of Scheme of Arrangement**

a)	Name of the Entities forming part of the Scheme, details in brief such as size, turnover, etc.	<p>The Scheme provides for demerger of Demerged Undertaking of JM Financial Services Limited ('Demerged Company') into JM Financial Limited ('Resulting Company'). The Demerged Company is a wholly owned subsidiary of the Resulting Company. Hence, no shares will be issued upon scheme becoming effective.</p> <p>Brief Details of the Net Worth, total assets, and total income is as follows:</p> <p style="text-align: right;">Amount (Rs. in crore)</p> <table border="1" data-bbox="606 672 1412 974"> <thead> <tr> <th>Particulars</th> <th>Net worth</th> <th>Total Income</th> <th>Total Assets</th> </tr> <tr> <td></td> <td>As on 31 March, 2022</td> <td>As on 31 March, 2022</td> <td>As on 31 March, 2022</td> </tr> </thead> <tbody> <tr> <td>JM Financial Services Limited</td> <td>531.15</td> <td>599.81</td> <td>2,145.66</td> </tr> <tr> <td>JM Financial Limited</td> <td>3,736.51</td> <td>619.63</td> <td>4,036.63</td> </tr> </tbody> </table>	Particulars	Net worth	Total Income	Total Assets		As on 31 March, 2022	As on 31 March, 2022	As on 31 March, 2022	JM Financial Services Limited	531.15	599.81	2,145.66	JM Financial Limited	3,736.51	619.63	4,036.63
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JM Financial Services Limited	531.15	599.81	2,145.66															
JM Financial Limited	3,736.51	619.63	4,036.63															
b)	Whether the transaction would fall under Related Party Transaction? If yes, whether the same is done at arms' length?	<p>In terms of General Circular No. 30/2014 dated 17<sup>th</sup> July 2014 issued by Ministry of Corporate Affairs (the "MCA Circular"), the transactions arising out of compromises, arrangements and amalgamations under the Companies Act, 2013 (the "Act"), will not attract the requirements of Section 188 of the Act.</p> <p>Further, in terms of Regulation 23(5)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), any transaction entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, is exempted from the provisions of Regulation 23(2), (3) &amp; (4) of the Listing Regulations for obtaining the approvals from the Audit Committee/shareholders, etc. for such related party transactions.</p> <p>In view of the above, since the Demerged Company is a wholly owned subsidiary of the Resulting Company, and since the demerged undertaking is proposed to be demerged through a Scheme of Arrangement, requirement of arm's length criteria is not applicable.</p>																
c)	Areas of business of the entities	<p><b>JM Financial Services Limited</b> – The Demerged Company is engaged in providing services auxiliary to financial intermediation.</p> <p><b>JM Financial Limited</b> – The Resulting Company is a SEBI registered merchant banker and is also engaged in the business of private equity funds management and also the holding company for several of its subsidiaries.</p>																

d)	Rationale for the Scheme	<p>The <b>Demerged Undertaking or the “Private Wealth and PMS Undertaking”</b> means entire business undertaking, on a going concern basis, in relation to the Private Wealth Management and Portfolio Management Services (“PMS”) activities carried out by the Demerged Company under the relevant registrations (including investment in JM Financial Institutional Securities Ltd) along with all the related assets, investments, liabilities and obligations, of whatsoever nature and kind, of the Demerged Company belonging to, or forming part of, or relating or appertaining to, or attributable to the Demerged Undertaking of Demerged Company as on the Appointed Date. The Demerged Undertaking is defined in detail in the Scheme of Arrangement.</p> <p>It is proposed to demerge the Demerged Undertaking of the Demerged Company into the Resulting Company since it is envisaged that the following benefits would, <i>inter alia</i>, accrue to the Demerged Company and the Resulting Company.</p> <ul style="list-style-type: none"> <li>a) Segregation of the Demerged Undertaking will enable the Demerged Company to provide greater focus on the stock broking and other distribution related activities, being the core activities of the Demerged Company.</li> <li>b) The Demerger shall allow the Demerged Company to pursue independent growth strategy for its targeted client base.</li> <li>c) The activities of the Demerged Undertaking are in consonance with the existing activities of the Resulting Company and hence would allow the management of the Resulting Company to synergize with the existing business activities and target client base, in line with its overall strategy.</li> </ul>
e)	Brief details of the division to be demerged	<p>The <b>Demerged Undertaking or the “Private Wealth and PMS Undertaking”</b> means entire business undertaking, on a going concern basis, in relation to the Private Wealth Management and Portfolio Management Services (“PMS”) activities carried out by the Demerged Company under the relevant registrations (including investment in JM Financial Institutional Securities Ltd) along with all the related assets, investments, liabilities and obligations, of whatsoever nature and kind, of the Demerged Company belonging to, or forming part of, or relating or appertaining to, or attributable to the Demerged Undertaking of Demerged Company as on the Appointed Date. The Demerged Undertaking is defined in detail in the Scheme of Arrangement.</p>
f)	Turnover of the demerged division and as a percentage to the total turnover of the listed entity in the immediately preceding financial year/ based on financials of the last financial year.	<p>Turnover for the year ended March 31, 2022 of the Demerged Undertaking is INR 106.87 crore, which is ~18% of the total turnover of the Company.</p>

g)	In case of cash consideration amount or otherwise share exchange ratio	The Demerged Company is a wholly owned subsidiary of the Resulting Company. Hence, no shares will be issued upon scheme becoming effective.
h)	Brief details of change in shareholding listed entity	There will be no change in the shareholding pattern of the Resulting Company pursuant to the Scheme as no shares will be issued by the Resulting Company pursuant to the Scheme.